

# **The participation of a rural community in SA in the global economy**

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**Mini-dissertation submitted in partial fulfilment of the requirements for the degree Magister in  
Business Administration at the North-West University**

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**November 2006**

**Potchefstroom Campus**

## Abstract

The Magopa village community - better known by its own people as **Bakwena ba Magopa** - is the unit of study. The aim of the study attempted to review how globalisation has touched on post-apartheid Magopa. The population includes three levels, i.e. (i) the community leaders, (ii) community partners, and (iii) entrepreneurs from the community. Questionnaires were distributed to seven community leaders, two community partners, and eleven entrepreneurs.

The study explores whether the Magopa community will be able to get to grasp globalisation and the new economy. Accordingly, the study addresses the following sub-objectives: **Firstly**, attitudes, conflict and relations among the different groups within the community are explored. It is essential to grasp that Magopa did not start with the forceful removal of a "*black spot*" during apartheid, but uprooting families and destroying homes during that time have its effects on the community to this very day. Magopa is still extremely poor today, maintaining a low standard of living, having to resort to waste materials to build houses and business premises. **Secondly**, the study focuses briefly upon the community capital in the form of natural, physical, technological, economical, human, social and cultural capital. The sustainable development is discussed, as well as two broad concepts namely the business corporation development and its contribution to the community at large and its role in globalisation. **Thirdly**, the role of entrepreneurship to uphold the sustainable development of Magopa is explored. Magopa entrepreneurs are all sole proprietors running small businesses in the informal sector of the economy. The informal sector comprises a heterogeneous set of activities, ranging from selling vegetables, running tuck shops and sewing parlours, sometimes operating at street corners or even from a bedroom in a dilapidated home. A significant minority of the Magopa entrepreneurs does not have basic literacy skills and the need is high for skills pertaining to start-up or expansion of businesses. **Fourthly**, the study seeks to identify the main current community, individual and corporate business development activities and support within the community as well as the contribution of the different stakeholders. Magopa realises that ever-increasing competition is part and parcel of its future and sustainable development. They express the need for government to once again become involved with training and funding. Women are encouraged to become self-employed and it is socially acceptable to have the same skills and knowledge as the men of the village.

Magopa is not directly involved in globalisation, but controversially influenced as follows:

- There is German participation through a solidarity group since 1983, headed by a theology lecturer, Ulrich Duchrow and his views on globalisation which are from a neo-liberal capitalist perspective. The relationship is important and influential and cannot be ignored.
- Etruscan Resources Inc., through Etruscan Diamonds Pty Ltd, a Canadian based company which employs more than 80 individuals from the Magopa community, continuously invest company money in skills training (specifically junior managers), and sponsored various Magopa community as well as entrepreneurial projects. Presently, one could state that Etruscan enjoys the positive effects of globalisation more than the Magopa community although there are promises of more social investment in Magopa in the future.

The new economy is non-existing in Magopa, because: the new economy describes contemporary developments in business and the economy. To conclude, the recommendation is that to be globally competitive in a globalising world African nations must recognise the contributions of natural capital to their economy and make offsetting re-investments. They need to train their local labour force. Ensure that local companies are, to a larger extent, owned by the local people and managed by competent hands; ensure that profits are re-invested at home rather than expatriated; innovations in technology should be vigorously developed rather than imported. In addition, all of these need to remain fair and just to the individual as well as the community.

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## Acronyms

<b>ABET</b>	Adult Based Education and Training
<b>ANON</b>	Anonymous
<b>BEE</b>	Black Economic Empowerment
<b>DEAT</b>	Department of Environmental Affairs and Tourism
<b>CDE</b>	Centre for Development and Enterprise
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>CEO</b>	Chief Executive Officer
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GDP</b>	Gross Domestic Product
<b>GEM</b>	Global Entrepreneurship Monitor
<b>Govt</b>	Government
<b>HRM</b>	Human Resource Management
<b>ICT</b>	Information and Communication Technologies
<b>Inc.</b>	Incorporated
<b>IP</b>	Internet Protocol
<b>IPO</b>	Initial Public Offering
<b>IUCN</b>	World Conservation Union
<b>Ltd</b>	Limited
<b>NASDAQ</b>	National Association of Securities Dealers Automated Quotations
<b>NGO</b>	Non-Governmental Organisation
<b>PAPA</b>	Pan African Productivity Association
<b>Pty</b>	Proprietary
<b>SA</b>	South Africa
<b>SCP</b>	Sustainable Communities Programme
<b>SMME</b>	Small, Medium and Micro-Enterprise
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TEA</b>	Total Entrepreneurial Activity
<b>UNDP</b>	United Nations Development Programme
<b>USA</b>	United States of America or US for simply United States or US
<b>US EPA</b>	United States Environmental Protection Agency
<b>VoIP</b>	Voice over Internet Protocol
<b>WTO</b>	World Trade Organisation

**<sup>1</sup>Statistical data for this paper has been collected using the following online sources:**

IMF website: [www.imf.org/external/country/ZAF/index.htm](http://www.imf.org/external/country/ZAF/index.htm)

International Trade Statistics WTO website: [www.wto.org/english/res\\_e/statis\\_e/statis\\_e.htm](http://www.wto.org/english/res_e/statis_e/statis_e.htm)

Laborsta Internet on the International Labour Organisation (ILO) website: <http://laborsta.ilo.org/>

South African Government Portal: [www.gov.za](http://www.gov.za)

Statistics South Africa: [www.statssa.gov.za](http://www.statssa.gov.za)

US Agency for International Development: Bureau for Global Health:

[www.usaid.gov/our\\_work/global\\_health/aids/Countries/africa/safricabrief.pdf](http://www.usaid.gov/our_work/global_health/aids/Countries/africa/safricabrief.pdf)

World Bank Country Data: South Africa at a Glance:

[http://www.worldbank.org/data/countrydata/aag/zaf\\_aag.pdf](http://www.worldbank.org/data/countrydata/aag/zaf_aag.pdf)

## Chapter 1: Introduction to the study

### 1.1 Introduction

The study will investigate a community's participation in the global economy. In this study it is necessary to understand the degree to which a community adopts the global economy (or not) and the nature of this adopting (or not), as well as the terms of accepting the global economy. In addition, this study attempts to review the relevance of globalisation for the Magopa. The unit of analysis is the Magopa village (from now on referred to as Magopa), through the participation of community leaders, entrepreneurs and community partners. Magopa is one of a cluster of seven communities in the southern part of the North West province of South Africa (SA) as seen in Figure 1 and 2.

**Figure 1: Map of North West Province SA**



**Figure 2: The Southern Part of the North West Province**



Through South Africa's land reform programme, communities and households regain access to land that had been forcibly taken by the apartheid government. Obtaining back the land is crucial for rural communities who depend on land to farm.

The story of Magopa relates to how displaced families and a community returned to their ancestral farms, which they lost but legally owned since 1912. In 1984, the previous SA government forcibly removed the Magopa community. They moved back in 1995 after a long struggle and many court cases.

This had a major impact on Magopa.

Today the community has a school, administration offices, a community hall, water reservoir and are also involved in small scale mining. Agriculture is the main activity in the region. The size of the farming area is 1305 hectares and apart from crops, there is widespread farming with livestock and poultry. The village faces the typical challenges of land reform. There is high unemployment, lack of a vibrant business sector and a small portion of the population benefits from the agricultural activities. It is anticipated that the Magopa community is struggling to get to participate in globalisation, let alone the new economy. **Globalisation** is an umbrella term for a complex series of economic, social, technological, and political changes seen as increasing interdependence and interaction between people and companies in disparate and sometimes unequal locations. The **new economy** is a term that was coined in the late 1990s to describe the evolution of the United States (US or USA) and other developed countries from an industrial / manufacturing-based economy into a knowledge based economy, arising partly from new developments in technology and partly from globalisation (Wikipedia, 2006:1).

Globalisation is inevitable for all nations and it is anticipated that Magopa will be able to participate if introduced to it, but only through certain intervention plans. The Magopa community management committee states that the objectives are to start more agricultural projects, build more houses for people and to upgrade the electricity network and sports complex. Job creation is also one of the main priorities.

## 1.2 Theoretical framework

The theories to be explored includes the key concepts: (i) community and the human (relationship), cultural, and social, (ii) entrepreneurship (including possible community capital), and (iii) sustainable development. The study also discusses two broad concepts, namely (iv) the business or corporation developments and their contributions within the community and (v) globalisation and the new economy. Needless to say it is inevitable that politicians, large businesses and centres of education, realised that everyone needs to take responsibility.

### 1.2.1 Community

African people in SA have evolved a value system of "*ubuntu*", with its basic belief of "*motho ke motho ka batho ba bang*" (a person is a person through other people). The president of SA, Thabo Mbeki, explained it as a way of being, a code of ethics, deeply embedded in African culture. The underlying values of this philosophy seek to honour the dignity of each person and

are concerned with the development and maintenance of mutually affirming and enhancing relationships. *Ubuntu* acknowledges, among other things, that: “*Your pain is My pain, My wealth is Your wealth, Your salvation is My salvation*” (Gadebe, 2005:1). The principle of *Ubuntu* links with the definition of Etzioni (2000:1) that a community is a combination of two elements:

- A web of affect-laden relationships among a group of individuals, relationships that often crisscross and reinforce one another (rather than merely one-on-one or chainlike individual relationships); and
- A measure of commitment to a set of shared values, norms, and meanings, and shared history and identity – in short to a particular culture.

The community in this instance is the Magopa, who needs to survive as a rural community. Moreover, this entails some sort of sustainable development.

### **1.2.2 Sustainable development in a community**

In SA, the Sustainable Communities Programme [SCP] is a partnership between the Department of Environmental Affairs and Tourism [DEAT] and the United States Environmental Protection Agency [US EPA]. They state that a sustainable community is one that is working towards a sustainable future with a healthy environment, a better economy, and an improved quality of life. A sustainable community strives to: (1) comply with environmental regulations, (2) practice pollution prevention, (3) actively involve its citizens and incorporate local values into decision making, (4) support locally-based business initiatives, (5) provide green open spaces, and (6) encourage the public and businesses to work together with government to achieve common goals. An economically sustainable community needs a strategy. Such a strategy could entail making use of certain unique characteristics, and this uniqueness could be created through community capital (Anon. 2005:1).

### **1.2.3 Community capital**

The natural, physical/technological, economical, human, social, and cultural capitals of any community could lead to wealth creation. An example of a community that utilised its natural capital are the Podi-Boswa Pty Ltd close to Saulspoort (near Sun City, SA) which has developed because of the closure of local platinum mines.

Marobe (2003), in the television production *50/50*, documents Grace Masuku, as the 70-year old retired school principal, who continues to share knowledge with those around her by organising women and the youth around her and showing them how to use the environment in a sustainable way. Her efforts to alleviate poverty by means of her own brand of wisdom involved and encouraged social and human capital projects. By tapping into people's know-how and many years of experience, it has become a showcase of how people can sustain themselves in rural areas:

- She helped various individuals, some women and youth groups, to set up stock farming, traditional catering, food gardening and to grow herbal teas and produce leatherwork projects.
- One of eleven youngsters that Grace took under her wing in 2002 was sent to the CSIR in Pretoria and trained to work with leather, especially goat skin. The village youth now has a new name for them - "*Podi Boswa*". Grace Masuku is leading the Podi-Boswa - which means "*goat, our inheritance*" - and makes up to R2 000 per goat from the animal's meat, milk and skin. With the support of the World Conservation Union (IUCN), the Agricultural Research Council and the Department of Trade and Industry's Community Public-Private Partnership Programme, Podi-Boswa combines the power of indigenous knowledge and the value of a natural resource to give a sustainable livelihood to over 1 000 people (Anon., 2006:1). They already produced 1,500 key holders, 300 coasters and 300 small drums that were sold at the Johannesburg World Summit. Their abilities earned them an advanced training course to hone their leatherwork skills further.
- Pilanesberg Game Park protects most of the plants and herbs that Grace uses to teach her students - especially about cures and remedies of various diseases and conditions. She also teaches the traditional methods of sustainable harvesting and the value of certain plants. The herbal chemist, Sebola, and Grace have been harvesting herbs for medicinal use for almost every disease for over twenty years. Using their own methods, they have managed to sustain their resources throughout all the years of harvesting.
- Another youth group also have an environment project called "*Sireletsa-Somarela*", which means "*to protect*". With Grace's encouragement, they are exploring the potential to exploit some of the fountains in the area - believed to be akin to the famous Warmbaths Hot Springs.

It is this wealth of herbs, traditional systems and history of the area that form the heritage of the Batswana people, and to preserve and utilise all these, Grace, together with other prominent Bakgatla personalities, including Chief Pilane, established various entrepreneurial activities.

Grace Masuku's philosophy links with how people can create sustainable businesses through community capital. All of the Grace Masuku projects serve as examples of utilising a community's capital to create jobs and serve as examples of entrepreneurship.

#### **1.2.4 Entrepreneurship**

Nieman (2006:1) explains that the SA government has a priority in creating jobs to solve the high unemployment rate, and has identified the development of small, medium, and micro-enterprise (SMME). Schüssler (2006:16) writes that the South African economy just cannot seem to create jobs and that the unemployment figure still stands at a very high 25, 7 percent. Comprehensive strategies are necessary to promote the economic expectations of all South Africans. Wealth creation is widely seen as the answer to the economic and social challenges facing SA, also the creation of new businesses. The new economic trends could pose enormous opportunities for entrepreneurs in the new millennium and all the functions outsourced by big companies are up for grabs by willing entrepreneurs. The needs present tremendous business opportunities for those willing and brave enough to exploit them. Worldwide, the tide is changing in favour of small businesses. SMMEs are seen as vibrant, successful and increasingly important and an irreplaceable source of wealth creation in any country. PAPA (2000:1) argues that tourism, agriculture, and manufacturing were identified as sectors with high growth potential. Nevertheless, the main aim of a new enterprise should be to become sustainable. Timmons and Spinelli (2004:53-70) write that a new business that is undercapitalised, undermanaged and poorly located, will soon fail. Thinking big enough can improve sustainability because higher potential ventures are sought by successful entrepreneurs, venture capitalists and private investors. This will lead a small company in a certain community to expand and grow so that it can eventually also participate in globalisation.

#### **1.2.5 Globalisation and the community**

The study seeks to indicate the positive and negative perspectives on globalisation. On the one hand, the United Nations Development Programme (UNDP) Report (1999:1) stipulates that globalisation is not new, but that the present era of globalisation, driven by competitive global markets, is outpacing the governance of markets and the repercussions on people. Characterized by "*shrinking space, shrinking time and disappearing borders*", globalisation has swung open the doors to opportunities. In 2005, the UNDP Report (2005:113) spelt out that the rapid

expansion of world trade over the past two decades has been a total blessing, notably for the world's poor.

On the other hand, markets can go too far and squeeze the non-market activities that are vital for human development. Fiscal pressures sometimes are constraining the provision of social services. Globalisation is also increasing human insecurity as the spread of global crime, disease and financial unpredictability outpaces actions to find solutions. Reality is sometimes ordinary and therefore one should be careful with a mere participation in globalisation. Duchrow and Hinkelammert (2004:202) explain about a globalisation of solidarity, in which human dignity "*is upheld and actions are governed by our awareness of people's mutual interdependence.*" Greater trade offers enormous opportunities for human development and under the right conditions; it has potential for reducing poverty, narrowing inequality, and overcoming economic injustice. For many of the world's poorest countries, and for millions of poor people, these conditions have not been created. They have not benefited from globalisation. This is also the important perspective and influence on the Magopa community through the relationship with Duchrow and the Germans and therefore it cannot be eliminated from the study.

In SA the first priority is to reduce poverty through job creation. The method of job creation is anticipated to come through entrepreneurship (see 1.2.4). In rural communities, such as Magopa, there is a struggle with poverty and unemployment, and whether globalisation will help is a question that looms largely.

Globalisation also brought about a "*new economy*", that is believed to furthermore limit or reduce unemployment.

### **1.2.6 New economy**

Moodley *et al.* (2001:1) argues that the "*new economy*" is closely tied to the economic transformations which are powered by the development and distribution of information and communication technologies (ICTs), the rise of knowledge-based productivity and competitiveness, and the increasing dominance of global value chains incorporating global networks of capital, production and trade. The real excitement in the "*new economy*" is that economic growth feeds on ideas and concepts. These new ideas and concepts as well as the competence to put them into practice, will be the two main contributing factors to curb

unemployment and to generate economic growth. Wealth creation needs small and medium business, business needs entrepreneurs, and entrepreneurs need support and training in SA.

### 1.3 Problem statement and objectives

The problem statement is presented in the format of research questions. Thus, the main objective this study sought to answer is whether the Magopa community will be able to get to grasp globalisation and the new economy.

⇒ Accordingly, the study seeks to address the following five sub-objectives:

- Firstly, it focuses on the community in order to identify attitudes, conflicts, and relations among different groups within the community.
- Secondly, it briefly focuses upon and identifies the community capital more specifically by asking the informant to identify the main natural, physical/technological, economical, human, social, and cultural capitals of the community.
- Thirdly, it attempts to establish the understanding of the community of entrepreneurship for sustainable development, and the priorities and implications following from an entrepreneurial development perspective.
- Fourthly, it seeks to identify the main current community, individual and corporate business development activities and support within the community and the contribution of the different stakeholders.

Based on the research questions, purpose and the objectives set out in the preceding paragraphs, it is anticipated that the findings will lead to the identification of the competencies needed by Magopa to participate in the new global economy and this will be presented in the recommendations.

### 1.4. Rationale

Within the overall community development research literature, the proportion of studies on the globalisation and new economy in SA is non-existing, specifically from a rural communities perspective.

## **1.5 Methodology**

The methodology engaged comprised of a case study. The Magopa community was identified as the potential customary. Thereafter, administration of questionnaires and interviews followed.

The study forms part of nine international case studies that are studying a community. Other countries involved are Scotland, New Zealand, Australia, Democratic Republic of the Congo, Ireland, Norway, Mexico, and Post Socialist Eastern Europe. Interviews, interview guides, and questionnaires were drawn up by the University of Virginia and adopted for the SA situation. Interview guides compiled were utilised for community leaders, community partners, private enterprises or corporations, managers/owners of businesses and other stakeholders. The questions in this procedure were limited to (i) the identification of the organisation and (ii) the description of the interplay between stakeholders and community members in its creation and growth. Organisation/enterprise cases illustrated the complexity of development modes and reveal the areas where interests conflict, certain compromises occurred, trade-offs are evident and where mutually beneficial agreements have been set between stakeholders that were identified.

The research process suggested was that of critical inquiry. This critical inquiry was both a cognitive and intuitive activity. This research assumed that personal experiences reflect meaning. To be able to research enterprise, people and place evident in a small rural SA community, the methodological approach combined the observable characteristics (questionnaire statistics) of the situation that were accessible to the external eye with the more emotional and social dimensions as evident in the responses of participants in a community.

## **1.6 Study population and scope**

The population included three levels, namely that of (i) community leaders, (ii) community partners, and (iii) entrepreneurs from the community. Questionnaires were distributed to seven community leaders, two community partners, and eleven entrepreneurs. One individual was interviewed because of being a community leader as well as being an employee of a community partner. According to Poe (2006), there are currently about 4000 people living in the community and the community leaders are those eight individuals serving as the Magopa Management Committee.

The community partners are identified as a company from a specific industry type and those employing one to over a 100 employees from the Magopa community. In addition, a community partner is also an individual or organisation involved in Magopa, such as the German solidarity group. The German group were included because of their relationship and influence on Magopa as they also shape and contribute towards general attitudes towards globalisation, the arguments, and justification thereof.

Specific information was gathered from the entrepreneurs in general (as private / enterprises / and organisations in the community).

### **1.7 Data collection techniques**

Interviews were analysed to obtain rich customer views and conceptions. These analyses then provide authentic grounds for the understanding of Enterprise, People and Place: Community Development of the Magopa in Globalisation and the New Economy.

The use of the following data collection techniques was utilised:

- A literature survey on community, community capital, entrepreneurship, sustainability, globalisation and the new economy;
- This investigation into the literature available on the subject forms the background of the study;
- An investigation into the documented models of globalisation and communities participating therein and the application of these models by the Magopa community (or not); and
- The interviews conducted, captured and questionnaires were analysed.

## 1.8 Chapter layout

Table 1.1 presents the layout of the chapters.

**Table 1.1: Layout of the study**

<b>CHAPTERS</b>	<b>DESCRIPTION</b>
<b>Chapter 1</b> <b>Introduction to the study</b>	Introduction to the study including the following: <ul style="list-style-type: none"> <li>• Theoretical Framework</li> <li>• Problem Statement and Objectives</li> <li>• Rationale</li> <li>• Methodology</li> <li>• Selection of Cases/Scope</li> <li>• Data Collection Techniques</li> <li>• Study layout</li> <li>• Conclusion (outline of the rest of the dissertation)</li> </ul>
<b>Chapter 2</b> <b>Requirements for sustainable development</b>	Introduction where key concepts will be defined and the discussion of the literature, namely <ul style="list-style-type: none"> <li>• Magopa village as a community after land reform</li> <li>• Unemployment, job creation, and entrepreneurship</li> <li>• Sustainable development</li> <li>• Globalisation and the local community, specifically</li> <li>• Community and business development</li> <li>• Globalisation and the new economy</li> </ul>
<b>Chapter 3</b> <b>The participation of the Magopa village in the new global economy</b>	The participation of the Magopa village in the new global economy The presentation of findings on: <ul style="list-style-type: none"> <li>• Community leaders, entrepreneurs and community partners</li> </ul>
<b>Chapter 4</b> <b>Conclusion and recommendations</b>	All those issues that emerged repeatedly from the study will form part of the conclusion: <ul style="list-style-type: none"> <li>• Community</li> <li>• Community capital</li> <li>• Entrepreneurship for sustainable development</li> <li>• Community partners</li> <li>• Globalisation and the new economy</li> </ul> The recommendations will include those issues required to eventually participate in globalisation
<b>List of references</b>	
<b>ANNEXURES</b>	Interview guide on community leaders, private enterprises / organisations in the community and community partners

## 1.9 Conclusion

The rest of the chapters will elaborate on the requirements for sustainable development within a community by referring to the Magopa as a community, their entrepreneurship abilities, sustainable development, globalisation and the Magopa Community, the business development, and the new global economy. The presentation of the results through sample profiles, tables,

graphs, discussion of the results, and concluding interpretations will be presented as well as a summary of the salient points, and deviations within the study.

## CHAPTER 2: Requirements for sustainable development

### 2.1 Introduction

The key concepts defined and the literature discussed in this chapter includes four parts: (i) community and the human, cultural, emotional and social (relationship), (ii) entrepreneurship (including community capital), (iii) sustainable development, and (iv) globalisation.

### 2.2 Magopa village as a community after land reform

Bernstein (2005:197) writes that after colonisation in most rural communities, the absence of chieftainship, initiation, dilution of authority of elders, no respect for ancestors, no access to land, no access to cattle, undisciplined youth, and the relative independence of women were evident. In most rural areas, a struggle took place from the late 1800s onward to sustain rural focused cultures. Western colonial domination, Christian evangelism, and commerce furthermore suppressed African cultural identity causing inferiority and the loss of confidence. Bernstein continues to describe the continued emerging effects concerning culture and globalisation as:

- A new African youth culture as it originated through Hollywood, TV, and music.
- The emergence and spread of international and criminal culture, such as drug dealers.
- The emergence of a consumer culture whereby everyone seems to want certain global products and brands.
- SA became known as a country with a negotiations culture, the rainbow nation, high HIV/AIDS statistics, and as crime infested.

The political changes after 1990 made way for a recognition of African systems of values and norms. One of these is the concept of Ubuntu, now generally seen as a backbone of the new SA and a unifying philosophy in a society that was divided and characterised by apartheid. Ubuntu (Nguni) means "*Humanity*," "*Humannes*" (also see 1.2.1). This links with the concept of solidarity, which means the harmony of interests and responsibilities among individuals in a group - especially as manifested in unanimous support and collective action for something. Duchrow and Hinkelammert (2004:1) write that there is strength in people when they act in solidarity. Ubuntu also refers to: (i) the equality and dignity of all people; (ii) an emphasis on humanness and goodwill or unity of humankind; (iii) the purity of life; and (iv) the "*most*

*desirable state of human life*". Ubuntu and solidarity underpin the cultural and spiritual orientation of the new nation. It is this unifying global aspect of the transformation process in the new SA that has surprised those who predicted anarchy, and which has turned the country from a nation cast out of the global village into one contributing to the process of globalisation in terms of humanness and spirituality (Bernstein, 2005:244). Linking with this concept is the concern of land reform whereby families and total communities were forcefully removed from their land.

Bernstein (2005:1) writes that the SA government's land reform policy has three components:

- Restitution which is explained as returning land, or providing compensation, to those who were dispossessed under apartheid;
- Redistribution which entails increasing the black ownership of rural land; and
- Tenure reform or improving the security of tenure of dwellers on rural and peri-urban land.

Some government planners are trying to modernise the country and its economy. These planners know that agriculture can only make a limited contribution to development in a rapidly urbanising SA. They have dramatically forced commercial agriculture, a traditionally protected sector, to adapt to globalisation and the new economy, and are trying to create a class of successful commercial black farmers, not necessarily a large number of people (Bernstein, 2005:11).

Bernstein (2005:12) continues and explains that most of these small land reform communities need more than just farming activities because they are actually too many to live off farm activities only. Thus, they will have to substitute their income from other entrepreneurial activities. If we compare the previous farmer and his family and the new owners of many families, the farm may not generate enough to support all families. Du Toit (2006:1) states that many of the land reform communities are struggling to become successful because they consist of 26 or more families and certain farming activities will not contribute enough profits to share amongst so many people.

Thus, the question is whether government could, through land reform, create sustainable communities or whether the communities should seek extra help.

## 2.3 Unemployment, job creation, and entrepreneurship

Boyle (2006:8) explains through a narrow definition, 26.5% of the fifteen to 65-year-old population are actively looking for a job in SA. An expanded definition states that 41% of the potential workforce would take a job if offered. These low income and unemployment problems in SA are made worse because of the low rates of subsistence agriculture and informal sector economic activity. Boyle (2006:8) states that the estimated rural unemployment is at 48% against urban unemployment at 37% in 2002.

Von Broembsen *et al.* (2005:7-9) in the Global Entrepreneurship Monitor (GEM) 2005, shows that SA has the lowest total entrepreneurial activity rate (TEA) of all the developing countries that participated in the GEM. SA's low TEA rate is characterised not only by the low rate of necessity entrepreneurship (2.05%), but also by the low opportunity entrepreneurship activity rate (2.95%). This is the lowest of all the developing countries. The established firm rate (i.e. the percentage of adults who are owner-managers of businesses that have paid wages for more than 3.5 years) is 1.3%. This figure is the lowest of all the developing countries, and one of the four lowest of the GEM countries sampled in 2005. With the exception of Mexico, SA's start-up businesses are least likely of all the eight developing countries sampled to mature to the new firm stage. This indicates a lower success rate of new business in SA by comparison with most other developing countries. Von Broembsen *et al.* (2005: 8) continues to describe the true job creators in SA as those firms that employ 20 or more people as follows:

- A tiny fraction (less than 3%) of necessity businesses creates six or more jobs.
- Likewise, only a tiny minority of firms (3.9%) in the start-up phase employ any staff.

One should note that the informal sector needs emphasis because the study indicates that the Magopa entrepreneurs are presently mainly from the informal sector. All of them employ only one person, namely the owner. At the same time, one needs to note that that, in effect, is job creation.

While women are as likely as men to start a business in South Africa, men are the primary job creators. Von Broembsen *et al.*, (2005:56) suggests that the job creation potential of men is on average 2.3 times that of women. Indians and whites are more likely to be the owner managers of new and established firms. For blacks, coloureds and whites, the employment potential rises dramatically with educational achievement. In all three race groups, the employment potential is greatest among those with tertiary education.

Economic trends create enormous opportunities for entrepreneurs in the new millennium. All the functions outsourced by big companies are up for grabs by willing entrepreneurs. These present tremendous business opportunities for those willing and brave enough to exploit them. Worldwide the tide is changing in favour of small businesses. SMMEs are seen as vibrant, successful and an irreplaceable source of wealth creation in any country.

The Pan African Productivity Association (PAPA) (2000:1) argues that tourism, agriculture, and manufacturing were identified as sectors with high growth potential in SA. Norwood-Young (2004:1) states that eight trends of opportunity have been identified for the SMME market in SA. These opportunities are: services; transport; change of ownership; technology; virtual lifestyle; home-centred care; development; communication and entertainment. Buys (2006:6) identifies opportunities that will be spawned within the next five years as to be forthcoming from the following five driving forces. (1) Changes in who buys the products and how it is used. (2) Changing societal concerns, attitudes, and lifestyles. (3) Changes in long-term industry growth rate. (4) The growing use of the Internet, emerging Internet technologies, and product innovation. (5) Entry or exit of major firms. Possibilities were discussed such as SA's new black middle class, skills training / education, the 2010 Soccer World Cup, enabling technologies, electricity and oil / petrol. SA needs to turn these opportunities into entrepreneurial possibilities as well as ensure their sustainability.

## **2.4 Sustainable development**

Klopper (2005:1) writes that not only SA, but also the world at large is experiencing dramatic social, political, economic and entrepreneurial changes and challenges. Any intrapreneur<sup>3</sup> or entrepreneur needs all the help to survive in a highly competitive global market environment. Starting a business is even more challenging and riskier and very costly should the venture fail. Today, those scarce individuals who take that bold step to become entrepreneurs of small and medium businesses are seen as explorers of the frontiers of business. They represent the seed of SA's future economic survival. They serve as proof of creating jobs and sustainability.

Ikeme (2000:1) explains that sustainable development within communities depends on the stock of capital, namely man-made, natural, social and human. These capital assets should not decline, and ideally be increasing to ensure sustainability. This issue was already discussed in 1.2.3 as community capital which can assist a community to gain sustainability.

**Man-made** or reproducible capital refers to the conventional financial and physical assets. They can only be created with inputs from another type of capital, usually natural capital. They include cash, roads, buildings, and machinery. Africa's man-made capital can be split into indigenous and imported. Indigenous man-made capital includes those which are indigenously created in Africa and for which expertise for re-creation is readily available. Imported man-made capital is mainly western technologies, such as different forms of industrial machinery, vehicles, and computers (Ikeme, 2000:1).

**Natural capital** refers to all renewable and non-renewable natural resources, as well as the flow of ecological services derived from nature. They include minerals in the ground, forests, the stocks of groundwater and surface water, the quality of the air, the assimilative capacity of the atmosphere, the ozone layer and its capacity to regulate ultraviolet radiation, the various biogeochemical cycles that regulate hydrological and nutrient flows. African economies depend largely on natural capital. In fact, no other region in the world depends on natural commodity exports as much as sub-Saharan Africa (Ikeme, 2000:1).

**Social and human capital** concepts as described by Becker (1996) are "*that which incorporates the influence of past actions by peers and others in an individual's network and control system*". It is also about relationships between individuals, organisations, and between individuals and organisations, kinship, as well as charitable behaviour. Social capital can be deemed the 'glue' that holds society together without which societies are themselves unsustainable (Pearce, 1996:1). The World Bank (1997:1) explains that better performing societies have less conflict between social groups, more participatory decision-making procedures, and greater trust between economic agents. Africa is rich in this form of capital. African societies were founded on communalism as was indicated through the Ubuntu concept where mutual and human relationship bonds reigned. Resources were held in common and interdependence was recognised (Ikeme, 2000:1).

Similarly, if a community could become sustainable, they will be creating business that in turn will be able to participate in globalisation as well as the new economy.

## **2.5 Globalisation and the local community**

This section defines the key concepts and discusses the literature in two broad categories, namely (i) the business or corporation developments and their contributions within the community and (ii) globalisation and the new economy.

### **2.5.1 Community and business development**

Again, the study refers to both the positive and negative impacts of globalisation on communities. On the one hand, the SA government has been involved in promoting globalisation via attempts to lower trade barriers faced by developing countries. Wolf (2005:1) explains how China and India reveal benefits that emerge when countries move to take advantage of world markets. Both these countries began to grow far more quickly and effectively than they had before they opened themselves up to trade opportunities and international capital flows. At the beginning of the 1980s, they were amongst the poorest in the world. Since then they have significantly raised their per-capita incomes. Between 1980 and 2000, India's real Gross Domestic Product (GDP) per head more than doubled, while China experienced rise in incomes per head over 400 percent during the same period. Due to these developments, some 200 million people have moved out of the extreme poverty category. Developments in these countries have also had positive impacts on the relative inequality between countries. In 1980 Chinese income were only three percent of America's income and in 2000 it was twelve percent. If China continues to grow at its present rate, the income will soon start to catch up to that of America.

On the other hand, many local academics and members of social movements have complained bitterly against it as an evil imposed by more developed, western countries. These critics regard globalisation contrary to the best interests of the developing world. Internationally, the anti-globalisation movement also remains strong. Given the historical relationship between Africa and the West it is ironic that the latter is today preaching the virtues of freedom to Africans. Former colonisers and ex-slave-owners have made a virtue of championing political and economic liberalisation. Yesterday's oppressors appear to be today's liberators, fighting for democracy, human rights and free market economies throughout the world. The integration of the African economy into the capitalist economy is part of the globalising tendencies of capitalism. Thus, colonialism provided a legal framework for the dependence of the African economy on the economy of western countries. Moreover, the African economy became producers of raw materials for industries in advanced capitalist societies (Obadina, 1998:32). A

central theme is the unjust nature of market-based competition, especially when weak countries are forced into competition with stronger more successful ones (Anon., 2005:1). This notion links with the concept of neo-liberal capitalism of Duchrow (2006:1). He sees this as the reason why the phenomenon of the exclusion and the death of many people in the scope of the global market have not yet been fully grasped. Traditionally, the capitalist market has above all been criticized for the exploitation of the working population. In addition, social discrimination has been criticised since the age of neo-liberalism. Neo-liberalism is seen by Duchrow and Hinkelammert (2004:95) as a model of capital ownership based on wealth accumulation without any social or environmental responsibility or any obligation to uphold the foundations of life.

### 2.5.2 Globalisation and the new economy

Wikipedia (2006:1) explains that globalisation has been noted since the 1980s in the context of sociological study on a worldwide scale. The term "*globalisation*" is used to refer to these collective changes as a process, or else as the cause of turbulent change.

The distinct uses again include positive and negative effects:

- Economically and socially **positive**: As an engine of commerce, which brings an increased standard of living and prosperity to developing countries and further wealth to First World and Third World countries. This view promotes the fact that economic prosperity creates social prosperity.
- Economically, socially, and ecologically **negative** that is an engine of "*corporate imperialism*", which tread on the human rights of developing societies because it describes the rule or influence of a country over other countries. It claims to bring prosperity, yet often simply amounts to plundering and profiteering. Negative effects include cultural assimilation via cultural imperialism, the export of artificial wants, and the destruction or inhibition of authentic local and global community, ecology, and cultures.

According to Wikipedia (2006:1), some analysts claimed that the **New Economy** coincided as change in the economic structure of the USA had created a state of permanent steady growth, low unemployment, and immunity to boom-and-bust macroeconomic cycles.

Furthermore, they believed that the change rendered obsolete many business practices. While many of the more exuberant predictions proved to be wrong, experts continue to use the term *New Economy* to describe contemporary developments in business and the economy. In the financial markets, the term has been associated with the Dot-com boom. This included the

emergence of the NASDAQ<sup>5</sup> as a rival to the New York Stock Exchange, a high rate of Initial Public Offering (IPOs), the rise of Dot-com stocks over established firms, and the prevalent use of such tools as stock options. In the wider economy, the term has been associated with practices such as outsourcing, business process outsourcing, and business process re-engineering.

In SA the new economy links with:

**Firstly**, a noted constraint faced by many exporters of manufactured goods from Africa is the technological obsolescence of the African goods, rendering these goods non-competitive. One of the strong arguments for trade liberalisation in African countries is that greater openness will allow African entrepreneurs to more rapidly assimilate new technologies. World Trade Organisation (WTO) is amending its tariff structure in accordance with WTO rules and the Uruguay Round of GATT, which may introduce new trade opportunities for foreign manufacturers.

These are wonderful opportunities.

**Secondly**, voice communication over the Internet will definitely be the largest growing technology application in the South African business sector since 2005. According to a survey an estimated 80% of South African corporations will be using this technology by the end of 2005 (Coetzee, 2005:1). The main requirement for Voice over Internet Protocol (VoIP), Internet television, Internet conferencing, telephone Internet Protocol (IP), and video streaming is a service provider. As Internet traffic continues to grow at exponential rates worldwide, Internet services providers everywhere are faced with the challenge of keeping up with demand for network bandwidth. Security will be one of the three biggest drivers for businesses and individuals to spend on Information Technology (IT). Technology here is seen as a business enabler and is suggested to be forthcoming from the franchise sector and for those entrepreneurs seeing the possibilities of opportunities in IT supplies, upgrades, installations, advice, training and maintenance.

Again, the question that emerges from this is in what way the new economy will be applicable to rural communities in SA.

## 2.6 Conclusion

The real excitement in the *New Economy* is that economic growth feeds on ideas and concepts. These new ideas and concepts as well as the competence to put them into practice, will be the two main contributing factors to curb unemployment and to generate economic growth. Wealth creation needs small and medium businesses, business need entrepreneurs, and entrepreneurs need support and training (Watkins, 2005:3).

Timmons and Spinelli (2004:84) are of the opinion that finding a good idea is the first step in the process of converting an entrepreneur's creativity into a possible opportunity. They are referred to as possible ideas because the entrepreneur will have to craft, shape, mould, and reinvent them in real time and market space until it is sustainable. Similarly, Von Broembsen *et al.* (2005: 49) explain that the development of SMMEs was identified by the government as a priority in creating jobs to solve the high unemployment rate in SA.

Controversially, and because globalisation includes both a positive and negative context, the suggestion is that globalisation and the drive towards financial gains should coincide with accepting the indigenous skills and knowledge of tribes, ancient crafts, culture, and language.

Similar to what Ikeme (2000:1) explains certain capitals as important for a community's sustainable development, such as:

- Man-made or reproducible capital,
- Natural capital, and
- Social and human capital.

## CHAPTER 3: The participation of the Magopa village in the new global economy

### 3.1 Introduction

This chapter presents the results regarding the positioning of a community towards globalisation by indicating the importance thereof, their attitude as well as the role players within Magopa.

### 3.2 Magopa village and the new global economy

The overall aim of the study was to establish whether Magopa has chosen to participate in the global economy (or not), and how have they done so effectively (or not). Accordingly, the study had to analyse certain sub-themes such as community, sustainable development of a community, entrepreneurship, business partners, globalisation, and the new economy. Consequently, the next section describes the findings.

### 3.3 The presentation of findings

Before the data was collected, the researcher and her supervisor developed the questionnaires and interview protocol. The first visit took place on 21 July 2006, which served as the introduction of the researcher to the community. With the assistance of Mohutsiwa and Poe, seven community leaders, two community partners (one social and one economic partner) and eleven entrepreneurs, consequently participated in the filling in of questionnaires. Six appointments were completed with the Magopa community or individuals thereof as well as e-mail communication with a group of Germans that helped the Magopa to regain their land. Tables 3.1 and 3.2 indicate the list of people interviewed as well as the category and types of data captured.

**Table 3.1: List of people interviewed**

	Name	Designation	Category *	Material available
1	Pule Mohutsiwa	Human Resource Manager of Etruscan Diamonds, Representative of the Magopa Trust at Etruscan Diamonds, Executive Director of Magopa Mineral Resources, a Community Leader of Magopa	1	A,b

2	Andrew Poee	Chairperson of the Magopa Trust	1	a, b
3	Dorah Boikanjo	Chairperson's Personal Assistant Magopa Trust	1	b
4	John Matshe	Deputy Secretary of the Magopa Trust	1	b
5	Ratshefola Matlakala	Secretary and Treasurer of the Magopa Trust	1	b
6	Suzan Modisakgosi	Secretary of the Magopa Trust	1	b
7	Nomakhepu Bikisha	Member of Magopa Trust	1	b
8	John Seadire	Chairperson Magopa Management Committee	1	b
9	Nomvula Majola	Entrepreneur 1: Eco-Cirle Garden Coordinating	2	b
10	Nomvula Majola	Entrepreneur 2: Nomvula Baking Cookies	2	
11	Joseph Mabote	Entrepreneur 3: Joseph Mabote Welding	2	b
12	Maphefo Lebetho	Entrepreneur 4: Maphefo Vegetables	2	b
13	Lesley Mafole	Entrepreneur 5: Dipudi Project (Livestock)	2	b
14	Andrina Sekano	Entrepreneur 6: Andrina Bakes and Cookes	2	b
15	Mafikeng Tswala	Entrepreneur 7: MFKT Clothing Designs	2	b
16	Kebareng Mohutsiwa	Entrepreneur 8: Itireleng Bagopa Sewing Project	2	b
17	Solomon Taunyane	Entrepreneur 9: Solly's Tuck Shop	2	b
18	Abey	Entrepreneur 10: Abey's Groceries	2	b
19	Pauline Motlhajwa	Entrepreneur 11: Pauline's Sewing	2	b
20	Percival Khoza	Community Partner 1: Senior Manager Operations Etruscan Diamonds	3	b, c
21	Ulrich Duchrow	Community Partner 2: Kairos <sup>4</sup> Europe and Professor in Theology at the University of Heidelberg in Germany		

**Table 3.2: Categories and types of data collection**

<b>*Three community categories:</b>	<b>** Two types of data collection:</b>
1 = community leader	a = transcript
2 = community partner	b = questionnaires
3 = entrepreneur from the community	c = video

Certain individuals were also interviewed through an open-ended questionnaire process because this type of research assumed that personal experiences reflect meaning, thus to combine the more emotional and social dimensions of participants with the observable characteristics (questionnaire statistics).

### 3.3.1. Community leaders

ANNEXURE A presents the interview guide on **community leaders**. Seven community leaders from the Magopa Trust participated in the interview process, which included completing questionnaires:

- The representative of the Magopa Trust at Etruscan Diamonds Pty Ltd who is also the HR manager of Etruscan (also a personal interview),
- The chairperson (also a personal interview),
- Chairperson's personal assistant,
- Deputy secretary,

- Secretary and treasurer,
- Another secretary, and
- A member.

The findings from the respondents:

### 3.3.1.1 Magopa village as a community after land reform

The Chairperson of the Magopa Trust, Mr. A. Poee (2006) felt the roles of community leaders are:

- To look after the well-being of the community;
- To get involved in the development of the community;
- To give guidance where required;
- To manage conflict in order to unify; and
- To ensure peace and stability.

The Magopa community leaders explained the level of relationships, networks, and norms (community cohesion, connectedness, reciprocity, tolerance, compassion, patience, forbearance, fellowship, love, honesty, discipline, and ethics) that facilitate collective through the following quotes:

*“There is a good personal and communal corporation”;*

*“Compassion, patience, discipline and ethics”;*

*“Sometimes there is misunderstanding but it is always settled”;*

*“Discipline and ethics”;*

*“Strong collectiveness”;*

*“The relationships are global”;*

*“Cooperation, patience and discipline are the major concerns to grow the relationship in our community and honesty also plays a big role.”*

Poee (2006) explains that the Ubuntu concept is a way of life for the African, where communities become one big family. Injury to one is seen as an injury to all. The elderly, for instance, becomes the children and needs the community to take care of them even if they do not have any family. The same is true for the disabled.

### 3.3.1.2 Unemployment, job creation, entrepreneurship and sustainable development

Von Broembsen *et al.* (2005:47) refers to the development of small, medium and micro-enterprises (SMMEs) as a priority in creating jobs to solve the high unemployment rate in SA. Presently SA's unemployment figure stands at 32 percent. In SA, a sustainable community is seen as one that is working towards a sustainable future with a healthy environment, a better economy, and an improved quality of life. Magopa community leaders perceive **entrepreneurship for sustainable development** as:

- If sustainable community programs are put into place entrepreneurship will be sustainable;
- Entrepreneurial activities are not practised properly;
- The lack of business skills and marketing skills creates failing businesses;
- No feasibility study was done and people lack skills;
- See Magopa entrepreneurial activity at only 20% ;
- Encourage the public, business and government to work together to achieve common goals;
- It can be successful if entrepreneurs market to all the surrounding communities.

According to Mr. P. Mothutsiwa (2006), the government of SA has land available and can give this land to the people. However, people do not always have the funds to buy implements, for instance. The Refilwe Cooperative<sup>6</sup> serves as an example where there is a lack of funds to buy farm requisites. Mothutsiwa (2006:1) feels that the SA government needs to commit itself by funding the skills upliftment of people through training, mentorship, and seed funding. One should also note that the National Education Authority (NEA) has more than enough money available for skills training. The challenge of the Magopa Community is twofold: firstly, the eminent lack of skills required by new entrepreneurs; and secondly, no or little funds available to new Magopa businesses or business ideas.

The community leader participants felt that entrepreneurial activities could secure environmental, social, and economic sustainability. A certain participant felt it should be environmentally friendly (i.e., preventing field fires and replanting trees) and socially correct (creating jobs). Two participants felt that there is growth potential in agriculture and tourism but did not link it to entrepreneurship. Another participant felt that through this the poor would create an income and thereafter expand the business.

On the question of what they think is the most important of the three sectors (i) the economic, (ii) environmental, or (iii) social aspect to be effected by entrepreneurship:

- Four participants felt the environment and the social aspects should be given priority,
- One felt the economy should have priority,
- One felt all three are important,
- One felt the environment and the economy are both important, and
- Mothutsiwa (2006:1) felt that Magopa is learning from the Germans through Ulrich Duchrow (2006:1) with ideas such as sustainability. The Germans, for instance, buy farms, but on certain sections of the farm they do not farm in order to preserve the soil. One can just note here that in the study at various intervals the importance of the relationship between the Germans and Magopa was stressed.

All community leader participants recognised the increasing number of international agreements and declarations in the fields of sustainable development, environmental protection, health, and trade and food safety. All respondents stated that an activity should not proceed if there is a reasonable ground for concern (but not necessarily evidence) that something might be harmful. They referred to matters such as the government's Batho Pele Principles<sup>1</sup>, health, and safety of individuals; nothing should be harmful to individuals, the environment, HIV/AIDS, but that more research should be done on AIDS.

Regarding **community capital** and that which could lead to wealth creation, the Magopa community leaders responded that the non-renewable resources are diamonds and wood. They felt that land is the finite capacity of natural systems to produce renewable resources such as food crops, forestry products, and water supplies and that it is enough for the time. However, population growth might hold a threat. The capacity of natural systems to absorb emissions and pollutants without side effects seems not affected yet, as it is a rural area and industrialisation in the near future seems almost impossible. They felt that presently there are not enough industry activity to cause such damage. They felt there is a big capacity to absorb this. The state of the stock material such as equipment, buildings, machinery, tools, and other infrastructure that can be used to produce a flow of future income are perceived as already old and depreciated, and some buildings are available but renovations are required, but more will be required.

The state of **available funding** to start new businesses presented diverse answers from the community leader respondents. Most felt that government have funding for growing firms to encourage people to start their own businesses. At other times and with different questions the participants felt that the government is not assisting them enough. In the informal discussions, the researcher also sensed that these people do not really understand financial management, not

even in the simplest sense. They are in fact scared to borrow money from a financial institution and stated it like that. Decisions about material lives and how resources are allocated are done communally, decisions are made as a group or collectively in the Magopa Trust after following the proper channels.

The community leader participants felt that age and experience contribute to facilitate the creation of personal, social, and economic well-being. However, they felt also that Magopa still needs skills training because people are not so well educated, but eager to learn. There were some training taking place in Magopa, but people are not yet developed to their full potential. One participant felt that they need strong structure, good management or business, marketing, sustainability, and bookkeeping skills.

The accessibility of individuals to health, education, and knowledge services were answered as follows:

- There is a mobile clinic that offers its services for free twice a week;
- There is a school that offers education from grade 0 to grade 12;
- Adult Based Education and Training (ABET) is needed;
- There are books in the community centre for everyone to read;
- There are notice boards and pamphlets in the community centre;
- The clinic and the school offer information;
- For legal (lawyers) and medical (doctors) assistance one needs to go to Ventersdorp;
- The clinic on site has no nurse; and
- The library, colleges, universities of technology, and universities are far away.

One can conclude that the accessibility to all the necessities as found in big cities do not yet exist in Magopa. However, the Bakwena ba Magopa Trust's mission statement links with the idea of a perceived sustainable future through further development: *"To utilise its resources in ways in which, in the opinion of the trustees, would develop the quality of life of the beneficiaries of the trust and promote the development of the land from which Bakwena ba Magopa were forcibly removed"*.

The **cultural values and social norms** that can facilitate or impede the community development were stated as: conflicts, multi-culturalism, working together / cooperation, discipline, passion to succeed, the community knowing what people need, patience, and love. The community leader participants felt optimistic about the social development aspects of sustainable development in

Magopa because people understand each other and work together; they are dedicated; there is a sustainable agriculture project already, and if other projects follow, they might also be sustainable. Everything must be done to help people - they have the same aims and objectives. One participant stated that by 2015 they will be totally sustainable. Another stated there are still great needs in the Magopa community. To get help from social developments is always a problem.

Table 3.3 indicates the questions and answers on the predictive factors of the community leaders' position toward entrepreneurial activities as evident in ANNEXURE A:

**Table 3.3: Questions and answers on the predictive factors toward entrepreneurial activities "Answers are replicated from questionnaires."**

QUESTIONS	ANSWERS
How do entrepreneurial activities fit in with the social and cultural environment of your community?	Very well; Etruscan helped; The lack of information of entrepreneurial activities; No, with regard to the tavern that does not close at 21h00 during a funeral; Two respondents felt they do not fit.
Are entrepreneurial norms consistent with community goals?	Yes; Aligned because of job creation; Bit behind with entrepreneurial activities; Agriculturalist plants maize which the community can buy at a subsidised price; Employment is created and crime is reduced.
Are norms and possibilities to undertake entrepreneurial activities largely diffused in your community?	No; But skills are missing; It must be done in a way to improve the community.
Do members feel constrained to undertake entrepreneurship activities or are they free to do so?	Everyone is free to pursue entrepreneurship without interference; But lack of knowledge is an issue; People are free to do it.
Are there any legal or government constraints on the undertaking of entrepreneurial activities?	No; and Yes because of lack of information; If empowered there will be no difficulties; Government encourages people to start own businesses because of unemployment.
Are there any legal or government inducements to undertake entrepreneurial activities?	Yes; and No because the government is supportive and motivates for it; But they do not help.
Are there plenty of good opportunities for the creation of new firms?	Yes if there is start up capital; There is a mountain called Thaba ya Pula where a lodge will be build; Regarding marketing; Business skills; Unemployment and the youth.
Do people believe that creating new or high growth businesses is easy?	Yes; and No
Do many people know how to manage a small business?	No; Due to the lack of business skills and because Magopa is far from another town; Few businesses are sustained; Few people know how to and they need to be trained.
Are there many people with experience in starting a new business?	No; People lack business skills; Few people have experience; Most do not know where and how to start;
Is the creation of new ventures considered an appropriate way to become rich?	Yes; Whenever a new business is opened people will support it and stop buying from the older ones; But to reduce the problem of alcohol, youth, and drugs.
Do most people consider becoming an entrepreneur as a desirable career choice?	Yes; The youth and women think so because they are mostly unemployed; You become your own boss and manage your finances; To help reduce unemployment and to help create jobs.

Current business development activities that are identified by the community leaders and the participants are presented below. Accordingly, the five most important achievements regarding development by each participant include:

- Housing, electricity, roads, mining and farming;
- Clinic, agricultural project, and sewing project;
- School, houses, clinic, crèche, administrative office;
- Clinic, sewing project, crèche, agriculture, diamond mining;
- Health clinic; crèche; community hall; administration office; water reservoir;
- Reservoir, health clinic; community office; community hall, crèche; and
- Administration office, community hall, school, crèche, clinic.

The most influential actors in these activities are seen as the former Trust members, specifically the former Trust chairperson, Southern District Municipality, Magopa Trust, Etruscan Diamonds, Government, and the community. The most important obstacles and sources of difficulties regarding development are stated as financial or finances, the clinic that does not have a nurse, local or community politics, sometimes the delay of materials, sewing skills and how to market products. The most important factors that favoured these activities were health accessibility, health promotion, poverty alleviation, job opportunities, commitment, and working as a team, community members, and programs of information offered by the community centre. All the participants felt that the leadership of these activities is representative of the community.

They also agreed that there is a strong spirit of mutual assistance and co-operation in the community because everything is decided only after consensus (through general meetings) was sought from all participants in the community. The community is perceived as self-reliant and looking to itself and its own resources to address major issues. The Trust and the Management Committee are looking for the development of organisations in the community. With such a collective but positive attitude, the development of entrepreneurship could become a reality.

Employment in the community is not diversified beyond a single large employer or activity because it is only the diamond company; agriculture and the sewing project that presently employ the people. The major employers in the community are not seen as part of the local community. Some of those employees arrived with the Canadian Company. Although it was stated that about 80 of the more than a 100 employees of Etruscan are from the Magopa community there still seems to exist a gap between Magopa and those individuals coming from Canada. The leaders of the community always look for donors to help ensure sustainable

community projects. Thus, they do look outside to seek and secure resources (skills, expertise, and finances) that will address identified areas of weakness.

The community leaders are seen as aware of their competitive position in the broader economy, despite the fact that they do not understand economic factors. They feel that they are the best maize and peanut producers. Yet, they also realise that they need to still implement a lot to grow their economy. There is an economic development plan that guides its development as evident in the Magopa Trust Business Plan. The development plan is envisaged to sustain Magopa until 2015. They are working towards utilising their resources to the benefit of all the people of Magopa as evident through their mission statement which is displayed in the offices of the Community Hall. Citizens are involved in the creation and implementation of this plan when it was originally compiled and discussed in sub-committees, in general meetings and through the involvement of community members. Organisations use the community development plan to guide their actions throughout and in all workshops. They see it as very important and one participant states, *"It is our road to success. We can't work orderly without it"*.

In the last two years the following new business start-ups occurred: (1) open cast diamond mining company, (2) sewing project, (3) agriculture project, (4) garden project, (5) and a tuck shop. The Mining business is privately owned and the others are community-owned. These businesses employ the following number of people: +/- 200 in the open cast diamond-mining company, 25 in the sewing project but it is at a training stage still, nine in the agriculture project, and six in the tuck shop. These new businesses serve local surrounding communities: regional, national and the diamond-mining company serves international markets. Thus, only Etruscan is indirectly involving Magopa in globalisation. At this stage, one is also not sure in what way exactly does the Magopa community benefit because of Etruscan's involvement in globalisation.

These new businesses involve alliances (i.e. between the sewing project and the municipality, municipality and the garden project, Etruscan and the agriculture project). There is also an alliance between the North-West University and the Refilwe Cooperative<sup>6</sup>. In the last two years, only the mining company expanded their operations in the community.

Regarding **intra-community structure and relationships**, the community leader participants explained that the municipality, Management Committee and Trust members represent this community in the region. Four participants felt that the community is characterised by multiplicity of demands from a diversity of sub-groups and three felt it is not. Four participants

felt that there are conflicts and contradictions between different community groups/organisations, but that it is also healthy and should just be addressed when it comes to development activities, and three felt there is none. Two participants felt that cultural identity and cultural differences influence this interaction, while five felt it does not. Three respondents felt that the cooperation between public governments and community groups on development issues and activities that exists, is very good, and excellent, respectively. One felt there is a very good relationship but that a lot of delaying exists. Another participant felt that Magopa is well presented in and that government is doing very well. Two participants explained that there is no government cooperation and that the cooperation is not good at all, respectively. Poe (2006:1) states that no Government organisation has visited Magopa in 2006. Sometimes they come to meetings and in 2005, they came periodically. One community leader explained that private enterprises are far more important when it comes to entrepreneurial activities because the Government does not consider the disadvantaged rural communities. Table 3.4 presents questions and varied opinions in the answers on outside threats and opportunities, and social services. It furthermore emphasises the mixed perceptions of Magopa and what appears to be little involvement lately from the Government. It also appears as if very little involvement exists from private organisations except for Etruscan Diamonds Pty Ltd.

**Table 3.4: Outside threats, opportunities, and social services**

<b>QUESTIONS</b>	<b>ANSWERS (replicated from questionnaires)</b>
<b>Are community members managing to respond and act on outside threats and opportunities?</b>	Yes; No; Lack of skills and marketing strategies is the cause; Community leadership is strong and always respond to threats and opportunities; Because of democracy one can with freedom speak and respond
<b>Do the private corporations provide, or take part in providing social services (like for example health care and education) for the community people or local population?</b>	Yes; Always get support from the health and social services; Also get grants; Social services are provided by government
<b>How is the cooperation between public government and private corporations on issues regarding social services for the community people and local population?</b>	Not as good as expected; None; Through cooperation the community benefit from public, private and govt.; Very low because social services is not doing enough for the community and their service standard is poor; Especially NGO's; Very good

Table 3.5 indicates the assessment of infrastructure, cultural, and legal conditions influencing entrepreneurial activity in the Magopa community. Seven questionnaires were distributed to participants and seven were completed. The table also indicates on which statement the majority of the participants agreed with the statements. The highlighted areas show how six or seven of the seven participants agreed that a statement is somewhat true to completely true. The lighter

marked areas show how at least five of the seven participants agreed that a statement is somewhat true to completely true.

**Table 3.5: Infrastructure, cultural, and legal conditions influencing entrepreneurial activity**

	1 Completely False	2 Somewhat False	3 Neither True nor False	4 Somewhat True	5 Completely True	Do Not Know	Not Applicable	Total No of Respondents
<b>Topic 1</b>								<b>7</b>
In my community, the physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms.	2	0	1	2	1	0	1	
In my community, it is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.).	0	1	0	3	2	0	1	
In my community, a new or growing firm can get good access to communications (telephone, internet, etc.) in about a week.	3	0	1	1	2			
In my community, new and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer).	0	0	1	4	2			
In my community, new or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month.	2	0	1	1	3			
<b>Topic 2</b>								
In my community, the national culture is highly supportive of individual success achieved through own personal efforts.	2	0	1	2	2			
In my community, the national culture emphasizes self-sufficiency, autonomy, and personal initiative.	0	0	2	4	1			
In my community, the national culture encourages entrepreneurial risk-taking.	1	1	1	1	3			
In my community, the national culture encourages creativity and innovativeness.	0	0	1	3	3			
In my community, the national culture emphasizes the responsibility that the individual (rather than the collective) has in managing his or her own life.	0	0	0	0	6	0	1	
<b>Topic 3</b>								
In my community, the Intellectual Property Rights (IPR) legislation is comprehensive.	1	0	2	1	1	1	1	
In my community, the Intellectual Property Rights (IPR) legislation is efficiently enforced.	2	0	1	2	1	1		

In my community, the illegal sales of 'pirated' software, videos, CDs, and other copyrighted or trademarked products is not extensive.	1	0	1	3	2			
In my community, new and growing firms can trust that their patents, copyrights, and trademarks will be respected.	0	0	0	1	5			
In my community, it is widely recognized that inventors' rights for their inventions should be respected.	0	0	1	3	4			
<b>Topic 4</b>								
In my community, there are sufficient social services available so that women can continue to work even after they start a family.	0	0	1	0	5		1	
In my community, starting a new business is a socially acceptable career option for women.	0	0	0	3	5			
In my community, women are encouraged to become self-employed or start a new business.	0	0	0	3	5			
In my community, women get exposed to as many good opportunities as men to start a new business.	0	0	2	0	5			
In my community, women have the same level of knowledge and skills as men to start a new business.	0	0	3	1	3			

Community leaders gave varied answers about stakeholder contribution and entrepreneurial activities, as indicated in Table 3.6.

**Table 3.6: Stakeholder contribution and entrepreneurial activities**

QUESTIONS	ANSWERS (replicated from questionnaires)
Which institutions and organisations (government, banks, private enterprises) do you consider to be important?	Private and govt; Govt; Banks because people can make loans to start business; They do not exist in Magopa; Govt don't consider rural communities; Govt and banks
Are they important for the issues (agenda setting)? Are they influential? Do you consider them as organisations with a high degree of legitimacy?	3xYes; Banks are influential and legal; Only Etruscan assist with community development; They always takes the needs into consideration even though it takes some time sometimes
How do you think different national and multinational corporations in the community understand and help entrepreneurship development in your community?	2xNone; By providing skills development; People in the Magopa community support each other's business; Only Etruscan; Southern District Municipality
List the three corporations that were the most helpful to developing entrepreneurship in your community.	3xNone; No corporation; Etruscan an and Social Services-creche; Only Etruscan
How do you think different NGOs and other civil sector groups (such as churches, environmental groups, and human rights organisations) understand and help entrepreneurship development in your community?	Entrepreneurship is seen as individual matter; 2xThey do not understand because they are not delivering; Churches buy from businesses; Presently entrepreneurs help themselves; They did for community patients; No involvement
May you list the three civil sector groups that were the most helpful to developing entrepreneurship in your community?	4xNone; Etruscan helped the sewing project with machinery and other items; Women's League, NGO's, Youth League
How do you think different foreign governments and states understand and help entrepreneurship development in your community?	*NOTE; Only mentor other comm. members; 4xNone
May you list the three foreign government actions (name the foreign governments concerned) that were the most helpful to developing entrepreneurship in your	4xNone

community?	
How do you think the different international organisations [such as AusAID, World Conservation Union (IUCN) etc.] understand and help entrepreneurship development in your community?	5xNone helped; 2xNot sure
May you list the three international organisations that were the most helpful to developing entrepreneurship in your community?	Germans: agriculture project; Canadians: Etruscan Diamonds; The Germans helped with getting back their land, with groceries, farming items, and with the early learning centre;
How do you think the different levels of your government (national, provincial, local) understand and help entrepreneurship development in your community?	None; 2xLocal Municipality helped; By helping them to get loans to start their business; Not so much (we do not contact them for help and they do not help us that much); There is sometimes meetings in our local municipality and Magopa is always represented; Local govt
May you list the three government actions (name the level of government concerned) that were the most helpful to developing entrepreneurship in your community?	3xNone; Local Municipality-sewing; Social Services-creche; Department Health-clinic; Govt-youth project; Govt only care about people around them like in Gauteng; The garden tools were given by municipality for the garden project, but they did not want to give water closer to the gardens and security fencing and the gardens are far from houses; Local Govt

\*Note that four community leaders perceive the Germans as a German/Foreign Government. The Germans' involvement can be explained through Duchrow's (2006:1) explanation that in the 1980's foreign countries put the South African government under pressure. Newspapers published detailed reports and Klaus Figge shot TV films, making Magopa internationally known. Hans-Dietrich Genscher, the German foreign minister's support was won, lawyers involved the South African government in several lawsuits and in 1985, "*Aktion Bundesschluss*" was founded (Deutsche Evangelische Kirchentag or German Protestant Church Congress). Over the years, 23 regional groups in Germany formed an alliance of resistance with 23 South African communities threatened by forcible resettlements. Duchrow (2006:1) states that after the democratization of South Africa, Magopa was the first community to get back its land in the new SA. The community even managed to regain the land as joint property despite the growing neo-liberal trend of privatisation. Life in Magopa began to flourish. After the young generation (headed by Pule Mohutsiwa), had gained control of the village, they took the initiative in renewing the alliance. The community leaders, at various stages of the interview, referred to their visits to Germany and the Germans' visits to them. One could thus sense a sort of special sentimental relationship with the Germans and vice versa. It is also clear from Table 3.6 that participants agreed upon the fact that Germans helped with getting back their land, bought groceries and farming items, helped to sponsor the early learning centre and assisted with the agriculture project. This participant is still highly regarded by Magopa but one would like to see more contributions forthcoming in the future.

The Canadians assisted Magopa through Etruscan Diamonds. Etruscan Diamonds promoted how they assisted with the Magopa Medical Centre, Library, computers for the school as well as employment (also see 3.3.3 below).

Table 3.7 presents the responses on statements to assess national conditions influencing entrepreneurial activity in the Magopa community. Participants circled the most appropriate option, but it is clear that there are varied opinions. Six of the seven members felt that the following statements are somewhat to completely true:

- (1) The support for new and growing firms is a high priority for policy at the national government level,
- (2) Government policies aimed at supporting new and growing firms are effective,
- (3) Teaching in the markets for consumer goods and services change dramatically from year to year, (see the highlighted areas Table 3.7). Five of the seven community leaders felt that the support for new and growing firms is a high priority for policy at the local government level and the markets for business-to-business goods and services change dramatically from year to year are somewhat to completely true (see the lighter areas in Table 3.7). Five of the seven members also felt that the statement of: *"There are enough subcontractors, suppliers, and consultants to support new and growing firms"* is somewhat to completely false (see Topic 9 in Table 3.7). Topic 10 also indicates the importance of continuously changing markets and herewith Magopa should realise that change is inevitable and is occurring fast. Thus, Magopa also needs to realise that idea generation, innovation, and determination to succeed are the drivers of entrepreneurship.

**Table 3.7: National conditions influencing entrepreneurial activity in the Magopa village**

	1 Completely False	2 Somewhat False	3 Neither True / False	4 Somewhat True	5 Completely True	Do Not Know	Not Applicable	Total Nr of Respondents
<b>Topic 5</b>								<b>7</b>
In my community, government policies (e.g., public procurement) consistently favour new firms.	0	0	2	3	1		1	
In my community, the support for new and growing firms is a high priority for policy at the national government level.	0	1	0	2	4			

In my community, the support for new and growing firms is a high priority for policy at the local government level.	0	1	1	3	2			
In my community, new firms can get most of the required permits and licenses in about a week.	3	1	2	0	1			
In my community, the amount of taxes is <u>NOT</u> a burden for new and growing firms.	2	0	4	0	1			
In my community, taxes and other government regulations are applied to new and growing firms in a predictable and consistent way.	0	0	3	2	1		1	
	0	1	0	1	1			
<b>Topic 6</b>								
In my community, a wide range of government assistance for new and growing firms can be obtained through contact with a single agency.	0	2	4	0	0		1	
In my community, science parks and business incubators provide effective support for new and growing firms.	1	0	3	2	0		1	
In my community, there are an adequate number of government programs for new and growing businesses.	1	1	1	2	2			
In my community, the people working for government agencies are competent and effective in supporting new and growing firms.	0	2	2	2	0		1	
In my community, almost anyone who needs help from a government program for a new or growing business can find what HE/SHE need.	0	2	3	0	2			
In my community, government programs aimed at supporting new and growing firms are effective.	0	1	2	2	2			
<b>Topic 7</b>								
	0	0	0	2	3			
In my community, teaching in primary and secondary education provides adequate instruction in market economic principles.	0	1	3	1	1		1	
In my community, teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation.	1	1	4	0	1			
In my community, colleges and universities provide good and adequate preparation for starting up and growing new firms.	2	0	0	1	3		1	
In my community, the level of business and management education provide good and adequate preparation for starting up and growing new firms.	0	2	3	1	1			
In my community, the vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms.	2	0	1	2	2			
<b>Topic 8</b>								
In my community, new technology, science, and other knowledge are efficiently transferred from universities and public research centers to new and growing firms.	1	1	2	1	1		1	
In my community, new and growing firms have just as much access to new research and technology as large, established firms.	2	2	0	2	0		1	

In my community, new and growing firms can afford the latest technology.	2	1	2	1	1			
In my community, there are adequate government subsidies for new and growing firms to acquire new technology.	4	0	0	1	1		1	
In my community, the science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area.	2	1	2	0	1		1	
In my community, there is good support available for engineers and scientists to have their ideas commercialised through new and growing firms.	4	0	2	0	1			
<b>Topic 9</b>								
In my community, there are enough subcontractors, suppliers, and consultants to support new and growing firms.	4	1	1	0	0		1	
In my community, new and growing firms can afford the cost of using subcontractors, suppliers, and consultants.	1	1	4	0	0		1	
In my community, it is easy for new and growing firms to get good subcontractors, suppliers, and consultants.	0	2	0	4	0		1	
In my community, it is easy for new and growing firms to get good, professional legal and accounting services.	0	3	1	2	0			
In my community, it is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like).	2	1	2	0	2			
<b>Topic 10</b>								
In my community, the markets for consumer goods and services change dramatically from year to year.	0	0	1	1	5			
In my community, the markets for business-to-business goods and services change dramatically from year to year.	0	0	2	2	3			
In my community, new and growing firms can easily enter new markets.	1	1	2	1	1		1	
In my community, the new and growing firms can afford the cost of market entry.	0	2	3	0	1		1	
In my community, new and growing firms can enter markets without being unfairly blocked by established firms.	0	0	3	2	1		1	
In my community, the anti-trust legislation is effective and well enforced.	1	0	1	2	2		1	

### 3.3.1.3 Globalisation and the local community

Globalisation could swing open the door to opportunities and it did for certain communities and countries. However, for Magopa this did not fully realise because they are still stuck in poverty.

About the question whether globalisation poses a threat or offers an opportunity for development the answers from Magopa community leaders varied as follows:

- It offers opportunities for development;

- It poses a threat because the rich become richer and the poor poorer;
- It offers opportunities as many jobs are created, like John Deere who employ South Africans;
- It offers opportunity and opens doors for development;
- It does not offer opportunities as it expands trade worldwide, especially to the poor;
- Yes it poses a threat; and
- The partnership with the diamond company offers opportunities but developments are slow.
- Mothutsiwa (2006:1) states that the Germans have a problem with globalisation because in it, certain people try to monopolise the whole world. Mothutsiwa continues that the WTO is using SA as a bridge, and that everything goes via SA. In this way the WTO controls everything.

The comments refer to the fact that the participants also felt globalisation could be positive or negative for the development of a community. Mothutsiwa is a community leader; the representative of the Magopa Trust at Etruscan as well as the HRM of Etruscan. Therefore his views could be seen as important and influential.

Magopa community leader participants felt that the overall policy of the community towards development based on participation in global economic activities should be practical because then even those people not educated could participate. In addition, they commended that one should accept it in rural communities; that it is unavoidable because it is already a worldwide agreement; local and provincial government should help Magopa to participate globally so that Magopa could spread its wings; other countries also helped Magopa; and that one should accept it without reservation.

The statements clearly indicate that a big gap exists in the understanding of the Magopa community leaders and the meaning of globalisation.

### **3.3.2 Entrepreneurs**

ANNEXURE B makes evident the interview guide on community / private enterprises / organisations (**entrepreneurs**) in the community. This section intended to gather specific information on community or private organisations. Questions in this protocol are limited to (i) the identification of the organisation and (ii) the description of the interplay between stakeholders and community members in its creation and growth. The researcher completed four appointments with the entrepreneurs in Magopa (see Photos 3 and 4).

**Photo 1: Magopa Entrepreneurs filling in the questionnaires**



**Photo 2: Poee helping an entrepreneur that cannot read or write**



The interview process commenced with eleven entrepreneurs originally participating in filling in the questionnaires. Mr. Matthew Mpshe was interviewed about the Magopa Farming Project and Ms. Dorah "Pinki" Boikanjo was interviewed about the Government Sewing Project. Mr. Andrew Poee was also interviewed to clarify certain questions about the Magopa community. Ms. Momvula 'Sissy' Majola was interviewed about her two businesses (Garden Coordination and Baking Cookies). At a follow-up stage, seven entrepreneurs and four community leaders were interviewed to complete those questionnaires that required completion.

Herewith follows the description of the eleven entrepreneurs from Magopa that participated in the completion of the questionnaires.

### **3.3.2.1 Types of businesses**

Magopa businesses, numbers of years in existence, prior experience, ideas and advice about business were depicted in Table 3.8. It is clear that many participants indicated that they did not receive any formal training and that they need business skills. They furthermore referred to concepts such as persistence, goal setting, self-discipline, leadership, and interpersonal skills. Yet, they still do not think big enough. Timmons and Spinelli (2004:51) explain that the mistake aspiring entrepreneurs make is to think too small. They see simple business as being both affordable, more manageable, less demanding, less risky, the opposite of the higher potential venture.

**Table 3.8: Types of businesses in Magopa (Yrs=years; mths=months; CAP=capital; (R)=rand).**

	TYPE OF BUSINESS	NAME OF BUSINESS	EXIST YRS	START CAP (R)	Sources	Prior experience, ideas and advice about entrepreneurship
1	Garden Coordinator	Eco-Circle	4	Garden to ols, seeds, protect. clothing	Govt sponsor	Parents are working for others companies, Completed grade 12 and a computer course, People think that this business is just playing; Confidence and perseverance is the most valuable; Marketing is very important, Need skills development and business development; Must love the business to start a business; Like being independent, Money is the reward; Entrepreneurs should not want to be spoon-fed; and Every one can be an entrepreneur
2	Baking Cookies	Nomvula	5 mths	220	Borrow	Same as above because the same owner
3	Welding	Joseph Mabote Welding	12	1500	Borrow from friend	Completed grade 7; Need money to continue properly; Wants the govt. to buy a welding machine and some round- and square bars to build security doors; The advice is to have patience with customers
4	Vegetables Selling	Maphefo Vegetables	5	0	Take seeds and plant it	Completed grade 12; Had no training; Need more training and information on plants; The reward is to plough and to sow; The advice is to follow your heart and do what you think you can do the best
5	Selling of Livestock	Dipudi Project	2	2000	Retrench money	No education only a dream; Had training in farming; An asset is to be able to improve my lifestyle and income; Need farming management training; Advice is to have a vision; Believing and work hard
6	Baking and Cooking	Andrina	5 mths	0		Completed grade 11; Privately trained, Wants to expand business; Need more business skills; One needs to be oneself; Willing; Follow your dream and believe in yourself
7	Fashion Design	MFKT Clothing Designs	5	100	Family donated	Interested in sowing because grandmother did it; Still in grade 11; Had no training and need training; The most valuable asset is own hands; But do not have enough money to buy materials; Need love and passion; The reward is in helping others; Anyone loving something can become an entrepreneur
8	Sewing Project	Itireleng Bagopa Sewing Project	5	0	10 Sewing machines sponsored by govt	Completed grade 11; Training by govt. and it was very effective; Most valuable asset is eyes and hands; Need business and marketing skills; To have an income for your future and children; Anyone with an idea and business skills can be an entrepreneur; Advise is to have the business skills; Know how to market yourself and know how to treat your customer
9	Cafeteria	Solly's Tuck Shop	3	3500	Lump sum from previous job	Completed grade 9; Had no training and the most valuable asset is the vehicle; Customer service was the most critical; Will need a cash register and computer; More and satisfied customers are the rewards but the risk is in more competition; One must have

						patience and manners with customers; Govt. really needs to help
10	Groceries Store	Abey's Groceries	11 mths	7000	Salary from previous job	Completed grade 12; Most valuable asset is the vehicle; Wants to become a big business; To be ones own boss and to have own assets is the rewards; The advise is to work hard and to have goals
11	Sewing	Pauline's Sewing	8	0	Children donated	Cannot read or write, but love to work with the needle; It is close to her heart; Had training from govt.; See her skill as the most valuable asset; But need more training; Like being independent; The risk is not having enough money to buy what's needed

### 3.3.2.2 The businesses at start-up

The eleven businesses in Magopa have existed for five- and eleven months, two-, three-, four-, five-, eight-, and twelve years respectively (see Table 3.8). Ten entrepreneurs were all personally involved in starting up the business and one was assisted by the Department of Agriculture and the Department of Health.

The sources of advice received from outsiders included statements such as: Department of Agriculture and the Department of Health; by brothers and boyfriend and because of having no other income; the welding artisans; own advice; the community encouraged after items sold to the school; no advice was received but recognised own talent; no-one advised but wanted to do great jobs for the community; and own ideas.

The garden coordinator stated that the Department of Agriculture and the Department of Health served as sources of government services advice and another three entrepreneurs (Baking and Cooking, Fashion Design, and the Sewing Project) stated that the national and provincial Government served as sources of help. Seven participants stated they received no government services advice. One other source of advice was from a consultant, but ten entrepreneurs stated they had no source of advice (Boikanyo & Matlakala 2006).

Only one entrepreneur had found a partner, the other stated they had none. Timmons and Spinelli (2004:52) refer to the fact that smaller businesses' chances of survival are lower and if they do survive they are financially less rewarding.

On the question of how the opportunity to create this organisation was identified, the participants presented statements such as, " *I have seen that I don't have money and other people are not*

*selling the things I am selling”; “I found the opportunity to do this because it does not cost the lot of money”; “ I used my retrenchment money to buy goats”; “I was working before now I use the little I got to create”; “ We have seen that people are suffering and there is a lot of poverty”; “From when I was still young I was interested in a sewing ability”; and “Because school kids stay far they need to buy something that will feed them”.*

The goals at the start-up of the organisation were explained as:

- To have a successful business;
- To be a global fashion designer;
- To see my own success through my ability and activities in sewing;
- To alleviate poverty;
- To be self-employed;
- To be my own boss;
- To help the community and have extra money to survive;
- To have more goats;
- To help the needy people and to sell vegetables to large markets; and
- To have a big business like others but to sell different things.

**Table 3.9: The strengths and weaknesses at start-up**

STRENGTHS	WEAKNESSES
Determination to succeed	People do not buy as one expected
Work as a team	Volunteers do not earn money
Individualism	Not enough materials
Willingness and the wanting to help others	
Good management skills	Shortage of capital
Business experience	Did not get the market as expected
	Business and marketing training, money to buy materials
Hardworking	Not enough money and no transport
Knowledge in this field	No money to buy materials
Wanting to help people and to earn an income	Nowhere to sell

In the Sewing Project, 24 women are employed in the organisation, but they are still in training. Boikanya and Matlakala (2006) explained that with the sewing project, the Local Municipality and Etruscan Diamonds sponsored the machines. The Department of Labour provided the training to 27 women. The women were taught embroidery, dressmaking, curtaining, and they are still undergoing some training. They sold some clothes, but they still need business and marketing skills training. One entrepreneur stated that help was obtained from his family. All entrepreneurs came from the surrounding community.

**Table 3.10: Difficulties, exciting and worst moments**

<b>CHALLENGING DIFFICULTIES</b>	
Not sure whether people will support the business Buying materials and equipment Lack of capital Extremely hard soil Theft, hungry and infectious animals No money, no capital and no work Lack of training in marketing and business skills	Lack of stock, not enough money, starting a shop from my bedroom No water at the customers houses and not sufficient garden tools No money, no customers, no transport but buyers in distant town
<b>TRIUMPHANT OR EXCITING MOMENTS</b>	
Business is growing rapidly and customers are satisfied To see gardens filled with the planted vegetables When people started to make use of the welding services Getting more clients buying the products	Suddenly growing bigger The support from the community Welding or creating security doors Lots of business
<b>WORST MOMENTS</b>	
No money to buy supplies Weather conditions When there is no sales Bad business times when people do not buy as much People who do not pay their debt	When the vehicle got broken Death of newly born animals No customers When the plants are infested with insects

### 3.3.2.3 The organisations now

The participants could not present an organisational structure, because they are all sole proprietorships. The current goals of the organisation were explained as business growth, more customers, more sales, expanding the business, money to buy sewing machines, to become a famous clothing designer, success, employing more people, poverty alleviation and less HIV/AIDS and related illnesses. Answers on the financial situation of the organisations in the last three years vary from "it was just fine" to "it was a struggle", "successful", "it was a tough and easy journey", to an income of R800.00, R2448.54, and R100.00 respectively. No participant provided balance sheets and income statements. The preceding answers from the participants clarifies the position that these entrepreneurs lack financial skills.

On the question "What market do you serve?" the respondents replied that they sell to the community. Their plans for expansion, respectively, were explained as follows:

- To have bigger land;
- To buy more steel;
- To sell the livestock to the community and at the auctions;
- To also sell groceries and perishables but do not have enough cash to buy stock;
- To increase the marketing of the business;
- To become successful;
- To have a big company; and

- To have a community garden to sell from.

The benefits the community get from the organisations and the benefits the organisation gets from the community were explained as the availability of products and that the business generates an income from the community. Customers save because they do not need to spend money on transport to go to the nearby town to buy the goods. Some businesses donated garden equipment, other involved people in part-time jobs. Others explained that the customers stated that they appreciate their services and products. One entrepreneur expressed: *"The community get food from me. I get money from them"*.

#### **3.3.2.4 The positions towards entrepreneurial activities**

The predictive factors of the entrepreneurs on the community's position towards entrepreneurship were expressed as: (1) the Magopa community is supportive and even helps some businesses, and (2) they perceive the pressure as an initiative to engage in more entrepreneurial activities as to create more wealth. (3) People are positive towards the businesses and there is no pressure or constraints from the community. (4) The community will support businesses that give good service and tell others, which will, in turn, create more business. (5) The nearest town is far and therefore business is needed, and (5) some of the outside communities also support Magopa businesses.

The community mostly depends upon itself to create opportunities and government did not help too much so far. Previously the government had road shows, but the help of the municipality and the private sector is required.

People think it is easy to start a business but once they try their hand at it they see that it is not so easy. People also have many entrepreneurial ideas but they lack the capital to start the business. They lack the financial and business skills. They also realise that for the future they need good qualifications and skills to survive. The Magopa community is very poor and the standard of living is very low. The whole community is struggling and the goal is to better the circumstances in Magopa, but money to start or expand business is not easily found. The Magopa community itself is also too poor to help. Sometimes Magopa businesses do not involve other Magopa businesses which could be subscribed to jealousy among businesses. Not a lot of people want to start their own businesses but they would like to work for other people. Some people know how to manage their businesses properly.

The entrepreneurs felt it is appropriate to get rich through new business creation and that it is a desirable choice. They felt too many businesses might not be good, as it will force others to close down.

They felt that the main problem in their businesses is the lack of funds and information.

One could conclude that again the overall feedback about the position towards entrepreneurship could be subscribed to naive business knowledge and experience. Some of the Magopa entrepreneurs need to realise that the perceived satisfaction, cooperation, and trust between the customer and the business and the business to other business is important to continue the relationship.

### 3.3.2.5 The entrepreneurs and globalisation

After the following statement, the participants were asked whether globalisation is a good thing or a bad thing for their respective organisations and why:

In recent years, most people are speaking about globalisation. By globalisation, we understand *“the ability and willingness of some firms to be simultaneously active in a number of markets in different parts of the world”*.

The responses varied and included three participants stating that it is a bad thing, the one extended the comment *“prices are being affected”*. Eight entrepreneurs perceived it as a good thing:

- *“In the future I’ll be knowing how to run my business in a good manner”*;
- *“A lot of people like it”*;
- *“Because people around they realise my ability and I’m very talented”*;
- *“It would enable export and imports of different products”*;
- *“It can give me an open market”*;
- *“Then can identify whether the community can work together as a team and is also good for giving relevant information for projects”*;
- *“It encourages people to do for themselves”*; and
- *“Good for our sewing project”*.

**Table 3.11: Globalisation and the Magopa entrepreneurs**

QUESTIONS	ANSWERS
Do you consider community members as current or potential strategic partners or resources for your organisation? Why?	No; They do not have potential in gardening; Yes without their support my organisation will not exist; No I’m independent; Yes those willing to help
Do you consider community members as a threat or a problem for your organisation? Why?	No; They show their support by buying my vegetables; Yes because community members steal from me; Some people wants to benefit from the garden and its not patented
Do you consider the community members as neither potential strategic partners/resources or a threat for your	No; In the future yes; Not in the future because some community members steal my products; Not a threat

organisation? Why?	because they are the resources of my organisation; They appreciate what I do; They are my resources as they buy my products; Magopa Trust can become a partner because they see the potential in my business
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Again, one could conclude from the statements that the entrepreneurs also have limited knowledge of globalisation. At the same time, the entrepreneurs are open to business opportunities and the participation in globalisation could create for them.

### 3.3.3 Community Partners

ANNEXURE C presents the questionnaire on community partners and the involvement in Magopa. The study included two separate and notably different community partners:

- i. Etruscan Diamonds Pty Ltd through Etruscan Resources Inc. (a Canadian Company, Toronto listed), a profit driven company mining diamonds on the Magopa land.
- ii. German solidarity group through Ulrich Duchrow are involved with Magopa as community partners. The German group is a non-profit driven organisation as compared to Etruscan.

#### 3.3.3.1 Etruscan Diamonds Pty Ltd

Jankowitz (2003:2-5) from Etruscan Diamonds Pty Ltd, explains the various social company programs in the Ventersdorp area:

- Maize project where R275,000 had been granted for an agricultural project to plant 100 hectares of maize agricultural development such as extensive cattle farming, peanut and sunflower production. The maize are sold back to the community at a subsidised price;
- The erection of the Magopa Medical Centre where all building material was sponsored. The total budget came to R161,079.32 (does not include any management costs). The Magopa community built it and was paid R20,580.00 in total. The Department of Health was to sponsor all the equipment as well as the training of the medical staff.
- They also sponsored and shipped 28 computers from Canada for the Magopa School (25 in the Regorogile School and three in the adult education centre at the Magopa crèche.
- Pig farming project on the farm Klipgat where community members were trained in basic building skills to a cost of R124,000 and R52,000 on labour within the community;
- The Magopa community is paid a 6% gross royalty from the Mountain Ash Pty Ltd - a sub-group of Etruscan Resources Inc.; and
- Cattle farming are presently being developed.

Mpshe (2006), from the agricultural project, explains that presently Magopa plants and sells sunflower and maize to the local cooperation in Ventersdorp. The people of Magopa can buy the 40 tons of maize at a subsidised price. Peanuts are sold to a client in Viljoenskroon. The project employs six people and a project manager. In the harvesting time, 30 to 60 casuals are employed. Presently, the cattle farming is being developed through a breeding project.

The President and CEO of Etruscan Resources Inc., Gerard McConnel (2006), explains:

- Etruscan is a social responsible corporate citizen, not because they have to but because they perceive it as the correct thing to do;
- The mineral resources do not belong to Etruscan or its shareholders but rather the community;
- A company trying to return as much as possible back to the community and its people while still returning a fair share of profit to its shareholders.
- A role model of implementing Black Economic Empowerment (BEE); and
- Offering opportunities to the previously disadvantaged in SA.

The Human Resource Manager (HRM), Mohutsiwa (2006), describes employment at Etruscan as follows:

- In the two years of existence, Etruscan employed and developed 32 operators from this area;
- All the junior managers were trained and are African;
- Etruscan anticipates to involve more women in the diamond mining industry;
- Etruscan likes to employ those willing to work and uplifting those who want to learn;
- The Etruscan skills development plan is to increase the employability of people and to train women.

Etruscan sees Magopa to be self-sustainable in ten to fifteen years from now. Mining is perceived as a vehicle for sustainable development and the community members are seen as hungry for training. Therefore, Etruscan saw it fit to invest in the training of farmers as well as being mentors for them. Prevalent issues here are seen as the knowledge to identify pests and budgeting. They also see Magopa cutting their own diamonds, and total self-reliance by 2020.

ANNEXURE C shows the questionnaire directed at a business community partner. The Senior Manager Operations, Percival Ntuthuko Khoza completed the questionnaire. The most important matters as explained through the responses are:

- The industry type is Diamond Mining;

- The number of employees is a 100+;
- They perceive the Magopa community as a partner in the business but also see the mine providing meaningful employment opportunities to an otherwise impoverished Magopa;
- Etruscan facilitated the Farming Project through financing equipment, operating expenses, advice, and training;
- The Magopa controls the land and resources important to Etruscan; however, joint ventures, royalty payments, preferential hiring policies, business development, advice, humanitarian support structures, and HR development strategies helped to access these resources;
- Future control over land and resources will take the form of a beneficiary project, where the community will take part;
- The employment policy states that 80% of employees must be from Magopa, while 20% is allowed in the scarce skills fields for outside employees but with the agreement that those skills must be developed within Magopa;
- Community members are included through stakeholder meetings where consensus is sought for all major business decisions;
- Development opportunities are provided through development programs within Etruscan and employees' education at tertiary institutions are sponsored;
- An employee performance and reward system is being investigated presently;
- Etruscan has a workers' union / workers' forum and they facilitate formal monthly meetings;
- Etruscan's biggest corporate and community success is seen as the equity collaborating and the farming project.
- The company sees its greatest corporate and community failure as closing one mine due to it partnering with a wrong candidate who did not share Etruscan's vision for the community involvement; and
- They see their corporate and community opportunity as the branding of their products with the Magopa community name.

Mothutsiwa (2006) stated that Magopa has a 26 percent stake of this Canadian diamond company and as HRM, Mothutsiwa agrees to only employ South African managers. His vision is to buy out the Canadians so that the Magopa Community can own this company and cut their own diamonds.

The conclusion one draws from this section is that Etruscan is ploughing back into the Magopa community. The amount they spend on employees from Magopa and social outreach programs

proves this statement. However, one wonders about the amount the company is generating as a profit from the Magopa land through diamond mining.

### 3.3.3.2 The Germans

The relationship between the Germans and Magopa is important and need to be presented in the study because it proves to be a special relationship. Therefore, one would anticipate that the respective perceptions would affect the relationship. More specifically, the views on globalisation are important here.

Professor Duchrow (2006) responded when asked about the Germans' involvement with Magopa:

*"...We are a solidarity group since 1983 to support Magopa in their resistance against the forced removal and after democratisation for their rebuilding the community in the framework of the SACC-German 'Action Covenant'. We have provided some funds for consultative services to the community and organised exchange visits including exposures to ecological farming in Germany....."*

Kairos<sup>4</sup> Europa perceives many injustices generated by Western societies and Duchrow (1995) is a founding member. This organisation is trying to link the North/South and East/West issues with the questions of economic justice within Western Europe. Duchrow (2006) writes: *"We try to combine the churches' efforts with the struggle of the social movements in the perspective and with the participation of the victims of neo-liberal globalisation"*. Duchrow and Hinkelammert (2004: viii) writes that particular emphasis is placed on worldwide economic injustices and the destruction of nature so as to ensure creating a society with space for all living people, now and in the future, in harmony with nature. They perceive neo-liberal capitalism as aiming at the boundless accumulation of capital through money.

Duchrow (2006) states that land is life and it can only be life if it is shared equally. Equal sharing is perceived as justice. Thus, the question is how should a legal framework of property for life be designed nowadays? Duchrow (2006) sees this as the most important question of humanity and the planet. He concludes by stating: *"Magopa can help us find the answer"*.

It could be noted that the influence of the Germans and the level of complexity of their stance on globalisation could possibly result in confusion for the Magopa community. One would base this on the argument of the lack of knowledge, skills, and education, evident in certain Magopa community leaders' and entrepreneurs' expressions. Similarly, the same lack of knowledge,

skills, and education could lead to a situation whereby Magopa could be explored through globalisation.

### **3.4 Conclusion**

The presentation of the results included various perspectives from the Magopa community leaders, entrepreneurs, and business partners. Diverse sets of ideas were explored but most importantly the results indicated the limited degree to which Magopa adopted the global economy. The nature of this adopting included two influences, namely through Etruscan Diamonds Pty Ltd and the Germans. The terms of accepting the global economy is still very naïve and based on limited knowledge. The relevance of globalisation for the Magopa at this stage is still blurred by the following factors:

- Magopa is indirectly involved in globalisation through the diamond mining company;
- The Germans are trying to educate Magopa about responsible globalisation but Magopa is quite naïve about this factor; and
- The Magopa entrepreneurs are from the informal sector and need to still develop into more sustainable business ventures.

The next section will conclude with the most important findings in the study as well as with certain recommendations.

## CHAPTER 4: Conclusion and recommendations

### 4.1. Conclusion

This study wanted to establish through certain sub-objectives the (1) degree to which a community adopts the global economy or not adopts; (2) The nature of this adopting or not; (3) The terms of accepting the global economy; and (4) To review the relevance of globalisation for the Magopa.

The four sub-objectives were:

- Community attitudes, conflicts, and relations among different groups within the community;
- Community capital such as the natural, physical/technological, economical, human, social, and cultural capitals of the community;
- Entrepreneurship for sustainable development; and
- Current community, individual and corporate business development activities and support within the community and the contribution of the different stakeholders.

#### 4.1.1 Community

The story of Magopa did not start with the forceful removals but it most certainly had a major influence on their lives up to today and it will have an influence on their future successes.

One should realise that removals uproot families and destroy homes and a family is a unit held together who depend on each other. The forced removal of Magopa people was the last removal of a "*black spot*". The community held full title deeds to two farms (Swartland and Hartebeeslaagte) in the Ventersdorp district, the heart of the then Western Transvaal. They lived there since 1912. Poe's (2006) experience of the forceful removal of the Magopa community goes back to 1984 when he was still a young boy and he explained it was then that he got involved in politics. The police came with bulldozers, demolished the whole village, including the newly-built school. People would return to their homes and just find their houses flattened. One farmer lost ten cattle in the police action. Magopo's struggle, resistance, endurance, and courage were what enabled them to win the court case after ten years of court action and petitions.

Photo 3 depicts members of the community walking to the historic meeting where they decided to resist the removal in November 1983. Derek Hanekom, a former Minister of Land Affairs

made the decision to give back the land to Magopa. In 1994 he stated that the land now belongs to Magopa after a long struggle (Anon. 1994:1).

**Photo 3: November 1983, community members walking to a meeting to resist the forceful removals**



The Magopa community also perceives women and business as socially acceptable. Women are encouraged to become self-employed, but they do not have the same skills and knowledge as the men.

**Photo 4: Typical housing in the Magopa village made of zinc plates**

However, the community is still extremely poor today. They maintain a low standard of living. Photo 3 depicts one of the many houses in the Magopa community built out of waste materials and zinc.



#### **4.1.2 Community capital**

Magopa interviewees identified diamonds and agriculture as natural capital. However, for the last four years both proved insufficient in lifting Magopa out of poverty. Although much improvement came about through the various social investment projects of the Etruscan Diamonds company, Magopa is still struggling. Physical or technological capital is non-existent in the community and economical capital is presented only through sole proprietorships, the

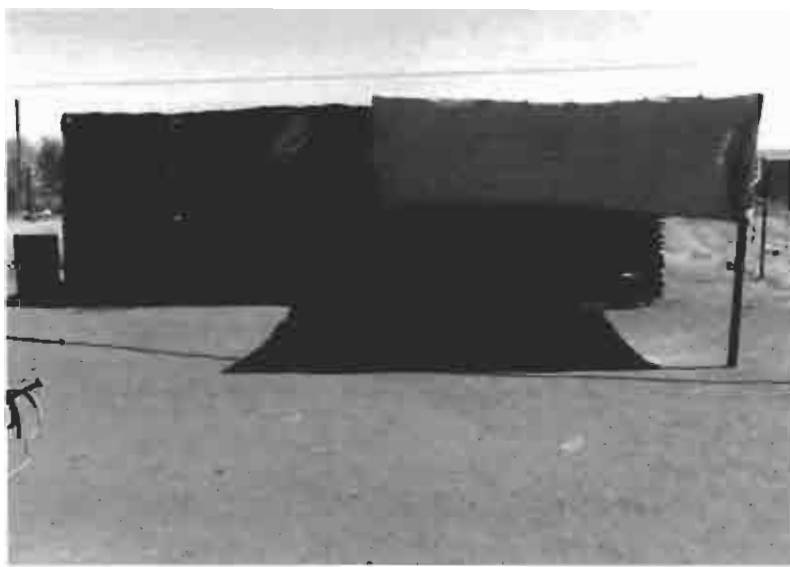
Refilwe initiative, and the diamond mining company. Magopa did not explore to its full extent the inherent human, social, and cultural capital of Magopa, similar to that mentioned in Chapter two of Grace Maseku of Saulspoor (also see 1.2.3 and 2.4). Therefore, the community remains poor.

#### 4.1.3 Entrepreneurship for sustainable development

The Magopa entrepreneurs are all sole proprietors, not registered companies and from the informal sector. The informal economy is often seen as a universal remedy for South Africa's unemployment problems. Kingdon and Knight (2004) explain that the informal sector in South Africa remains small in spite of high levels of unemployment. The informal economy is made up of a heterogeneous set of activities, ranging from selling vegetables, owning tuck shops, sewing, sometimes operating at the street corner, or from a bedroom room as one of the Magopa entrepreneurs. A significant minority of workers in the informal economy do not have basic literacy skills (Devey *et al*, 2004: 1, 17).

Photo 5 shows Solly's Tuck Shop, one of the Magopa entrepreneurs, and proves how small the Magopa entrepreneurs remain to be. Already on the second visit to the entrepreneurs' interviews the entrepreneurs kindly but urgently expressed their intense need for financial help to expand their businesses or even to just start properly. The researcher felt that the participants so much wanted help; they see the researcher or anybody as the means to improvement.

**Photo 5: Solly's Tuck Shop**



Mothutsiwa (2006) states that the challenge of the Magopa Community is twofold: firstly, the lack of skills required by new entrepreneurs, and secondly, no or little funds available to new Magopa businesses or business ideas. Thus, even if they know how to farm, for instance, they struggle to buy all the necessary materials. Poe (2006) states that people also need the skills on how to utilise money because even if one, for instance, should give them R30 000 to invest in their business they will not know what to do with it. The community leaders and entrepreneurs realise that they need more skills and realise that they need this for the ever-increasing competitive future.

Mothutsiwa (2006) explains that, for him, the greatest challenge facing the Magopa people is to change people's minds and the biggest mistake government made was just to give to people and not to teach the people how to work for it. He made a statement by asking: "*There is poverty in Magopa but is it really that or rather only in people's minds?*" He would like to see the Magopa people to produce their own maize, to create jobs through this, invite other farming communities to also use the facility, or to sell to them. This most certainly will lead to sustainability.

Moreover, both community leaders and the entrepreneurs expressed that the key to being a successful entrepreneur is, (1) the individual and (2) determining one's own destiny. One could refer here to willing and determined entrepreneurs.

#### **4.1.4 Community partners**

They also require government to be involved with training and even funding. Government was previously quite involved, even presented road shows but lately there seem to be little coming from government, which is frustrating the people. Both Etruscan Diamonds Pty Ltd and the Government helped and even spawned entrepreneurship for future sustainable development. The Germans also invested money in Magopa, taught Magopa about sustainable farming, and responsible participation in globalisation.

#### **4.1.5 Globalisation and the new economy**

Magopa did not adopt the global economy as a result of the small and indirect link with Canada through the Magopa community employees working at Etruscan Diamonds. In addition, the nature of not adopting globalisation include the few Magopa community leaders who visited the Germans and vice versa. One would believe Magopa is open to globalisation and will accept the global

economy. The findings did indicate that the majority of the participants perceive globalisation as good, but that the terms of adopting would be in scope of the influence from both Canada and Germany. Consequently, it will have to entail a social responsible, fair, and equal involvement. Unfortunately, the relevance of globalisation for Magopa is lacking because Magopa is still struggling to be economically active and strong within a poor and unemployed community. One could easily state that all the businesses in Magopa are just too small to participate.

Businesses are furthermore from the informal sector and not at all involved in the new economy, whereby new economy is classified as the altered landscape of the enterprise world. This alteration includes the microcomputer, biotechnology, wireless telecommunications, Internet, outsourcing, just-in-time, electronic investing, and technological innovations. Magopa is far from being involved in this.

However, in the next section recommendations are made to Magopa on how to participate in globalisation and the new economy.

## **4.2. Recommendations**

Ikeme (2000:1) explains that to be globally competitive in a globalising world African nations must recognize the contributions of natural capital to their economy and make offsetting re-investments. They need to train their local labour force. Ensure that local companies are, to a larger extent, owned by the local people and managed by competent hands; ensure that profits are re-invested at home rather than expatriated; innovations in technology should be vigorously developed rather than imported. The following steps are suggested to Magopa when thinking of participating in the global economy. Included are also the considerations and identification of the competencies needed to participate in globalisation and the new economy.

- (i) Magopa's community has a history of strong communalism in the spirit of "*Ubuntu*" to look after each other and community interests. Magopa should realise that this will affect their participation in globalisation. However, through continued community expertise, research, and idea development, community capital could be turned into entrepreneurial ideas that in turn could become a sustainable source/s of income. One would suggest that an expert assists Magopa in the sourcing of the community's other inherent physical or technological, human, social and cultural capital.

- (ii) Sustainable entrepreneurship could be developed through infrastructure development, technical expertise, training and skills development in all areas of business development. The level and number of qualifications, skills and knowledge as indicated throughout the interview process proved to be inadequate. The participants identified a need for business, marketing, accountancy, costing, and financial management skills and should be trained. One would also suggest entrepreneurship skills training to assist Magopa in identifying opportunities.
- (iii) This will in turn ensure that they turn their businesses into bigger capital ventures. They could approach Government, the North-West University, other tertiary institutions, banks or other institutions for skills training and other educational help, even product development. The approach could be that of social outreach or research so to get these organisations involved at no or little charge.
- (iv) In the meantime, Magopa should keep the pots boiling easily through existing business expansion. Both Mohutsiwa (2006) and Van der Walt (2006) suggested that Magopa could start milling their own maize. This will also create jobs, invite other farming communities to also use the facility and to sell to them.
- (v) The existing informal businesses should now consider the requirements necessary to take their informal business to the next level. Magopa should start this process by getting a consultant to do this for them again from a social outreach perspective so that it again costs nothing.
- (vi) One would, lastly, like to suggest to Magopa leaders to consider approaching AusAID, the Lotto, Etruscan Diamonds, the Germans, other enterprises and Government for further funding, partnerships, or to attract start-up finance for all the various existing and future community capital ideas.

It is only then that Magopa would be able to participate in globalisation and the new economy. As a final thought, all of these changes need to remain fair and just to the individual as well as the community.

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## **ANNEXURE A: Interview guide on community leaders**

### **The general aim of the questions was:**

- ⇒ To reveal the informant's general attitudes towards globalisation, the arguments and justification for the position(s) taken.
- ⇒ To uncover the informant's general opinions about entrepreneurship for sustainable development, and the priorities and implications following from entrepreneurial development perspective.
- ⇒ Furthermore it should discover whether the informants have knowledge about the precautionary principle or not and if this principle is useful in his/her community context.
- ⇒ To focus upon and identify the community capital more specifically by asking the informant to identify the main natural, physical/technological, economical, human, social, and cultural capital of the community.
- ⇒ To focus upon and identify the predictive factors in the community position towards entrepreneurship and sustainable development activities.
- ⇒ To focus upon and identify the main current community and individual business development activities within the community.
- ⇒ To focus on the community in order to identify attitudes, conflicts and relations among different groups within the community.
- ⇒ To obtain the informant's views of the contribution of different stakeholders to entrepreneurial activities in the community.

**Example of the questionnaire:**

(Note that the answering spaces were condensed to save space).

**AS GUIDED by: University of Regina, Canada**

**The participation of the Magopa rural community from SA in the global economy**

African people in SA have evolved a value system of ubuntu, with its basic tenet *motho ke motho ka batho ba bang* (a person is a person through other people). President Mbeki explained it as a way of being, a code of ethics, deeply embedded in African culture. The underlying values of this extraordinary philosophy seek to honour the dignity of each person and are concerned with the development and maintenance of mutually affirming and enhancing relationships. *Ubuntu* acknowledges, among other things, that: "Your pain is My pain, My wealth is Your wealth, Your salvation is My salvation" (Gadebe, 2005:1).

**Interview guide on community leaders**

**North-West University South Africa**

Updated June 2006

Interviewee (name): \_\_\_\_\_

Organisation/company: \_\_\_\_\_

Position: \_\_\_\_\_

Community: \_\_\_\_\_

Experience/work related to the community: \_\_\_\_\_

Date: \_\_\_\_\_

**1. Globalisation and the community**

*Reveal the general attitudes towards globalisation, the arguments and justification for the position(s) taken.*

**United Nations Development Programme (UNDP) Report (1999:1) stipulates that globalisation is not new, but that the present era of globalisation, driven by competitive global markets, is outpacing the governance of markets and the repercussions on people. Characterised by "shrinking space, shrinking time and disappearing borders", globalisation has swung open the door to opportunities.**

**In 2005 the UNDP Report (113) spells out that for globalisation enthusiasts the rapid expansion of world trade over the past two decades has been an unmitigated blessing, notably for the world's poor. Reality is more mundane. Greater trade does offer enormous opportunities for human development. Under the right conditions, it has potential for reducing poverty, narrowing inequality, and overcoming economic injustice. For many of the world's poorest countries, and for millions of poor people, these conditions have yet to be created.**

**Whatever the definition globalisation has a powerful social, economic, political, environmental and cultural impact on the community. For example, foreign companies can operate within the community as the community can expand its activities in foreign countries.**

- Do you believe that globalisation poses a threat to your community or does it offer opportunity for development? \_\_\_\_\_
- What do you think should be the overall policy of your community toward development based on participation in globally oriented economic activities?
  - a. Avoidance of all globally-oriented economic activities
  - b. Acceptance without reservation of globally oriented economic activities.
  - c. Practical allowance of some global economic activities when economic benefits to the community outweigh economic, environment, social and cultural costs.
  - d. Participation only in global economic activities which respond to community interests regardless of the impact on the other stakeholders (such as local, national and multinational corporations, local, national and provincial governments, and international organisations)
  - e. Allowing global economic activities which incorporate community interests and interests of all stakeholders (such as local, national and multinational corporations, local, national and provincial governments, and international organisations).

Comments: \_\_\_\_\_

## 2. Entrepreneurship and Sustainable Development

*To uncover the informant's general opinions about entrepreneurship for sustainable development, and the priorities and implications following from entrepreneurial development perspective. Further it should discover whether the informants have knowledge about the precautionary principle or not and if this principle is useful in his/her community context.*

### Entrepreneurship

Von Broembsen et al (2005:47) explains that the development of small, medium and micro-enterprises (SMME) was identified by the government as a priority in creating jobs to solve the high unemployment rate in SA. Presently SA's unemployment figure stands at 32 percent. Needed are comprehensive strategies to promote the economic expectations of all South Africans. Economic trends could be enormous opportunities for entrepreneurs in the new millennium. All the functions outsourced by big companies are up for grabs by willing entrepreneurs. The needs present tremendous business opportunities for those willing and brave enough to exploit them. PAPA (2000) argues that tourism, agriculture, and manufacturing were identified as sectors with high growth potential.

### Sustainable development in a community

In SA, the Sustainable Communities Programme [SCP] states that a sustainable community is one that is working towards a sustainable future with a healthy environment, a better economy, and an improved quality of life. A sustainable community strives to:

- ⇒ Comply with environmental regulations
- ⇒ Practice pollution prevention
- ⇒ Actively involve its citizens and incorporate local values into decision making
- ⇒ Support locally-based business initiatives
- ⇒ Provide green open spaces
- ⇒ Encourage the public and businesses to work together with government to achieve common goals

- How do you see entrepreneurial activities in the community from the perspective of sustainable development? \_\_\_\_\_

- Do you think that entrepreneurial activities can secure environmental, social and economic sustainability in the community? \_\_\_\_\_
- What do you consider to be the most important of the three sectors (the economic, environmental or social aspect) to be effected by entrepreneurship? Or in other words, if these are in conflict, what should be given priority if they were to be weighted against each other when creating new firms? \_\_\_\_\_
- The precautionary principle has become an underlying rationale for an increasing number of international agreements and declarations in the fields of sustainable development, environmental protection, health, trade and food safety. Are you aware of the principle? \_\_\_\_\_
- It says an activity should not proceed if there is a reasonable ground for concern (but not necessarily evidence) that something might be harmful. Do you agree with such a statement? Why? How can this statement be fulfilled? \_\_\_\_\_

### 3. Community capital

*To focus upon and to identify the community capital more specifically by asking the informant to identify the main natural, physical/technological, economical, human, social, and cultural capitals of the community.*

The natural, physical/technological, economical, human, social, and cultural capitals of any community could lead to wealth creation. An example of a community that utilised their natural capital are the Podi-Boswa Pty Ltd which has developed because of the closure of local platinum mines. Grace Masuku, is leading the Podi-Boswa - which means "goat, our inheritance" and makes up to R2 000 per goat from the animal's meat, milk and skin. Podi-Boswa combines the power of indigenous knowledge and the value of a natural resource to give a sustainable livelihood to over 1 000 people (Anon., 2006:1).

In the community:

- What are the non renewable resources such as minerals and fossils? \_\_\_\_\_
- What is the finite capacity of natural systems to produce renewable resources such as food crops, forestry products, and water supplies? \_\_\_\_\_
- What is the capacity of natural systems to absorb our emissions and pollutants without side effects? \_\_\_\_\_
- What is the state of the stock material such as equipment, buildings, machineries, tools, and other infrastructure that can be used to produce a flow of future income? \_\_\_\_\_
- For new and growing firms, what is the state of the available
  - equity funding? \_\_\_\_\_
  - debt funding? \_\_\_\_\_
  - government subsidies? \_\_\_\_\_
  - funding from private individuals (other than founders)? \_\_\_\_\_
  - venture capitalist funding? \_\_\_\_\_
  - initial public offerings? \_\_\_\_\_
- How are resources allocated and decisions about material lives made? \_\_\_\_\_

- What is the knowledge, skills, competences, education, and other attributes embodied in individuals that facilitate the creation of personal, social, and economic well-being? \_\_\_\_\_
- What is the accessibility of individuals to health, education, and knowledge services? \_\_\_\_\_
- What is the level of relationships, networks and norms (community cohesion, connectedness, reciprocity, tolerance, compassion, patience, forbearance, fellowship, love, honesty, discipline and ethics) that facilitate collective action? \_\_\_\_\_
- What are the cultural values and social norms which can facilitate or impede the community development? \_\_\_\_\_
- Are you optimistic or pessimistic regarding the social development aspects of sustainable development in your community? Why? \_\_\_\_\_

#### **4. Predictive factors of the community's position toward entrepreneurial activities**

*Focus upon and identify the predictive factors in the community position towards entrepreneurship and sustainable development activities*

- How do entrepreneurial activities fit in with the social and cultural environment of your community? \_\_\_\_\_
- Are entrepreneurial norms consistent with community goals? \_\_\_\_\_
- Are norms and possibilities to undertake entrepreneurial activities largely diffused in your community? \_\_\_\_\_
- Do members of the community feel constrained to undertake entrepreneurship activities or are they free to do so? \_\_\_\_\_
- Are there any legal or government constraints on the undertaking of entrepreneurial activities? \_\_\_\_\_
- Are there any legal or government inducements to undertake entrepreneurial activities? \_\_\_\_\_
- Are there plenty of good opportunities for the creation of new firms in your community? \_\_\_\_\_
- In your community, do people believe that creating new or high growth businesses is easy? \_\_\_\_\_
- In your community, do many people know how to manage a small business? \_\_\_\_\_
- In your community, are there many people with experience in starting a new business? \_\_\_\_\_

- In your community, is the creation of new ventures considered an appropriate way to become rich? \_\_\_\_\_
- In your community, do most people consider becoming an entrepreneur as a desirable career choice? \_\_\_\_\_

### **5. Current business development activities within the community**

*Focus upon and identify the main current community and individual business development activities within the community*

- What do you think are the five most important achievements of the community with respect to development activities? \_\_\_\_\_
- Who were the most influential actors in these activities? \_\_\_\_\_
- What were the most important obstacles and sources of difficulties to these activities? \_\_\_\_\_
- What were the most important factors that favoured these activities? \_\_\_\_\_
- Is the leadership of these activities representative of the community? \_\_\_\_\_
- Are community members involved in significant development decisions? Is there a spirit of mutual assistance and co-operation in the community? \_\_\_\_\_
- Is the community self-reliant and looking to itself and its own resources to address major issues? \_\_\_\_\_
- Are there a variety of development organisations in the community? \_\_\_\_\_
- Is employment in the community diversified beyond a single large employer or activity? \_\_\_\_\_
- Are major employers in the community part of the local community? \_\_\_\_\_
- Does the community look outside itself to seek and secure resources (skills, expertise, finances) that will address identified areas of weakness? \_\_\_\_\_
- Is the community aware of its competitive position in the broader economy? \_\_\_\_\_
- Does the community have an economic development plan that guides its development? \_\_\_\_\_
- Are the citizens involved in the creation and implementation of this plan? \_\_\_\_\_
- Do organisations use the community development plan to guide their actions? \_\_\_\_\_
- To the best of your knowledge, in the last two years, how many new business start-ups occurred in your community? \_\_\_\_\_
- How many of these businesses are privately owned? Community-owned? Other, please describe? \_\_\_\_\_

- How many people do these businesses employ? \_\_\_\_\_
- Do these new businesses serve local, regional, national and/or international markets? \_\_\_\_\_
- Do any of these new businesses involve partnerships, joint ventures or other alliances with businesses from outside the community? \_\_\_\_\_
- To the best of your knowledge, in the last two years, how many businesses expanded their operations in your community? \_\_\_\_\_
- How many people do these businesses employ? \_\_\_\_\_
- Do these expanding businesses serve local, regional, national and/or international markets? \_\_\_\_\_
- Do any of these new businesses involve partnerships, joint ventures or other alliances with businesses from outside the community? \_\_\_\_\_

### 6. Intra-community structure and relationships

*Focus on the community in order to identify attitudes, conflicts and relations among different groups within the community*

- Who represent this community in the region? \_\_\_\_\_
- Is your community characterised by multiplicity of demands from a diversity of sub-groups? \_\_\_\_\_
- Are there any conflicts and contradictions between different community groups/organisations when it comes to development activities? \_\_\_\_\_
- Do cultural identity and cultural differences influence this interaction? \_\_\_\_\_
- How is the cooperation between public governments and community groups on development issues and activities? \_\_\_\_\_
- In your opinion, are community members managing to respond and act on outside threats and opportunities? \_\_\_\_\_
- Do the private corporations provide, or take part in the providing of social services (like for example health care and education) for the community people or local population? \_\_\_\_\_
- How is the cooperation between public governments and private corporations on issues regarding social services for the community people and local population? \_\_\_\_\_

The following statements assess infrastructure, cultural, and legal conditions influencing entrepreneurial activity in your community. Please circle the most appropriate option. They are based on work done by the Global Entrepreneurship Monitor (GEM).

Not Applicable (NA)	
Do Not Know (DK)	
Completely True (5)	
Somewhat True (4)	

Neither True Nor False (3)										
Somewhat False (2)										
Completely False (1)										
Topic 1		F							T	
101	In my community, the physical infrastructure (roads, utilities, communications, waste-disposal) provides good support for new and growing firms.	1	2	3	4	5				D N K A
102	In my community, it is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.).	1	2	3	4	5				D N K A
103	In my community, a new or growing firm can get good access to communications (telephone, internet, etc.) in about a week.	1	2	3	4	5				D N K A
104	In my community, new and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer).	1	2	3	4	5				D N K A
105	In my community, new or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month.	1	2	3	4	5				D N K A
Topic 2										
201	In my community, the national culture is highly supportive of individual success achieved through own personal efforts.	1	2	3	4	5				D N K A
202	In my community, the national culture emphasizes self-sufficiency, autonomy, and personal initiative.	1	2	3	4	5				D N K A
203	In my community, the national culture encourages entrepreneurial risk-taking.	1	2	3	4	5				D N K A
204	In my community, the national culture encourages creativity and innovativeness.	1	2	3	4	5				D N K A
205	In my community, the national culture emphasizes the responsibility that the individual (rather than the collective) has in managing his or her own life.	1	2	3	4	5				D N K A
Topic 3										
301	In my community, the Intellectual Property Rights (IPR) legislation is comprehensive.	1	2	3	4	5				D N K A
302	In my community, the Intellectual Property Rights (IPR) legislation is efficiently enforced.	1	2	3	4	5				D N K A
303	In my community, the illegal sales of 'pirated' software, videos, CDs, and other copyrighted or trademarked products is not extensive.	1	2	3	4	5				D N K A
304	In my community, new and growing firms can trust that their patents, copyrights, and trademarks will be respected.	1	2	3	4	5				D N K A
305	In my community, it is widely recognized that inventors' rights for their inventions should be respected.	1	2	3	4	5				D N K A
Topic 4										
401	In my community, there are sufficient social services available so that women can continue to work even after they start a family.	1	2	3	4	5				D N K A
402	In my community, starting a new business is a socially acceptable career option for women.	1	2	3	4	5				D N K A
403	In my community, women are encouraged to become self-employed or start a new business.	1	2	3	4	5				D N K A
404	In my community, women get exposed to as many good opportunities as men to start a new business.	1	2	3	4	5				D N K A
405	In my community, women have the same level of knowledge and skills as men to start a new business.	1	2	3	4	5				D N K A

## 7. Stakeholder contribution to entrepreneurial activities

To obtain the informant's views of the contribution of different stakeholders to entrepreneurial activities in the community

- Which institution and organisations (government, banks, private enterprises etc...) do you consider to be important when it comes to entrepreneurial activities in your community? \_\_

- Are they important for the issues (agenda setting)? Are they influential? Do you consider them as organisations with a high degree of legitimacy? \_\_\_\_\_
- How do you think different national and multinational corporations in the community understand and help entrepreneurship development in your community? \_\_\_\_\_

Please list the three corporations that were the most helpful to developing entrepreneurship in your community? \_\_\_\_\_

- How do you think different NGOs and other civil sector groups (such as churches, environmental groups, and human rights organisations) understand and help entrepreneurship development in your community? \_\_\_\_\_

May you list the three civil sector groups that were the most helpful to developing entrepreneurship in your community? \_\_\_\_\_

- How do you think different foreign governments and states understand and help entrepreneurship development in your community? \_\_\_\_\_

May you list the three foreign government actions (name the foreign governments concerned) that were the most helpful to developing entrepreneurship in your community? \_\_\_\_\_

How do you think the different international organisations [such as AusAID, World Conservation Union (IUCN) etc.] understand and help entrepreneurship development in your community? \_\_\_\_\_

May you list the three international organisations that were the most helpful to developing entrepreneurship in your community? \_\_\_\_\_

How do you think the different levels of your government (national, provincial, local) understand and help entrepreneurship development in your community? \_\_\_\_\_

May you list the three government actions (name the level of government concerned) that were the most helpful to developing entrepreneurship in your community? \_\_\_\_\_

The following statements assess national conditions influencing entrepreneurial activity in your community. Please circle the most appropriate option. They are based on work done by the Global Entrepreneurship Monitor (GEM)

<i>Not Applicable (NA)</i>									
<i>Do Not Know (DK)</i>									
<i>Completely True (5)</i>									
<i>Somewhat True (4)</i>									
<i>Neither True Nor False (3)</i>									
<i>Somewhat False (2)</i>									
<i>Completely False (1)</i>									
F         T									
<b>Topic 5</b>									
501	In my community, government policies (e.g., public procurement) consistently favour new firms.	1	2	3	4	5			D K A
502	In my community, the support for new and growing firms is a high priority for policy at the national government level.	1	2	3	4	5			D K A
503	In my community, the support for new and growing firms is a high priority for policy at the local government level.	1	2	3	4	5			D K A
504	In my community, new firms can get most of the required permits and licenses in about a week.	1	2	3	4	5			D K A

505	In my community, the amount of taxes is <b>NOT</b> a burden for new and growing firms.	1	2	3	4	5			D	N
									K	A
506	In my community, taxes and other government regulations are applied to new and growing firms in a predictable and consistent way.	1	2	3	4	5			D	N
									K	A
507	In my community, government policies aimed at supporting new and growing firms are effective.	1	2	3	4	5			D	N
									K	A
<b>Topic 6</b>										
601	In my community, a wide range of government assistance for new and growing firms can be obtained through contact with a single agency.	1	2	3	4	5			D	N
									K	A
602	In my community, science parks and business incubators provide effective support for new and growing firms.	1	2	3	4	5			D	N
									K	A
603	In my community, there are an adequate number of government programs for new and growing businesses.	1	2	3	4	5			D	N
									K	A
604	In my community, the people working for government agencies are competent and effective in supporting new and growing firms.	1	2	3	4	5			D	N
									K	A
605	In my community, almost anyone who needs help from a government program for a new or growing business can find what HE/SHE need.	1	2	3	4	5			D	N
									K	A
606	In my community, government programs aimed at supporting new and growing firms are effective.	1	2	3	4	5			D	N
									K	A
<b>Topic 7</b>										
			F					T		
701	In my community, teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative.	1	2	3	4	5			D	N
									K	A
702	In my community, teaching in primary and secondary education provides adequate instruction in market economic principles.	1	2	3	4	5			D	N
									K	A
703	In my community, teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation.	1	2	3	4	5			D	N
									K	A
704	In my community, colleges and universities provide good and adequate preparation for starting up and growing new firms.	1	2	3	4	5			D	N
									K	A
705	In my community, the level of business and management education provide good and adequate preparation for starting up and growing new firms.	1	2	3	4	5			D	N
									K	A
706	In my community, the vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms.	1	2	3	4	5			D	N
									K	A
<b>Topic 8</b>										
801	In my community, new technology, science, and other knowledge are efficiently transferred from universities and public research centres to new and growing firms.	1	2	3	4	5			D	N
									K	A
802	In my community, new and growing firms have just as much access to new research and technology as large, established firms.	1	2	3	4	5			D	N
									K	A
803	In my community, new and growing firms can afford the latest technology.	1	2	3	4	5			D	N
									K	A
804	In my community, there are adequate government subsidies for new and growing firms to acquire new technology.	1	2	3	4	5			D	N
									K	A
805	In my community, the science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area.	1	2	3	4	5			D	N
									K	A
806	In my community, there is good support available for engineers and scientists to have their ideas commercialised through new and growing firms.	1	2	3	4	5			D	N
									K	A
<b>Topic 9</b>										
901	In my community, there are enough subcontractors, suppliers, and consultants to support new and growing firms.	1	2	3	4	5			D	N
									K	A
902	In my community, new and growing firms can afford the cost of using subcontractors, suppliers, and consultants.	1	2	3	4	5			D	N
									K	A
903	In my community, it is easy for new and growing firms to get good subcontractors, suppliers, and consultants.	1	2	3	4	5			D	N
									K	A
904	In my community, it is easy for new and growing firms to get good, professional legal and accounting services.	1	2	3	4	5			D	N
									K	A
905	In my community, it is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like).	1	2	3	4	5			D	N
									K	A
<b>Topic 10</b>										
1001	In my community, the markets for consumer goods and services change dramatically from year to year.	1	2	3	4	5			D	N
									K	A
1002	In my community, the markets for business-to-business goods and services change dramatically from year to year.	1	2	3	4	5			D	N
									K	A
1003	In my community, new and growing firms can easily enter new markets.	1	2	3	4	5			D	N
									K	A
1004	In my community, the new and growing firms can afford the cost of market entry.	1	2	3	4	5			D	N
									K	A
F105	In my community, new and growing firms can enter markets without being unfairly blocked	1	2	3	4	5			D	N



**ANNEXURE B: Interview guide on community / private enterprises / organisations in the community**

**The general aim of the questions was:**

- ⇒ To describe the start-up conditions of the organisation.
- ⇒ To describe the state of your organisation now or, at least, in the last year.
- ⇒ To identify the opinion of the organisation leaders on the community and globalisation.
- ⇒ To focus upon the opinion of the organisation leader on the predictive factors to the community position towards entrepreneurship.
- ⇒ To focus upon the experience of the entrepreneur prior to and after being in business.

**Example of the questionnaire:**

(Note that the answering spaces were condensed to save space).

**AS GUIDED by:  
University of Regina, Canada**

**The participation of the Magopa rural community from SA in the global economy**

Interview guide on community/private enterprises/organisations (**ENTREPRENEURS**) in the community

This questionnaire is intended to gather specific information on community or private organisations. As questionnaires on leaders and corporations have allowed carrying out the description of the community and the context, questions in this protocol are limited to (i) the identification of the organisation and (ii) the description of the interplay between stakeholders and community members in its creation and growth. Organisation/enterprise cases will illustrate the complexity of development modes and reveal the areas where interest conflicts, compromises, trade-offs or mutually beneficial agreements have occurred between stakeholders identified in the analytical framework.

- Some questions in this questionnaire are adapted versions of the questions from:
- NDP, Women and men in Ireland as Entrepreneurs and as Business Managers, Gender Equality Unit, Department of Justice, Equality, & Law reform.  
([http://www.ndpgenderequality.ie/publications/reports/publications\\_15.html](http://www.ndpgenderequality.ie/publications/reports/publications_15.html))
  - J. A. Timmons and S. Spinelli, *New Venture Creation: Entrepreneurship for the 21<sup>st</sup> Century*, Boston: McGraw Hill Irwin, 2004. pp. 21-22.

Updated June 2006

Date: \_\_\_\_\_

**1. Identification**

Community: \_\_\_\_\_

Interviewee (name): \_\_\_\_\_

May we use your name in our future reports? **Yes** **No**, please keep it confidential

Main type of function/position in the company: \_\_\_\_\_

Contact if needed: \_\_\_\_\_

Organisation/company: \_\_\_\_\_

Company status: community-owned \_\_\_\_\_ Privately-owned: \_\_\_\_\_

The company is primarily in: services: \_\_\_ manufacturing \_\_\_ agriculture: \_\_\_\_\_ retailing: \_\_\_\_\_  
Other: \_\_\_\_\_

What is the main product or service provided by your organisation? \_\_\_\_\_

**2. Business / Organisation at start-up***Describe the start-up conditions of the organisation*

How long has the organisation been in existence? \_\_\_\_\_

Were you involved in setting up this organisation business? If not, who was? \_\_\_\_\_

When first setting up this organisation, what sources of advice were used? \_\_\_\_\_

Please specify sources of government services advice (all levels): \_\_\_\_\_

Please specify other sources of advice (e.g., consultant, accountant, bank etc.) \_\_\_\_\_

How did you and/or the founder(s) identify the opportunity to create this organisation? \_\_\_\_\_

What were the goals when the organisation was created? \_\_\_\_\_

Did you find or have partners? \_\_\_\_\_

If yes, how many come from your community? \_\_\_\_\_

How many are not from your community? \_\_\_\_\_

How much capital did it take to start the organisation? \_\_\_\_\_

Can you indicate the sources, and what proportions these made up, of your seed capital? \_\_\_\_\_

At the start-up, what did you perceive as the strength of your organisation to achieve its goals?  
\_\_\_\_\_

What did you perceive as its weaknesses? \_\_\_\_\_

How many staff were employed in the organisation at start-up? \_\_\_\_\_

Of these, how many came from the surrounding community? \_\_\_\_\_

What were the three most challenging difficulties you faced at the start-up? \_\_\_\_\_

Since the start-up, what were the most triumphant or exciting moments of the organisation? \_\_\_\_\_

What were its worst moments? \_\_\_\_\_

### **3. Your organisation now**

*Describe the state of your organisation now or, at least, in the last year.*

Currently, what is the organisation's structure (please use a chart if possible)? \_\_\_\_\_

What are the current goals of the organisation? \_\_\_\_\_

What was the financial situation of the organisation in the last three years?

Can you provide us with the balance sheets and income statements? \_\_\_\_\_

What market do you serve and what are your plans for expansion? \_\_\_\_\_

What benefits does the community get from your organisation? \_\_\_\_\_

What are the benefits that your organisation gets from the community? \_\_\_\_\_

### **4. Opinion on the community and the globalisation**

*Identify the opinion of the organisation leaders on the community and the globalisation*

Do you consider community members as current or potential strategic partners or resources for your organisation? Why? \_\_\_\_\_

Do you consider community members as a threat or a problem for your organisation? Why? \_\_\_\_\_

Do you consider the community members as neither potential strategic partners/resources or a threat for your organisation? Why? \_\_\_\_\_

In recent years, most people are speaking about globalisation. By globalisation, we understand "the ability and willingness of some firms to be simultaneously active in a number of markets in different parts of the world". In your opinion, is globalisation a good thing or a bad thing for your organisation and why? \_\_\_\_\_

### **5. Predictive factors of the community's position toward entrepreneurial activities**

*Focus upon the opinion of the organisation leader on the predictive factors to the community position towards entrepreneurship*

May you give your opinion about the community in which your organisation is operating? \_\_\_\_\_

Why is the community being pressured to adopt or increase entrepreneurial activities? \_\_\_\_\_

With respect to your response to the question above and expectations from entrepreneurial activities for the community, how do entrepreneurial activities fit in with the social and cultural environment of your community? How well do they improve efficiency and respond to economical requirements in your community? \_\_\_\_\_

Do you think that this community is under pressure from any institutional organisation such as government, professional organisation, interest group, or general public to undertake entrepreneurial activities? **Yes No**

If yes may you specify the source of pressures? \_\_\_\_\_

Are they from a diversity of subgroups? \_\_\_\_\_

Is this community dependent on any of these institutions? \_\_\_\_\_

To what extent are entrepreneurial norms consistent with community goals? \_\_\_\_\_

Do you feel that some discretionary constraints are imposed on your community for or through entrepreneurial activities? \_\_\_\_\_

May you say how and by what means are institutional pressures or entrepreneurial activities being exerted? \_\_\_\_\_

Are there any legal coercion or enforcement? \_\_\_\_\_

Do members of the community feel constrained to undertake entrepreneurship activities or are they free to do so? \_\_\_\_\_

Are there any legal or government constraints on the undertaking of entrepreneurial activities?  
\_\_\_\_\_

Are there any legal or government inducements to undertake entrepreneurial activities? \_\_\_\_\_

Are norms and possibilities to undertake entrepreneurial activities largely and voluntarily diffused in this community? \_\_\_\_\_

What is the environmental context within which institutional pressures are being exerted? \_\_\_\_\_

Do you think that in this community, the future state of the world can be easily anticipated and predicted? \_\_\_\_\_

May you describe this community area as characterised by a higher density of interorganisational relations of occupants? \_\_\_\_\_

Are there plenty of good opportunities for the creation of new firms in your community? \_\_\_\_\_

In this community, do people believe that creating new or high growth businesses is easy? \_\_\_\_\_

In this community, do many people know how to manage a small business? \_\_\_\_\_

In this community, are there many people with experience in starting a new business? \_\_\_\_\_

In this community, is the creation of new ventures considered an appropriate way to become rich? \_\_\_\_\_

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In this community, do most people consider becoming an entrepreneur as a desirable career choice? \_\_\_\_\_

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## 2. Entrepreneur's experience through business activities

The aim of the questions in section five is to focus upon the experience of the entrepreneur prior and after being in business

- Were your parents/siblings involved in business organisations at senior level, and if so at what level?
- What was your highest level of education before starting this business/organisation?
- Have you undergone any specialised training to assist in your business activities?
- Was this training privately, business, or government funded? (please specify)
- How effective was this specialised education or training for you?
- Are you involved in any professional networks directly related to your enterprise?
- Do you find this professional network involvement worthwhile?
- Have you personally experienced any negative stereotypes, and if so what type?
- What do you consider your most valuable asset, the thing that enabled you to make it in this enterprise?
- If you had to do it over again, would you do it again, in the same way?
- As you look back, what do you believe are the most critical concepts, skills, attitudes, and know-how you needed to get your enterprise started and grown to where it is today?
- What will be needed for the next five years?
- To what extent can these be learned?
- What things do you find personally rewarding and satisfying as an entrepreneur?
- What have been the rewards, risks, and trade-offs?
- In this community, who should try to be an entrepreneur, and who should not?
- What advice would you give an aspiring entrepreneur?
- Are there any other questions you wished I had asked, from which you think I could learn valuable lessons from your experience as entrepreneur?

**ANNEXURE C: Interview guide on the involvement of community partners**

- ⇒ To establish why companies or organisations as leaders of communities are interested in helping (or not) rural communities develop, i.e.: whether it is interested in social and economic equity, attractive market, and an important labour force.

**Example questionnaire:**

(Note that the answering spaces were condensed to save space).

<b>Company Information</b>	<b>Contact Information</b>
Company Name	Mr Ms Dr Chief Other Position
Address City Postal Code Province	First Name Last Name Phone Fax
Web Site	Email
<b>Can we use your company name?</b>	
<b>Yes</b>	No, please keep it confidential
Number of Employees: 1-4; 5-49; 50-99; 100+	
Industry Type	

**Beyond an interest in social and economic equity, four things have often been cited as the primary reasons why corporations develop a Community relations program:**

- (i) Community control over land and resources,**
- (ii) Community people as an attractive market (current and/or potential),**
- (iii) Community people as an important labour force (current and/or potential), and**
- (iv) Community people as a supplier of inputs other than land/natural resources.**

**We wish to explore the importance of these and others things to your company.**

1. Please rank the following in relative importance to your business with 1 being most important and 6 as least important.
  - Community control over land and resources
  - Community people as attractive market
  - Community people as important workforce
  - Community people as a supplier of inputs other than land/natural resources
  - General social/economic equity
  - Other
  
6. In the previous question you were asked to rank issues in relative importance to your business. Please explain the reasons why number 1 and 2 choices are important to your company.
 

Issue #1: \_\_\_\_\_

Issue #2: \_\_\_\_\_
  
7. Do community people currently control land and resources important to the operations of your company?
 

**Yes                      No**

If YES, please explain: \_\_\_\_\_
  
8. As a result of the land claims process, do you expect community people to acquire control over land and resources important to the operations of you company?

**Yes**                      **No**  
 If YES, please explain: \_\_\_\_\_

**A number of strategies have emerged among corporations in response to increasing community control over land and resources. These include royalty payments, joint ventures and other business partnerships to develop the resources, preferential hiring policies, preferential purchasing arrangement, business development advice, and support, and so forth. We would like to learn more about these practices and your satisfaction with them.**

9. If community people currently control land and resources important to the operations of your company, has your company developed and implemented strategies to acquire access to these resources?

**Yes**                      **No**                      **N/A**  
 If YES, please describe those strategies and the actions you have taken: \_\_\_\_\_

10. If you expect community people to acquire control over land and resources important to the operations of your company in the future, are you developing a strategy to acquire access to these resources?

**Yes**                      **No**                      **N/A**  
 If YES, please describe the strategies and the actions you have taken: \_\_\_\_\_

11. If you have developed and implemented a strategy for gaining access to community land and resources, how satisfied are you with the results?

**Extremely**            **Moderately**            **Somewhat**            **Not at all**            **N/A**

In your opinion, how satisfied are the community people involved?

**Extremely**            **Moderately**            **Somewhat**            **Not at all**            **N/A**

**The Community population is growing much more rapidly than the non-community population. Community education levels, employment levels and income levels are rising. In addition many communities have or will receive large cash settlements as part of the land claim process. This money must be invested in financial instruments, community assets and/or economic development. This increasing size and affluence has made the community market attractive to certain companies.**

12. Are community individuals or communities and/or organisations currently an important market segments for your company?

**Yes**            **No**            **N/A**

If yes, what impact has their market importance had on your company's community relations strategy? \_\_\_\_\_

13. If they are not important now, do you expect community individuals, communities and/or organisations to become important market segments for your company?