

Analysing unemployment in a selected township economy: A business owner perspective

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ABSTRACT

Unemployment in South Africa has been a constant problem for many years. Many scholars have written about this problem, not only in South Africa, but in other areas of the world. To combat this problem, the South African government introduced a National Development Plan that aims at creating at least 24 million jobs and R120 000 income per capita. 90% of these jobs would be through the small, medium, and micro enterprises (SMMEs) by the year 2030.

One of the key initiatives was for the businesses in the townships to play a role through the township economy revitalisation programmes, which will enable township businesses to play a part in combating the problem of unemployment in the country. The purpose of this study was to analyse the unemployment problem and look at different factors that hinder the success of businesses in their areas. In addition, it was essential to understand the factors that drive unemployment within townships.

In consideration of the above-mentioned facts, the study was conducted with the primary objective of analysing the unemployment problem in the township of Sharpeville by discovering the views of the business owners in the area. The study followed a qualitative research approach and the key outcomes of the study came from the views and insight of the respondents who owns businesses within the township of Sharpeville.

The study has shown that there are many challenges faced by township entrepreneurs that need to be carefully assessed and thoroughly dealt with. These challenges include factors such as lack of support and capital, as well as competition from foreign-owned businesses, culture and historical backgrounds. The study also showed that there is potential for township businesses to create employment and be self-sustainable and there is a need for investment in this area.

Key terms: township economy, small business, unemployment, Sharpeville, SMMEs, business owners, township revitalisation, National Development Plan (NDP)

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LIST OF ACRONYMS AND ABBREVIATIONS

CAQDAS – Computer Assisted Qualitative Data Analysis Software

CIPC – Companies and Intellectual Property Commission

DTI – Department of Trade and Industry

GDP – Gross Domestic Product

NDP – National Development Plan

SEDA – Small Enterprise Development agency

SEFA – Small Enterprise Finance Agency

SMME – Small medium and micro enterprises

VAT – Value Added Tax

CHAPTER 1: Nature and Scope of the Study

1.1 OVERVIEW

High unemployment and low wages are at the heart of the socio-economic problems in South Africa (Ngonyama, 2016). An unemployment rate higher than 25% of the total population is considered to be high. The gap between those with financial means and those without is expanding at a rapid rate and problems associated with this state of inequality include a dissatisfied section of citizens (Ngonyama, 2016).

Economic stability relies on the ability of a country to maintain a low unemployment rate and provide a safe and secure workplace. Employed individuals benefit from their workplace and the employers benefit from the skills of their employees, as a result, businesses become sustainable. When a substantial relationship exists between the individuals and workplace environment, society, as a whole, benefits (Capozzi, 2019)

The exposure to unemployment impacts on careers of the youth; the risk of low transference of skills result in lack of working experience, labour market integration, as well as on their future and subjective wellbeing (Helbling *et al.*, 2019). According to Joseph (2020), stress, rejection, fear and frequent bouts of depression that often result from being unemployed are high-risk factors for the development of drug use problems. Many people who are struggling with the adverse effects of unemployment turn to alcohol and drugs to mitigate the socio-economic problems.

In the case of townships like Alexandra, the youth roam the streets without jobs, with some having given up and resorting to crime to survive (Manala, 2016). The challenges are further compounded by the lack of role models and successful people mentoring and inspiring the youth to seek and achieve employment through their enterprises (Manala, 2016).

Most successful people born in townships left for more affluent areas and were not interested in creating employment ventures in the township or encouraging and exposing township youths to opportunities (Manala, 2016). Unemployment has been

identified as one of the three vicious constraints of economic development and economic participation of individuals, *inter alia* inequality and poverty (Kubone, 2019).

1.2 PROBLEM STATEMENT

The socio-economic issues such as poverty, increasing crime, household depression and instability are a severe problem for many people in different areas in South Africa brought on by unemployment. Unemployment in South Africa has been a point of concern in recent times; each year, the numbers keep growing. The unemployment rate in South Africa has seen an increase of at least 1.5% from 27.6% in the first quarter of 2019, to 29.1% in the last quarter of 2019. Gauteng province increased from 28.9% in the first quarter of 2019 to 30.8% in the last quarter, an increase of 1.9% (SSA, 2019).

In the past five years, the unemployment rate has surged from 26,7% at the beginning of the first quarter in 2016 to 30.1% in 2020. Youth unemployment has risen from 54.2 % in the first quarter of 2016 to 59% in the first of quarter of 2020.

Figure 1.1 illustrates the South African general unemployment rate for each quarter for the past five years.

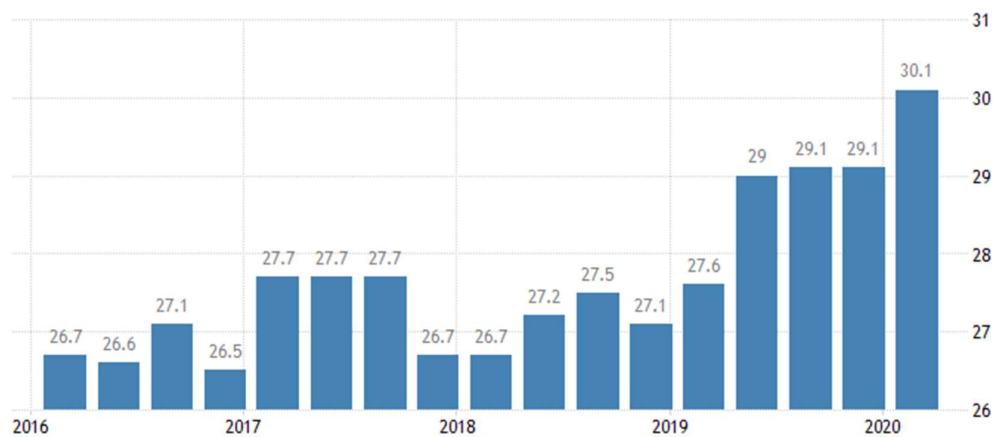


FIGURE 1.1: SOUTH AFRICA'S UNEMPLOYMENT FIGURES: 2016 – 2020

Source: Trading Economics (2020)

Figure 1.2 demonstrates the Youth unemployment over the past five years.



FIGURE 1.2: SOUTH AFRICAN YOUTH UNEMPLOYMENT FIGURES: 2016 – 2020

Source: (Trading Economics, 2020)

Sharpeville is one of the oldest and most well-known townships in South African history with a population of at least 37 599 residents, 12 170 households. Economic growth has been slow and unemployment has been increasing over the past years.

The research investigated the employment opportunities available for the small, micro and medium enterprise (SMMEs) to bring more employment to the South African township of Sharpeville, taking into account the socio-economic factors that fuel unemployment in Sharpeville. The problem is that increasing unemployment leads to increased socio-economic issues like poverty, crime within the townships and instability.

1.3 RESEARCH QUESTIONS

1.3.1 Primary research question

The following research question was formulated for this study: Can the unemployment problems in the South African township be alleviated by exploring various township entrepreneurial activities?

1.3.2 Secondary research question

The following secondary research question was formulated to support the primary research question: What are the factors that are influencing unemployment in Sharpeville?

1.4. OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The overall aim of the study was to analyse unemployment in a selected township economy from a business owner perspective.

1.4.2 Secondary objectives

The secondary objectives of the study include:

- To establish the factors that drive unemployment in the township
- To scope factors that are driving informal entrepreneurial activities in the area
- To explore the nature of economic activities (i.e. businesses in the area) transpiring in the township
- To review the factors that affect township business
- To determine the average time it takes for a business to be self-sustainable in order to keep its employees and employ more
- To determine the average contribution of the SMMEs in the township economy of a township.

1.5 SCOPE OF THE STUDY

1.5.1 Field of study

This study underpinned the factors that drive employment within the township of Sharpeville and the involvement of the SMMEs in the employment creation within this township. This information can be used by the economic development cluster within the Emfuleni Local Municipality when planning measures to combat the unemployment problem in Sharpeville.

This study provides a summarised guideline to the residents of Sharpeville and other semi-urbanised townships, that has a mixture of middle-class habitation and informal settlements to understand the problems associated with unemployment in their township, the worth of their township wealth and the contribution as well as the impact it may have on their livelihoods. With the township economy, employment and entrepreneurship will be revived and this will surely decrease unemployment strains, revitalise the informal economy as well as the entire South African economy through enhanced township economic revitalisation.

This research proposed solutions through identifying, analysing and presentation employing analytical data and it gathered the concepts highlighted by many academic scholars with the same interest that have made recommendations.

1.5.2 Geographical demarcation of the study

Sharpeville is a very popular South African township that is known internationally for the historical events leading to the Sharpeville massacre that occurred on 21 March 1960. It is part of ward 12 and 13 of the Emfuleni Local Municipality. 36.3% of the population is employed, with an average annual household income of R30 000, about the same as the average household income of Sedibeng regional municipality and approximately half of Gauteng (R57 500) household income.

About 7% of the employed population makes a sustainable living in the informal sector and about 8% in private households. The employed youth is 18.8% and 85, 5% is employed in the formal sector. (Wazimap, 2019). The figure 1.3 depicts the unemployment statistics in the township economy of Sharpeville.

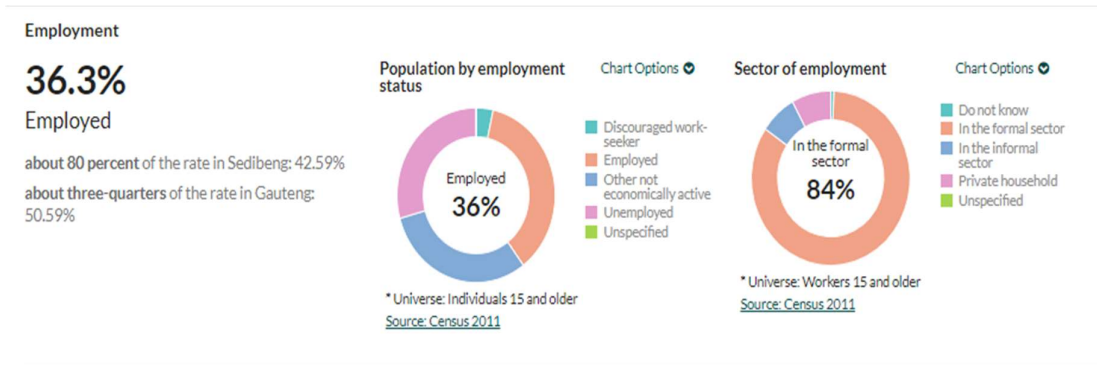


FIGURE 1.3: EMPLOYMENT STATISTICS OF SHARPEVILLE (SOURCE: WAZIMAP, 2019)

1.6 RESEARCH METHODOLOGY

1.6.1 Literature review

To acquire sufficient information about the topic, a wide range of the relevant literature was studied from textbooks, the Internet, government reports, theses and dissertations to understand the problem better.

The literature review had a theoretical study as well as an empirical study. A theoretical study does not depend upon an experiment, any manipulation of variables or empirical evidence, it is based on testing, exploring and developing theories. In contrast, the empirical study involves observations and measurements and demonstrates a thorough relationship between variables (Jax, 2020).

1.7 EMPIRICAL INVESTIGATION

1.7.1 Research design

According to Akhtar (2016), there are different types of research designs, namely exploratory, descriptive, analytical or experimental. For this study, the focus was on experimental research design. The researcher took the already well-established theories and applied them to the phenomenon of township entrepreneurship. According to Bhat (2020), exploratory research is used to investigate a problem which is not clearly defined, it is conducted to have a better understanding of the existing problem but may not provide conclusive results.

1.7.2 Research approach

A qualitative research approach was used to conduct a holistic and thorough investigation of opportunities that SMMEs could bring into the township economy.

A qualitative study is an enquiry approach in which an inquirer explores a central phenomenon, asks participants broad, general questions, collects detailed views of participants in the form of words or images, analyses and codes the data for descriptions and themes, interprets the meaning of information and then writes a final report (Maxwell, 2018:107).

For this study, the ethnographical research methodology was used. According to Spotless (2019:1), ethnographic research is a qualitative method where a researcher observes or interacts with a study's participants in their real-life environment. Within the field of usability, user-centred design and service design ethnography is used to support the designer's deep understanding of the design problem.

The aim of the ethnographic study was to be able to understand the design problem and all its associated issues. Having achieved this, the researcher was able to understand the problem and design a better solution. (Spotless, 2019:1)

Various individual methods are available within the ethnographic methodology (Fetterman, 2019):

- **The participation observation** is a method where a researcher will not only be observing research participants but will also be engaging in the activities of research.
- **Interview** is a method where a researcher, who is an interviewer and the coordinator, will ask questions to the participants individually and the participant, who is an interviewee, will respond to such questions. Interviews can either be face-to-face or telephonic.
- **Survey** is the method where data is gathered by asking questions to participants through a formally designed questionnaire; participants are asked questions on their demographical interests' opinions.

1.7.3 Research participants

The participants of the study in this regard were the local business owners around the different sections in Sharpeville township. The researcher interviewed 13 business owners within Sharpeville.

1.7.4 Measuring instrument

The researcher used semi-structured open-ended interviews. An interview with a subject matter expert can give a researcher meaningful insight that a generalised public source will not be able to provide (Bhat, 2020). The interview process reached data saturation and, according to Faulkner (2017:104), data saturation refers to the point in which the process of research arrived at a point where there is no new information to be discovered and this redundancy proves to the researcher that data collection may end. The researcher was reasonably assured that further data collection will yield the same results.

An integral part is coding and the responses were analysed using thematic analysis. First the researcher analysed all the responses, made a note about the first impressions, then indexed all the words and phrases that were relevant to the study, about opinions, differences and actions, especially those words that are repeated throughout the responses. All the relevant codes were kept to create themes.

The interview process also provided data richness; data richness is defined as an opportunity provided by data to gain useful knowledge that can help make decisions better or easier (Aitken, 2018:105).

1.7.5 Data analysis

The research methodology that was used in this study to gather data, which enabled the researcher to reach conclusions was ethnographic research. Jerolmack & Khan (2017:1) state that there are two main theoretical approaches to ethnography, namely induction and deduction. Whether ethnographers build their theory from observations (induction) or use observations to test theory (deduction), they approach the field with one or more methods of analysis that lead them to focus on a distinct thread.

The data were collected using interviews. Although there are many different techniques to analyse ethnographical data, the researcher used Atlas.ti, a qualitative data analysis software. This computer software is created specifically for managing and analysing qualitative data. This piece of technology assists in automating and simplifying necessary clerical actions like coding data and data retrieval (Calzada 2015:50).

The analysis of data was carried out in three stages:

- The first stage was to identify key concepts using the analysis of the existing content and mind-mapping the process protocol and developing a conceptual framework to organise data.
- The second stage was to create additional codes and themes to generate a codebook to summarise all codes and themes identified, which gave the researcher the total number of interviews conducted as well as the number of times a code appears in the entire dataset.
- Lastly, the researcher generated the hypotheses based on theory and to provide an in-depth understanding of township economy and its influence in unemployment reduction.

Fisher (2017:7) states that qualitative data analysis is a very technical process, it involves complex methods of sorting, storing and managing data, retrieving relevant bits and pieces and threading them together into a coherent account. The author further alludes that researchers tend to be involved in very lengthy clerical tasks. After accumulating such information and completing tasks, they have to find a way to connect them.

1.8 RESEARCH DESIGN

1.8.1 Research approach and data collection

For this study, data was collected in different ethnographic mechanisms; the researcher stays and works within the environment in which the research was conducted. The researcher interviewed businesses within the township and they were

asked to share their views around the subject matter of township economy and their beliefs, what they think about the state of Sharpeville's business operations and its future.

The participants were also interviewed regarding any relevant issues such as their current entrepreneurial activities in Sharpeville, their thought around township economy, their views on employment and unemployment, business challenge and their business life span.

The target population were the owners of the businesses operating in Sharpeville as well as street vendors, therefore, all SMMEs were included in the study; formal and informal businesses, those registered with Companies and Intellectual Property Commission (CIPC) and those not registered. The table 1.1 gives a summary of the businesses that were interviewed.

1. 1 Description of the target population

Business operates in Sharpeville	13 businesses were interviewed
Business with employees	9
Registered with CIPC	9 registered, 4 unregistered
Small/ micro/ medium enterprise	All businesses fit in the criteria of being an SMME as per the New Small Enterprise Act threshold.

Source: (Own compilation)

1.8.2 Research strategy

The research methodology that was used in this study to gather data to enable the researcher to reach the desired conclusions was ethnography (Jerolmack & Khan, 2017:1), with the main emphasis on interviews. The study is exploratory research in nature and the interview technique was used as the primary method of data collection under this strategy.

1.8.3 Research setting

The study was conducted in the township of Sharpeville between April and December 2020.

1.9 SAMPLING

The sampling techniques employed in this study comprised of semi-structured interview questions. The researcher used the convenience (volunteer) sampling, where potential participants volunteered to participate in the research study. The researcher identified participants who can provide information to answer the research question and the participants who have direct and personal knowledge about the study to share and reflect on the experience on interest (Gill, 2020:106)

1.10 STRATEGIES TO ENSURE QUALITY DATA

According to Stratford & Bradshaw (2016:1), there must be a careful design and rigour to ascertain dependability of any research. They believe that well-conceived research results in research that is well-executed and in findings that are well-executed. Thoughtful planning and the use of procedures to ensure that studies are rigorous should, at all times, be central concerns for qualitative researchers; the information we get from our participants, the questions to ask, the cases and the actual participants we involve in the study to ensure the rigour of our work is the core on the dependable research.

To ascertain rigour, the researcher prepared collection guidelines, built a research team, defined and obtained adequate participation, reached the data saturation and ensured high levels of consistency in the field. The data were collected through face-to-face interviews, keeping the required Covid-19 distance between the researcher and the participants, depending on the circumstances of the respondents.

1.11 ETHICAL CONSIDERATIONS

This study looked at all the available options to ensure that the participants were not at risk and all the necessary steps were taken to protect their rights.

The NWU played a role in issuing consent to the researcher, providing confidence that the researcher was conducting the study within the principles of ethics suggested by the university. The consent form issued by North-West University as well as the letter for ethical clearance are contained in Annexure A and Annexure B respectively

According to Caldaza (2017:50), ethnographic research is social research that involves dealing with human beings; the author states that the values that guide research conduct should include how to treat people on whom research is conducted and also to look at what is deemed to be appropriate when dealing with human beings.

However, there is no universal rule or approach to assure that human subjects feel rightly treated. To assure fair treatment of the respondents, this study did not involve participants who showed signals of anxiety, stress or trauma and the confidentiality and anonymity of the participants were guaranteed.

1.12 LIMITATIONS TO THE STUDY

Many role-players within the intended research scope gave an honest and enthusiastic response. However, some may have found it hard to release accurate information, especially about their business income or the performance of their businesses, for various reasons.

1.13 SIGNIFICANCE OF THE STUDY

The study provides a thorough overview of the factors that drive unemployment, as well as the opportunities that may be raised by SMMEs within the Sharpeville township; this information can be used by the economic development cluster within the Emfuleni Local Municipality when planning measures to combat the unemployment problem in Sharpeville.

A study of this nature has never been done on the township of Sharpeville, although much has been written about unemployment in townships in the Gauteng province and nationally.

This study will provide a summarised guideline to the business owners and the local government of Sharpeville and other semi-urbanised townships, who have a mixture of middle-class habitation and informal settlements, to understand the problems associated with unemployment in their township and how the SMMEs around the area can contribute to assisting with creating employment opportunities. Business owners and the local government will discover the worth of their township economy and the contribution as well as the impact it may have on their livelihoods. With increased township economy, employment and entrepreneurship will be revived and this will surely decrease unemployment strains, revitalise the informal economy as well as the entire South African economy through enhanced informal settlement economic revitalisation.

This research proposed solutions through identifying, analysing and presenting statistical and analytical data and it will gather the concepts highlighted by many scholars of knowledge who had the same interest and have made lifelong recommendations.

1.14 LAYOUT OF THE STUDY

Chapter 1: Scope and nature of the study

Chapter 1 consists of the introduction, the definition of the background of the problem, problem statement, purpose of the study, the research hypotheses, importance of the study, the scope and limitations and established the factors that drive employment in the township.

Chapter 2: Literature review

This chapter focuses on a literature review of relevant studies undertaken by previous scholars in the same field and substantiation of the concept to be used and issues to be looked at to inform the current research and to establish a framework of the investigation.

Chapter 3: Empirical investigation

The chapter focuses on how the research was conducted, how data were collected and interpreted and ensuring ethical standards of research were met. The chapter began with the introduction to the research, then outlined the research design. The chapter also outlined a brief description, location and selection of the participants. Data collection, data analysis, establishment of credibility, considerations, the research findings as well as the summary and conclusion were dealt with in this chapter.

Chapter 4: Conclusion and recommendations

The chapter focuses on the recommendations and the areas of improvement as suggested by the study.

1.15 CHAPTER SUMMARY

This chapter provided the clear overview of the study. The problem statement and the research questions were also discussed in the study. The study participants and the research methodology was briefly discussed in this chapter and the in-depth discussion of the research methodology will be discussed in chapter three. In the next Chapter (two) the literature review will be discussed.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Unemployment in South Africa has been a point of concern in recent times; each year, the numbers increase. The unemployment rate in South Africa has seen an increase of at least 1.5% from 27.6% in the first quarter of 2019, to 29.1% in the last quarter of 2019. Gauteng province increased from 28.9% in the first quarter of 2019 to 30.8% in the last quarter, an increase of 1.9% (SSA, 2019).

The small, medium and micro enterprises (SMMEs) have been identified as one of the means to combat unemployment and increase employment in South Africa. The White Paper on national strategy for the development and promotion of small businesses in South Africa is one of the attempts to contribute to the process of stimulating business concerns in South Africa {DTI, 1995 #185}

This chapter focuses on getting evidence from diverse scholars of knowledge to understand the need of SMMEs to create employment in South African townships as well as the challenges these SMMEs face. This chapter explores the need for SMMEs in South Africa's informal economy and expand the theoretical framework, which elaborates on the challenges and opportunities faced by township entrepreneurs in order to expand.

2.2 THE CONCEPT OF SMALL, MEDIUM AND MICRO ENTERPRISES (SMMES)

Small, medium and micro enterprises have been identified as a key component that could be utilised to advance inclusive growth and development in South Africa. The national development plan highlights the importance of these SMMEs for job creation, innovation and competitiveness, with the goal that 90% of new jobs will be created by SMMEs in South Africa by 2030 (Bhorat *et al.*, 2018).

The SMMEs in South Africa have some economic roles to fulfil. They contribute to a country's national GDP (Gross Domestic Product) by either manufacturing goods of value or through provision of services to both consumers' and other enterprises (Berry *et al.*, 2002).

The definition of SMMEs incorporates a broad range of companies, some which include formally registered, informal and non-VAT registered organisations (SEDA, 2016). Small businesses range from medium-sized enterprises that employ over 100 people, to informal micro enterprises, which comprise of street trading enterprises, backyard manufacturing and services as well as home-based evening jobs.

According to Urban & Ndou (2019: 8), informal SMMEs provide, on average, half of all economic activities in developing countries. The informal sector is recognised in terms of its entrepreneurial potential, where the character and prevalence of informal enterprises in many developing and emerging markets are at the epicentre of the economy. However, (Rogerson, 2004) believes that in order to evaluate how the SMMEs have contributed to the economy, factors like employment growth, national economic growth, poverty alleviation and income distribution must be considered.

2.3 CONTRIBUTION OF SMME TO EMPLOYMENT

According to Muriithi (2017), globally, SMMEs are the source of employment and a source of income for about 80% of world's population. Specifically, micro businesses account for 30% of employment, small businesses account for 20% , while medium businesses provide 10% of employment (Fjose et al 2010) Cited by (Muriithi, 2017).

In the South African context, the national development plan envisioned that by 2030, SMMEs will contribute at least 60-80% to GDP increase and generate 90% of the 11 million new jobs targeted in the country. A 2018 study by the Small Business Institute, shows that there are only about 250 000 SMMEs in South Africa, accounting for just 28% of formal jobs in the economy. This is despite SMMEs being accountable for nearly 98.5% of the number of formal jobs in the economy (Sonqoba, 2019).

The 2.1 below demonstrates the SMMEs contribution to their countries GDP and employment.

2. 1 GDP and employment contribution by SMMEs in African countries

Countries	Contribution to GDP (%)	Contributions-to employment (%)
Ethiopia	3.4%	90%
Ghana	70%	49%
Kenya	40-50%	80%
Nigeria	50%	70%
Rwanda	20.5%	60%
South Africa	50-60%	60%
Tanzania	60%	20%
Zambia	8%	30%
Zimbabwe	40%	15%

Source: (Muriithi, 2017)

2.4 SMMES IN THE SOUTH AFRICAN CONTEXT

In the mid-1990s, the South African government introduced the concept of SMMEs to the national economy through the National Small Business Act 102 of 1996 (Bruwer, 2016). In this Act, two major objectives were identified, being the assistance in decreasing the unemployment rate as well as alleviation of poverty.

2.5 BROAD DEFINITIONS OF SMMES IN THE NATIONAL SMALL BUSINESS ACT

The National Small Business Act 2003, categorises SMMEs into four categories, namely the survivalist enterprise, micro-enterprise, very small enterprise, small enterprise and medium enterprise.

2.5.1 Survivalist enterprises

Survivalist enterprises are businesses whose income generated is less than the minimum income standards or the poverty line. Survivalist entrepreneurs operate in the informal sector of the economy and depend on the little income they generate for survival (Ranyane, 2014).

This category is considered to be pre-entrepreneurial and it includes hawkers, street vendors and subsistence farmers. Survivalist enterprises are often categorised as part of the micro-enterprise sector.

2.5.2 Micro enterprises

Micro enterprises are characterised by their turnover. These enterprises' turnover must be less than the R150 000 annual value added tax registration limit. Most of the small enterprises are spaza shops, minibus taxis and household businesses. They employ not more than five people.

2.5.3 Very small enterprises

These are enterprises that employ less than ten salaried employees. Except in the mining, electricity, manufacturing and construction sectors, where the maximum number is stretched to 20 employees.

2.5.4 Small enterprises

Small enterprises are defined by the Act as separate and distinct business entities, together with their branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more and predominantly carried on in any sector or subsector of the economy. The table 2.2 below lists the categories of the SMMEs in South Africa.

2. 2 Small Enterprise Act 102 of 1996 threshold for defining enterprise size classes by sector

Sectors or Subsections	Size or Class of Enterprise	Total full time paid employees	Total Annual Turnover
Agriculture	Medium	250	35 000 000
	Small	50	17 000 000
	Micro	10	7 000 000
Mining and Quarrying	Medium	250	210 000 000
	Small	50	50 000 000
	Micro	10	15 000 000
Manufacturing	Medium	250	170 000 000
	Small	50	50 000 000
	Micro	10	10 000 000
Electricity, Gas and Water	Medium	250	180 000 000
	Small	50	60 000 000
	Micro	10	10 000 000
Construction	Medium	250	170 000 000
	Small	50	75 000 000
	Micro	10	10 000 000
Retail, motor trade & repair services	Medium	250	80 000 000
	Small	50	25 000 000

	Micro	10	7 500 000
Wholesale	Medium	250	220 000 000
	Small	50	80 000 000
	Micro	10	20 000 000
Catering, Accomodation and other trade	Medium	250	40 000 000
	Small	50	15 000 000
	Micro	10	5 000 000
Trasport, Storage and Communication	Medium	250	140 000 000
	Small	50	45 000 000
	Micro	10	7 500 000
Finance and Business Services	Medium	250	85 000 000
	Small	50	35 000 000
	Micro	10	7 500 000
Community, social and Personal Services	Medium	250	70 000 000
	Small	50	22 000 000
	Micro	10	5 000 000

(Source: DTI 2020)

The small enterprises are generally more established than very small enterprises and exhibit more complex business practices. They employ over 50 salaried employees.

2.5.5 Medium enterprises

The maximum number of employees for medium enterprises is 100 or 200 for the mining, electricity, manufacturing and construction sector. These enterprises are characterised by the decentralisation of power to an additional management layer.

2.6. CHARACTERISTICS OF SMMES IN SOUTH AFRICA

The number of SMMEs in South Africa is estimated to be just above 2 500 000 in the first quarter of 2019. This shows a growth of 4.4% against the backdrop where the world-wide economy contracted by 0.4%. The SMME option has become an option or an alternative for people struggling to get a Job. Of all employed people, 5.3% also employed others, and 10.2 worked for themselves. Figure 2.1 demonstrates the number of SMMEs in South Africa.

Indicator	2018Q1		2018Q4		2019Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Employer	843 253	5.1%	924 351	5.5%	872 711	5.3%	-51 640	-5.6%	29 457	3.5%
Own account worker	1 599 910	9.6%	1 633 411	9.8%	1 677 829	10.2%	44 418	2.7%	77 919	4.9%
SMME owners	2 443 163	14.7%	2 557 762	15.3%	2 550 540	15.4%	-7 222	-0.3%	107 377	4.4%
Working for someone	14 066 897	84.8%	14 102 663	84.2%	13 853 471	83.9%	-249 192	-1.8%	-213 425	-1.5%
Helping in household business	69 954	0.4%	88 994	0.5%	109 030	0.7%	20 036	22.5%	39 076	55.9%
Total employed	16 580 013	100.0%	16 749 419	100.0%	16 513 041	100.0%	-236 378	-1.4%	-66 972	-0.4%

Figure 2. 1 Number of SMMEs in South Africa (Source: Seda, 2019)

In 2019, the SMME sector provided employment to 10.8 million people in South Africa, which accounts for 66% of all 16.5 million jobs created in the country. Of these jobs, 23% were the SMME owners, 23% were business owners themselves, and 77% were for their employees. Within this period, the SMMEs created over 2 million positions, which is a staggering increase of 22% (Seda, 2020)

This indicates a huge shift in the labour market from large employers to smaller ones. The number of SMME employees (non-owners) increased by 29% in the first quarter of 2019. The majority of the employment, just above 61% in the formal sector. Female workers make up a total number of 38%. The figure 2.2 indicates the employment provided by SMMEs in South Africa.

	2018Q1		2018Q4		2019Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Formal sector	4 972 307	56.0%	6 429 404	60.7%	6 631 459	61.2%	202 055	3.1%	1 659 152	33.4%
Informal sector	1 053 129	11.9%	883 026	8.3%	1 115 405	10.3%	232 379	26.3%	62 277	5.9%
Agriculture	417 417	4.7%	727 178	6.9%	537 157	5.0%	-190 021	-26.1%	119 740	28.7%
Private households	0	0.0%	0	0.0%	5 258	0.0%	5 258	n/a	5 258	n/a
Provided to others	6 442 852	72.5%	8 039 609	75.9%	8 289 280	76.5%	249 671	3.1%	1 846 427	28.7%
% Female*		37.7%		37.8%		38.0%		0.1% pts		0.3% pts
Employer	843 253	9.5%	924 351	8.7%	872 711	8.1%	-51 640	-5.6%	29 457	3.5%
Own account worker	1 599 910	18.0%	1 633 411	15.4%	1 677 829	15.5%	44 418	2.7%	77 919	4.9%
Total	8 886 015	100.0%	10 597 371	100.0%	10 839 819	100.0%	242 449	2.3%	1 953 804	22.0%

Figure 2. 2 Employment by SMMEs (Source: Seda, 2019)

However (SBI, 2020) believes that the formal employing SMME sector in South Africa consists of just over 250 000 businesses, much smaller than originally thought and far off the mark of the current estimates. This sector contributes nearly 98% of the number of formal firms in the economy of the country and accounts to 28% of the jobs, based on the international trends and statistics; this number should be 60 to 70%.

The majority of the jobs, nearly 56%, comes from 1000 larger employers, and these jobs are growing at a faster rate than what SMEs are creating (Tsatsenko, 2020). Many small firms pay more to retain their employees than the larger firms but these small firms are not employing people at a desirable rate.

The South African SMME landscape comprises of different features and different characteristics that differentiate one business from the other. According to Thulo (2019), SMMEs in South African is comprised of young and vulnerable businesses. 60% of the owners of these businesses have been in operation for less than three years, and 70% on the SMME owners were running their businesses for the first time.

What is worth noting is that 70% of the small businesses generate the revenue below R200 000 annually, while the 20% generates between R200 000 and R1 Million. When it comes to employment, 47% of the SMMEs employ between two to five people, while 39% on the owners are the only employees in the businesses. 1% employs between 21 to 50 employees.

The age of the SMME owners in South Africa who are between the ages of 45 and 49, which is the largest age group, is estimated at 27%. This is the age where business owners have accumulated enough experience and perhaps some capital to take the risk of starting new businesses. 60% of the business owners are older than 40, and 40% are below 40 years. The figure 2.3 below depicts the age groups of the SMMEs in South Africa.

Years	2018Q1		2018Q4		2019Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
15-19	6 630	0.3%	7 273	0.3%	6 624	0.3%	-648	-8.9%	-6	-0.1%
20-24	86 598	3.5%	87 490	3.4%	73 187	2.9%	-14 303	-16.3%	-13 411	-15.5%
25-29	195 220	8.0%	218 641	8.5%	228 872	9.0%	10 232	4.7%	33 652	17.2%
30-34	329 023	13.5%	319 225	12.5%	325 453	12.8%	6 227	2.0%	-3 570	-1.1%
35-39	384 120	15.7%	391 568	15.3%	386 822	15.2%	-4 746	-1.2%	2 701	0.7%
40-44	392 051	16.0%	402 588	15.7%	386 179	15.1%	-16 409	-4.1%	-5 872	-1.5%
45-49	329 365	13.5%	390 738	15.3%	417 524	16.4%	26 786	6.9%	88 158	26.8%
50-54	281 281	11.5%	307 150	12.0%	295 764	11.6%	-11 386	-3.7%	14 483	5.1%
55-59	221 667	9.1%	223 482	8.7%	221 234	8.7%	-2 247	-1.0%	-433	-0.2%
60-64	119 314	4.9%	104 366	4.1%	107 756	4.2%	3 391	3.2%	-11 558	-9.7%
65-69	51 913	2.1%	65 130	2.5%	62 187	2.4%	-2 943	-4.5%	10 274	19.8%
70-74	27 031	1.1%	25 614	1.0%	27 341	1.1%	1 727	6.7%	309	1.1%
75-79	18 949	0.8%	14 498	0.6%	11 596	0.5%	-2 902	-20.0%	-7 353	-38.8%
Total	2 443 163	100.0%	2 557 762	100.0%	2 550 540	100.0%	-7 222	-0.3%	107 377	4.4%

Figure 2. 3 Age groups of SMMEs in South Africa (Source: Seda, 2019)

In 2019, the number of SMMEs operating in the informal sector stood at 69%, while the remaining 39% operated in the formal sector. The majority of the SMMEs owners in the formal sector employs other people, while in the informal sector, the majority of the have one owner. 34% of all SMME owners employ other people. Figure 2.4 illustrates the formal and informal SMMEs in South Africa.

Type	Formal sector	Informal sector	Agriculture	Private households	Total	Distrib.
An employer	523 606	315 380	29 987	3 737	872 711	34.2%
Own account worker	212 592	1 439 063	15 442	10 732	1 677 829	65.8%
Total	736 198	1 754 443	45 429	14 470	2 550 540	100.0%
% per sector	28.9%	68.8%	1.8%	0.6%	100%	

Figure 2. 4 Formal and informal SMMEs in South Africa (Source: Seda, 2019)

While the pre-democratic apartheid government spent considerably on the economic infrastructure, the post-apartheid government inherited social infrastructure, which

reflected racial; inequalities that characterised the apartheid system (Irene, 2017). Over the years, an investment in the economic infrastructure has been viewed as severely lacking. This is because there has been continuous economic growth and overall social improvements, and these factors placed a substantial burden on the old infrastructure.

The South African government has pledged to refocus its infrastructure spending on economic infrastructure. The SMMEs contribute significantly (57%) to the South African GDP, 66% of the employment comes from SMMEs, showing that SMMEs are the important contributors in the economy. The table 2.3 summarises the characteristics of South African SMMEs.

2. 3 Characteristics of SMMEs in South Africa

Summary of characteristics of the SMMEs in South Africa
The majority of the SMMEs are self-funded (63%) of the owners use their savings, 20% took loans from a family member, partner or friend, 6% found business angels or venture capitalists.
Initial start-up funding is below R100 000
Many SMMEs have a cash-flow problem
Small Businesses are much successful than other categories of SMMEs
There is significant competition amongst SMMEs
Many small businesses embrace technology
There is a lack of financial fluency
A limited number of Female SMMEs owners

(Source: Businesstech, 2019)

2.7 SMMES IN GAUTENG PROVINCE

The Province of Gauteng is the smallest in South Africa, housing approximately 14 million people, which is about 21% of the national population (Municipalities of South Africa: 2019). This province consists of Ekurhuleni Metropolitan, the City of Johannesburg Metro, which is the capital city, the City of Tshwane, the Sedibeng District and the West Rand District (Municipalities of South Africa: 2019).

Gauteng remains South Africa's highest contributing province in terms of the GDP. According to (SSA, 2019), Gauteng 's contribution to the country's GDP in the year 2017 was 34% , with the province of Kwazulu-Natal coming second with a total contribution of 16%.

Even though the Gauteng township enterprises are mostly micro enterprises, characterised by poverty and low incomes, many were born out of the identification of opportunity and survival. Both necessity and opportunity enterprises have produced active township entrepreneurs who have moved high in the ranks, from only serving the township economy to meeting the social and economic needs of township communities based on co-operation and solidarity (GED, 2014)

In South Africa, the idea that the township economy be revitalised has begun to gain significant political traction. The Gauteng provincial government has responded to this challenge by setting out a strategy that promises to channel resources and create micro-enterprises (Charman, 2017).

The Gauteng government is devoted to ensuring that the township economy contributes at least 30% of the Gauteng's Gross Domestic Product by 2030. The province's strategy is to set out a programme of action for the next five years and beyond, illustrating how the government will partner with key stakeholders and take the lead in revitalising the township enterprise activities. Key partners in the delivery of the plan will include the National Government, the Gauteng Provincial government, local government, the private and corporate sectors and representatives and support organisations for different types and forms of enterprises (GED, 2014).

Even though there are few steps taken by the Gauteng provincial government to support and enable micro, small and medium enterprises as well as co-operatives, there are still barriers that are common to these co-operatives. These barriers are lack of entrepreneurial and productive activity; poor understanding of the abilities and value of township enterprises; little evidence to establish the impact and value-add of township enterprises; and difficulty and lack of coherence within township economy sectors; combined with lack of skills and knowledge (Charman, 2017)

The Gauteng provincial government and municipal governments are pursuing policies to modernise, formalise and industrialise township economies in the province. Provincial and local governments have emphasised the significance of focusing on the needs in the more impoverished periphery of the province, through the development of large mega human settlements that will work as new cities and the urgency of implementation of township revitalisation strategies and township economic programmers (Matjomane *et al.*, 2019)

The Premier of Gauteng, David Makhura, in his state of the province address, stated that Gauteng was leading in the revitalisation of township economies, where spending on goods and services went up from a few hundred million to billions in just three years (African News Agency: 2018).

2.8 FACTORS AFFECTING SMMEs GROWTH

SMMEs are notably the engines that drive economic development. Businesses account for almost 90% of businesses in both leading and developing countries through creating jobs, employment, provision for tax and contribution to the gross domestic product (GDP) (Muriithi, 2017).

However, in South Africa, besides their critical and positive role, many SMMEs face numerous challenges ranging from power shortage, lack of capital, poor management skills and competencies, increasing levels of corruption and inadequate information. It thus becomes evident that the government gives very little support to SMMEs, thereby a vital economic trigger that should form pillars of development of economy (Muriithi, 2017).

(Fourie, 2016) also notes that in the NDP, the South African planning framework to increase the country's economy by 2030, a little is said about the informal sector economy, more emphasis is being given to the businesses in the formal sector.

The major achievements of the first decade of SMME were linked to the establishment of a new architecture for support of the SMME economy, which has been largely neglected before 1994 (Rogerson, 2016). There were also several disappointments within the SMME space in the first decade of its existence. There was minimal implementation of the SMME policy by the national government on the enterprises in the informal economy.

In South Africa, there was relative neglect of policy support to micro entrepreneurs and the informal economy where previously disadvantaged entrepreneurs are mostly important. Since 1995, the weight of government support has focused on formal small and medium-sized enterprises with a corresponding neglect of survivalist informal enterprises, which are largely operating in the township economy (Rogerson, 2016).

2.9 THE INFORMAL SECTOR IN SOUTH AFRICA

Countries, everywhere, are divided into two distinct spatial realms: one urban and one rural. The classic models of development predict that there is faster growth in the urban sector, causing rapid migration from rural areas to cities, lifting average income in both places (Mahajan, 2018:1).

The South African informal economy can be described as having a dualistic socio-economic structure, spatially and legally divided between formal and informal contexts (Charman *et al.*, 2017:1). On the other hand, the formal economic activity is taxed, highly regulated and exists within a structured, legal framework.

The informal economy can be defined or characterised by its inclusion of activities that fall largely outside the purview of official regulations, whether because the regulations do not apply or through some combination of weak enforcement and evasion (Brown & McGranahan, 2016). Charman *et al.* (2017) describe informal economy as the

unregulated by the institutions of the society, in a legal and social environment where similar activities are regulated.

In South Africa, the informal economy is mostly synonymous with the nation's poor (Charman *et al.*, 2017). The country has symptoms of a spatial realm that is not fully connected with the urban systems (spatially, societally or structurally) and is certainly disconnected from the rural economy (Charman *et al.*, 2017). This may be effected by the country's special past laws and regulations, but the policies of the post-apartheid South Africa have inadvertently kept their cotemporary reality alive.

Fourier (2018:103) alludes that while the informal sector is the forgotten sector in many ways, it provides livelihoods, employment and income for about 2.5 million workers and business owners. One in every six South Africans who work, work in the informal sector. Almost half of those work in firms with employees, these firms provide about 850 000 paid jobs, almost twice the number of direct employment in the mining sector. The annual entry of the new enterprises is high, there is no shortage of business and initiative as well as the desire to grow.

In South Africa, 42% of total non-agricultural informal sector employment entails trade (wholesalers and retail), of which 26% is construction and manufacturing. Types of occupations for self-employed persons are mainly street vending, craft and related trade workers, including construction workers, tailors, mechanics and welders, service workers including shebeen owners, salons and spaza shops account to 18% (Fourier, 2018:104). The informal micro enterprises have the potential to address some of South Africa's core challenges of creating employment and stimulating economic growth in marginalised areas (Charman *et al.*, 2017).

The informal micro enterprises have a potential to address some of South Africa's core challenges of creating employment and stimulating economic growth in marginalised areas. Killa (2020) views the township as space for innovation like no other. He further notes that the proactive nature and the do-it-yourself attitude of commercial stakeholders is to be respected and supported. However, this way of operation often comes from places of survival, where competition is strong and capital is not enough.

Fourie (2016) believes that the informal sector provides livelihood and income to millions of people. Policy debates on employment and framework documents such as the National Development plan in South Africa tend to focus on the formal sector. He further states that the NDPs chapter on the economy and employment ignores informal sector enterprises and their needs and constraints. At the same time, the NDP projects the informal sector to produce up to two million jobs by 2030.

The formal sector consists of businesses, enterprises and economic activities that are monitored, protected and taxed by the government (Writer, 2020). The urban or formal economy carries better advantages as compared to informal economy (Shutters *et al.*, 2016). The table 2.3 summarises the difference between employment in the formal and informal sectors.

Table 2. 1: Difference between employment in the formal and informal economy

Formal sector	Informal sector
Have distinct regulations and common understanding or agreement of the job requirement	Does not abide by any of legal requirements
Working hours as well as the stipends or salaries are fixed	It does not have fixed salaries or fixed hours of work
There are formal contracts entered between an employer and employee	There are no contractual agreements, it is merely on verbal understanding.
Income taxes must be paid	
Highly governed by the government	
The work environment is clean and professionalised	In most cases, the work environment is congested and unhygienic
It has an organised system of employment with clear written rules of recruitment, agreement and job responsibilities.	Does not have written rules or agreements
The formal economy has organised associations or unions where official grievances are addressed	The workers in this type of economy fail to come together and address their

Formal sector	Informal sector
	problems through an association or a group.

(Source: Own Compilation)

2.10 THE SOUTH AFRICAN TOWNSHIP ECONOMY

According to Scheba & Turok (2020), township economy generally refers to all the economic-related activities that occur in townships. These encompass the production, distribution, exchange and consumption of goods and services. Unlike the formal economy, the economic activities are less regulated. Manyaka-Boshielo (2019) refers to township economy as any product or services that have been produced, distributed and consumed in township communities.

Since South Africa attained its democracy in 1994, the township economy has emerged out of apartheid's shadow and out of long periods of repressive interventions led by national policies in the country (Rogerson, 2016). The township economy appeared early on the policy agenda after the democratic transition and was conceptualised as the lowest tier of the country's small, medium and micro enterprises.

2.11 CLASSIFICATION OF TOWNSHIP ECONOMIES

Scheba and Turok (2020) note that there are three categories or classification of township economies, namely:

- **Apartheid townships**

These are the townships that were created as dormitory settlements for black labour to serve white industries and employers in core urban areas. Business formation and ownership were prohibited, except for basic activities. The general layout of the ownership and the infrastructure were designed for simple residential purposes.

- **Post-apartheid townships**

These are the townships that were developed through the national housing programme, resulting in extensive sprawling residential settlements on cheap, peripheral land. Many townships that were formed under the reconstruction and development programme lack public facilities and social amenities.

- **Informal settlements**

These types of settlements can also be regarded as part of the township economy. They are characterised by shacks that have erupted on formally developed land in existing townships and on occupied land designed for other purposes.

2.12 THE CHARACTERISTICS OF THE TOWNSHIP ECONOMY

Scheba and Turok (2020) note that, even though one has to be very careful about over-generalising because every township is unique in various ways, many townships have certain features in common. The large number of enterprises in residential areas is one of the most significant traits of the informal economy in townships. This reflects the way in which it has emerged and grown organically to meet the local demand. The efforts to streamline the township economy to being similar to the urban economy by driving enterprises from residential areas are likely to be counterproductive and will disrupt the lives of the township consumers as well as owners and employees of the informal enterprises (Charman & Petersen, 2015)

According to Scheba and Turok (2020), these are the common characteristics of the South African townships:

- They have high levels of financial leakage and poor resource retention
- Low investment in people, places and productive activities
- They have restricted linkages with formal value chains elsewhere
- They have poor economic infrastructure, for example, banks, business services, logistics, serviced land, industrial areas, business parks as well as business incubators.
- They carry low-capacity network infrastructure like electricity, water and sanitation systems.

- They have limited entrepreneurial traditions, business capabilities and vocational skills.
- The majority of the townships have high population densities with many low-income households possessing low purchasing power.
- South African townships carry high levels of unemployment, poverty and social ills, such as crime, drug misuse, gangsterism, xenophobia and stigma against private enterprises.
- Many townships have inadequate public facilities and social amenities, such as hospitals, schools, libraries and colleges.

2.13 SOUTH AFRICAN TOWNSHIPS

South African townships are peri-urban neighbourhoods defined by racial segregation, economic disparity and geographical isolation (Muldoon, 2020). As a product of racist policies of apartheid, these neighbourhoods exist as exclusively black or coloured and they present limited opportunities for mobility for their residents.

Most of the South African townships are designed with only one road leading in and out and typically separated from the rest of the urban environment by a highway or industrial zone (Muldoon, 2020). Townships were spaces that white South Africans did not enter and black and coloured South Africans required a government-issued pass in order to leave. South African township residents encounter immense risks within their environment, with little opportunities for perceived success (Mary, 2020). Table 2.4 depicts the social challenges that are facing South African townships.

Table 2. 2: Social challenges facing South African townships

Social challenges facing South African townships	
Social dimension	Per annum
Rate of increase of households	2.7%
Percentage of orphaned children	11.7%
Children between 0-4 years not attending early childhood development	49.2%
Learners who are still at school by the age of 18	74.5%
Slow provision of water	13.10%

Households with access to improved sanitation	80%
Households with complaints about waste removal and sanitation	42.6%
Land degeneration and soil erosion	32.7%
Households relying on social grants for living	19.1%
Households that reported hunger	11.3%

(Source: Asoba and Mefi 2020)

2.14 EMFULENI LOCAL MUNICIPALITY

The Emfuleni Local Municipality, previously known as Lekoa, is one of the three local municipalities that make up the Sedibeng District Municipality. It is the western-most local municipality of the district, which covers the entire southern area of the Gauteng province (Emfuleni.gov.za: 2020).

The Emfuleni Local Municipality has two primary cities/town centres, namely Vereeniging and Vanderbijlpark. It forms the heartland of what was formally known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa. Emfuleni also contains six large urban townships, namely Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso (Emfuleni.gov.za: 2020).

In order to ensure and ascertain smooth operations with a vision of developing the local economy and also to be in line with the goals set in the national and provincial governments, the Emfuleni Local Municipality has developed a Local Economic Development Strategy (LED Strategy, 2015). A few Pillars of Focus were identified, which include the support for local economic sectoral development, with more emphasis on manufacturing, tourism, transport and housing, job creation, and small business development support, which aims at providing and strengthening incubators, training centres, job creation centres, mentor programmes, entrepreneurship development and informal sector development support, service delivery and improved quality of life (LED Strategy, 2015).

According to SSA (2019), Emfuleni Local Municipality has a total population of 721 663, of which 85,4% are black African, 12% are white, 1,2% are coloured and 1%

are Indian/Asian. Of those 20 years and older, 3.6% completed primary school, 36.7% have some secondary education, 32.4% completed matric and 12.9% have some form of higher education. The percentage with no form of schooling is 4%.

Of the population, about 203 543 people are economically active, 34.7% are unemployed and about 85 594 are economically active youth in the area, a vast number of 45% are unemployed (SSA, 2019). Table 2.5 depicts the unemployment statistics in Emfuleni from the previous census.

Table 2. 3: Emfuleni unemployment statistics

Employment status	Year 2001	Year 2011
Employed	93 537	202 543
Unemployed	63 160	107 555
Unemployment rate	29.5%	34%

(Source: Msimanga, 2020)

2.15 SHARPEVILLE TOWNSHIP PRE-DEMOCRACY AND IN DEMOCRACY

According to Mpeta *et al.* (2017:1), pre-democracy, many townships around the country were living under conditions that prohibited production and wealth within the township, with standardised income and wages.

In a democracy, Sedibeng region, under which Sharpeville falls, derived an independent plan, which seeks to move townships from their historical roots to play a crucial role in shaping the South Africa we live in today, with particular emphasis given to developing tourism industries in the regions and special emphasis on the development of township tourism (Sedibeng Local Municipality, 2015)

The Sedibeng region receives 4.7% of international tourists visiting Gauteng and the revenue generated from this tourism. Out of R27,5 billion that Gauteng generated, Sedibeng accounted for 5.07% which is R13 689 000 (Sedibeng Local Municipality, 2015:2).

2.16 ROLE OF ENTREPRENEURSHIP TO BOOST TOWNSHIP EMPLOYMENT

The decision to start a new business is the product of an individual's attitudes, perception and intentions that are set within a social, cultural and political decision. Some societies readily embrace continuing traditions of entrepreneurship and trade, although others see entrepreneurship as a new character of an economy in transition (Bosma *et al.*, 2020).

According to Manyaka-Boshielo (2017:2), entrepreneurship has a different meaning to different people; the term entrepreneur describes any individual who trades in exchange for profits, someone who exercises business judgement in an uncertain environment. This uncertainty is driven by the decisions an entrepreneur takes on what to buy, when to buy, the price they bought for and the price to sell, with a mark-up to generates profits.

According to Herbet & Linked (cited by Manyaka-Boshielo, (2017:2), the strength of entrepreneurship depends on:

- the composition, distribution and security of property rights
- having scientific knowledge and being able to apply that knowledge to a useful purpose
- The ability to create and manufacture a product using labour.

An entrepreneur is the main source of production, whose leading role is vital to the production of the product, an economic driver and a very critical role player in economic development.

Figure 2.1 demonstrates the difference phases of business development; from the conception to starting and running a new enterprise, to the phase of maturity and business ownership. It also demonstrates the importance of exiting the business. According to (Bosma *et al.*, 2020), discontinuing a business can be an important phase of entrepreneurship, providing an important learning for the individuals involved and for the future businesses they may create; also, to share the relevant knowledge with other potential and actual entrepreneurs.

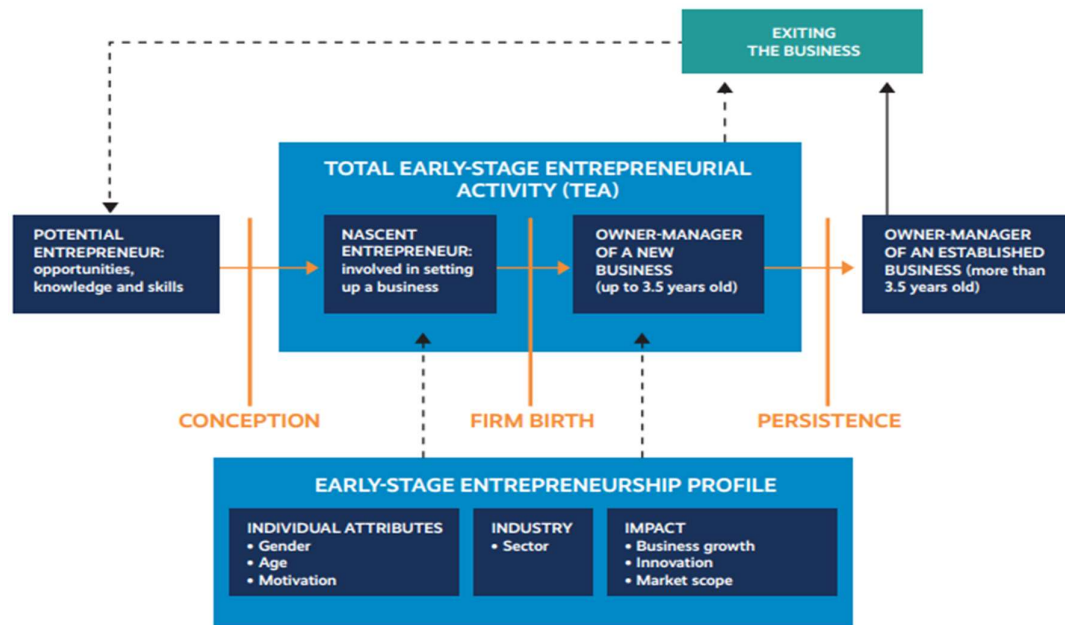


Figure 2. 5: Entrepreneurship life cycle

Source: (GEM, 2020)

Bosma *et al.* (2020) state that one important stage in business development is the total early-stage entrepreneurial activity (TEA). This is the proportion of the working age adult population actively engaged in starting or running a new business. The TEA is the sum of those actively starting a new business (but have not paid salaries or any other payments for three months or more – nascent entrepreneur), plus those who have new business (that have paid wages or any other payments for three months or more but less than 42 months)

To be a great role player within a township economic development scene, an entrepreneur must inherit a concept of being social in their practice thus becoming a social entrepreneur (Manyaka 2015:4). A social entrepreneur is an individual who sees a problem within a community, becomes alert to the opportunities that arise from the very same problem and then devises a strategy to solve or at least address the problem.

The figure 2.6 demonstrates the levels of business perception and the global picture of those knowing someone who has opened a business in the past two years. South Africa is amongst the lowest with only one in three adults personally knowing an

entrepreneur, whereas in countries like India, China, Sweden and Poland, almost nine out of ten people know an entrepreneur (Bosma *et al.*, 2020).

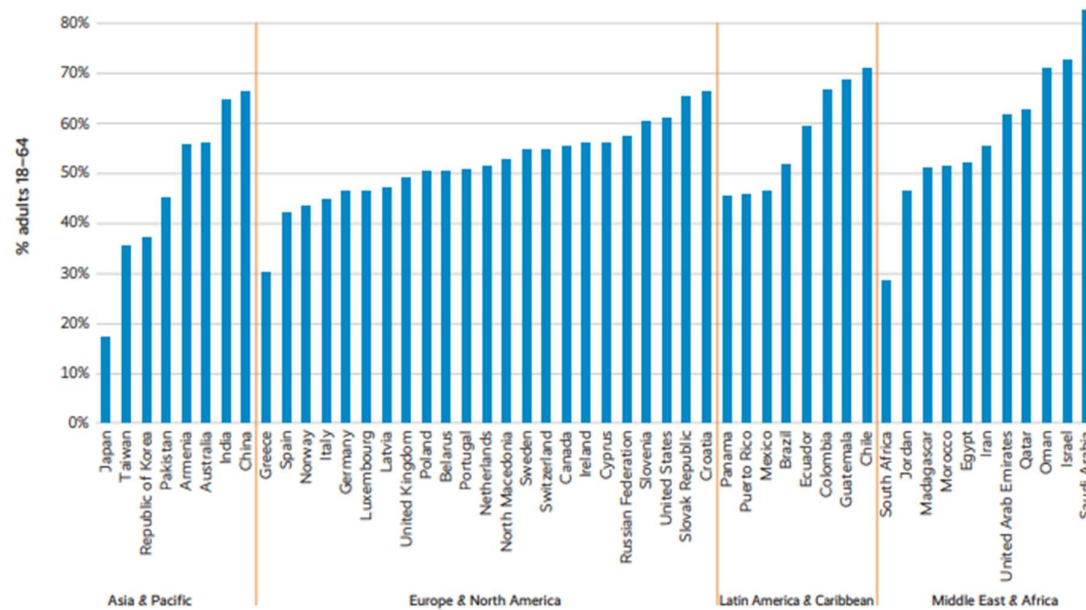


Figure 2. 6: Levels of business perceptions

Source: (Bosma *et al.*, 2020)

As a researcher from a township, Manyaka (2017:3) states that he has seen many organisations close because of lack of funding or donations, she further elaborates that, in an ideal world, through entrepreneurial business activities or mind-set, these entrepreneurs would have been able to generate profit to fund their social mission and adding value, which will result in the very same social entrepreneurs being able to contribute towards developing a sustainable township economy, removing the barriers created by the colonial setups of the past and creating wealth within the poorest and excluded communities. In order to reach this point, many stakeholders have to avail themselves through sponsorship and collaborative measures.

2.17 CHAPTER SUMMARY

The aim of the chapter was to outline unemployment and its impact in the township economy of South Africa. Although there are many literatures on this concept, many writers seem to share common thoughts on the concept of unemployment within the South African context. The majority of the literature that was reviewed was from recent sources, although there might be information gathered from the census, which was last conducted in 2011.

The chapter also dealt with the SMMEs; the characteristics and types of SMMEs that are found in South Africa. A broader overview of the current SMME operations and the policy frameworks that govern and regulate the SMMEs was achieved in this chapter. Even though there are various literatures on township economy and businesses, few of them address the employment problem in the township economy; thus, interviews needed to be conducted to get thorough knowledge on the matter. In the next chapter (three) an empirical investigation of the said township will be discussed.

CHAPTER 3: EMPIRICAL INVESTIGATION

3.1 INTRODUCTION

The purpose of this chapter is to introduce the research methodology fit for this qualitative study concerning the analysis of the unemployment problem in the township economy of Sharpeville from a business owner's perspective. This methodology allowed for a better understanding of the experiences encountered by the entrepreneurs in the Sharpeville township. It provided a way to create a theory from the collected data to understand the main factors that drive a low rate of employment by entrepreneurs in the township economy of Sharpeville.

A qualitative method was used for this research and the business owners in the township economy of Sharpeville were interviewed. All interviewees are currently operational and run their business daily. The primary data were collected using semi-structured interviews. The target population was identified using convenience (volunteer) sampling, where potential participants volunteer to participate in a research study. The participants who could provide information to answer the research question and participants who have direct and personal knowledge about the study were identified and shared and reflected on their experiences (Gill, 2020:106)

The applicability of the theory, as well as the approach for this study, are discussed in depth in this chapter. The chapter also outlines the research plan, the methodology, the study participants, procedures and analysis methods as well as the ethical concerns.

3.2 RESEARCH METHODOLOGY

A qualitative study is suitable when the researcher aims to get a thorough explanation of the phenomenon by trusting the perception of a respondent's experience in a given situation. Tracy (2019) defines qualitative research with three important quality concepts, namely self-reflexivity, content and think-description.

Self-reflexivity refers to people's experiences, points of views and their roles and interactions in any particular interaction or context. Context explains the immersing of

oneself in a scene and trying to make sense of it; whether at a company meeting, in a community festival or during an interview. The thick description is described as the way the researchers immerse themselves in a culture, investigate the specific circumstance present at that scene and only then move towards grander statement and theory. Because the study investigates the unemployment problem in the township of Sharpeville, the qualitative approach was the most suitable choice (Tracy, 2019).

Each participant in the study was given a brief introduction and the background of the study. The interview process was thoroughly explained to each participant. All the procedures were explained to the participants. The interview guide, which consisted of three questions, was developed and shared with some study participants who wanted to prepare themselves thoroughly for the interview session. The interviews were accepted by the participants and the estimated time for each interview was between 30 to 45 minutes.

3.3 GROUNDED THEORY METHOD

The study was performed using the grounded theory methodology with a constructivist approach. The grounded theory aims at discovering or constructing a theory from data, systematically obtained and analysed using comparative analysis (Chun Tie *et al.*, 2019). Grounded theory has various distinct methodological categories: the traditional grounded theory which has a goal to generate a conceptual theory that accounts for a pattern of behaviours that are relevant or challenging for those involved.

The evolved grounded theory addresses the subjective meaning people place on objects, behaviours and events based on what they believe are true and constructivist grounded theory that focuses on how participants construct meaning concerning the area of inquiry.

3.4 TARGET POPULATION

The sample was drawn from a population of business owners or entrepreneurs in the township of Sharpeville. The business owners fall under the definition of SMMEs; they could be formally registered or not registered. Their experience or time of operation or

existence were not made relevant for this study. The participants were approached in their places of operation and requested permission to perform the study with them.

The business owners were asked to respond to structured interview questions as approved by the North-West University, as shown in appendix B. Informed consent form (as shown in appendix C) was required for each participant before participating. The researcher had anticipated approximately 20 participants for this study and the final number of participants was 13, as determined by data saturation.

3.5 MEASURING INSTRUMENT

The interview guide comprised of four sections. The interviews were semi-structured and the same approach was deployed to all the participants. This was to ensure that the process is similar for every participant and there is no possibility of biasness and the highest levels of objectivity could be reached throughout the interview process. The first section was to gather data on the actual business of the participants, their revenues, the number of people they employ as well as the employment opportunities they created in the past.

The second section consisted of the questions that seek to get their views on the factors that are driving unemployment within the township economy of Sharpeville. The third section consisted of the questions that aim to get thorough view of their involvement in the township economy of Sharpeville and mechanisms they use to get their business operational. The last section consisted of questions that sought to get an understanding about the support they get in order to expand their businesses and create employment where necessary.

The process through which interviews were conducted comprised of four steps:

- Interview preparation: the interviewer prepared an interview guide to follow during the interview process. The questions in the interview guide were drafted to be aligned with the researcher's objectives and research questions.
- Pre-interview: The interviewer ensured that there was available seating aligned to the Covid-19 regulation of social distancing. Most of the interviews were conducted on the interviewees' premises. The recording devices were made available and the interviewer ensured that all the devices were working prior to the interview.

- The interview: the interviewer ensured that he explained the interview process and all the questions involved in the interview. Where there was misunderstanding of questions, the interviewer assisted by further elaborating with examples so that the interviewee could get a clearer picture of what was being asked. The respondents were not interrupted and the interviews were conducted in the agreed time frame.
- Post-interview: the recorded data were safely stored and subsequently transcribed and transferred to Atlas.ti for analysis. The interviewer alerted the interviewees that the results of the interview may be provided by the researcher upon request.

3.6 DATA COLLECTION

The study used an interview as a method to collect data. The interviews were recorded electronically using Voice Recorder Pro. The interviews began with open-ended questions about the participants' type of businesses and their initial involvement in the township economy of Sharpeville. More rigorous questions followed to gather data with more depth on unemployment and their views on the activities within their township economy, support and problems they face.

Interviews were conducted face-to-face, observing the Covid-19 level 1 restrictions on social distancing. The responses were recorded using a voice recorder software and immediately stored on drop-box for security and ease of access. No interview was conducted without having received the consent form before the interview. Each interview took place in a single session and no interviews lapsed to two or more sessions.

3.7 DATA ANALYSIS

The transcripts were coded in the order that the interviews were conducted using Atlas.ti, a computer-aided qualitative data analysis software (CADQAS), which is aimed at assisting in thoroughly analysing interviews in a qualitative study such as this. The process allowed insight to a clearer view as the theories were beginning to emerge. The coding assisted in understanding the views and perspectives of the participants about the subject matter and also in conducting a thorough analysis of the participant's experience as entrepreneurs in the township economy of Sharpeville.

The interviews were analysed using thematic analysis. Thematic analysis is a method used to identify, analyse and interpret patterns of meaning or themes within qualitative data (Clarke *et al.*, 2015). First, all the responses were read, notes about the first impressions were made and all the relevant words and phrases relevant to the study, about opinions, differences and actions, especially those words that are repeated throughout the responses were indexed. All the relevant codes were kept to uncover themes.

The constant comparison methodology was used. Constant comparison method entails that the researcher looks for similarities and differences in the collected data. Data that are similar were grouped under a codes or themes (Smulowitz, 2017). In the process of reviewing data, data are compared and contrasted to the previous data and sorted into the most relevant category. Once the data were thoroughly reviewed, the categories were analysed for patterns and themes to the data.

3.7.1 Data saturation

Data saturation has attained a widespread acceptance as a methodological principle in qualitative research (Saunders *et al.*, 2018). It is commonly taken to indicate that on the basis of the data that have been collected or analysed, further data collection and/or analyses are not necessary.

The interviewer reached saturation in interview 13, where a trend in answers and repetition in statements were interred. From the 13 interviews that were conducted, all the interviewees fell within the criterion of being operational business owners. This meant that the analysis was done on all 13 interviews.

3.7.2 Data richness

The term data richness describes the notion that qualitative data and its subsequent representation in text should reveal the complexities and the richness of what is being studied (Allen, 2017). Data richness can also be defined as an opportunity provided by data to gain useful knowledge that can help make decisions better or easier (Aitken, 2018:105).

The interviewer, as the moderator of the interviews, ensured that each time an interviewee deviated from the question at hand, would substantiate and advice in order to enable the respondent to answer the original question. The interviewer attained this by simply re-asking the question to the understanding of the interviewee or simply asked the interviewee to stick to the question that was asked.

To further analyse the words that were frequently used or mentioned by the interviewees in the interviews, a word cloud was designed and drafted using Atlas.ti. The completed word cloud is created. A word cloud is a visual representation of a list or series of words and size of the printed words in a word cloud is based on the frequency of the words (Philip, 2020).

3.7.3 Coding

According to Onwuegbuzie *et al.* (2016), there are 32 coding methods. These methods are the representatives of either the first cycle of coding or the second cycle, with a hybrid method lying in between the two. The first cycle's methods are the coding strategies that occur during the initial coding of data and are subdivided into seven sub-categories, which are the grammatical methods, which include attribute coding, magnitude coding, sub-coding and simultaneous coding.

The elemental coding methods include structural coding, descriptive coding, in vivo coding, process coding and initial coding (Belotto, 2018). The effective methods include emotion coding, values coding, versus coding as well as evaluation coding. The literary and language method entails coding methods such as dramaturgical coding, motif coding, narrative coding and verbal exchange coding.

Exploratory methods include holistic coding, provisional coding, as well as hypothesis coding. The final method in the first cycle is the procedural method, which includes the protocol coding, outline of cultural materials coding, domain and taxonomic coding as well as causation coding (Onwuegbuzie *et al.*, 2016).

The second cycle methods are the coding strategies that require certain analytical skills such as classifying, prioritising, integrating, synthesising, abstracting, conceptualising and theory-building by including pattern coding, focused coding, axial

coding, elaborative coding and longitudinal coding. The theming of data, which includes electric coding, lies in between the first and the second cycle (Onwuegbuzie *et al.*, 2016).

The coding methods that were used for the study were the combination of magnitude coding, where the researcher applied sub-codes to analyse the phenomenon's intensity, frequency, direction and presence. Added to this method was the in-vivo coding, where the researcher used words from the participant's language in the data and recorded the phrases as coded (Onwuegbuzie *et al.*, 2016). The final addition was the descriptive coding, where the researcher assigned the labels to data to summarise into a word or a short phrase.

The transcription happened regularly throughout the study. Both the transcription and constant comparative analysis helps to minimise bias because both activities are reflective, which assists with objectivity throughout the study.

3.8 VALIDITY AND RELIABILITY

According to Golafshani (2003:600), to understand the meaning of reliability and validity, it is essential to present the various definitions of reliability and validity given by many qualitative researchers from a different perspective.

Reliability is a concept that is mainly used for testing or evaluating qualitative research; the idea is most often used in all kinds of research. Reliability and validity are an essential criterion for quality in a qualitative paradigm. In a qualitative study, reliability ensures credibility, neutrality, consistency, credibility: dependability, applicability and transferability.

To ensure reliability in qualitative research, there must be an examination of trustworthiness. Validity, on the other hand, is affected by the researcher's perception of validity in the study and his or her choice of paradigm assumption. Many researchers develop their concepts of validity and have often adopted appropriate terms such as quality, rigour and trustworthiness. In some cases, researchers use pilot studies in order to fine tune their research.

3.8.1 VALIDITY AND RELIABILITY OF THIS STUDY

The study was based on empirical investigation and the real-life situations, perceptions, experiences as well as opinions of individual participants. The research approach is based on the township business owners' views, feelings and experiences and cannot be easily manipulated. All the data collected was the primary data. The interviews were thoroughly analysed using the Atlas.ti to depict the general feeling of the respondents.

Direct statements from the respondents supported analysis. Organised data were used to formulate general themes and link the themes together to create an understanding of the central theme as well as to answer the main research questions (Kubone, 2019:50). The researcher enhanced reliability by diligently recording the data from the interviews and stored them safely to ensure that there may be no data manipulations.

3.9 LIMITATIONS OF THE STUDY

The conducted interviews, as well as the literature, have made a considerable contribution to the attempt of understanding the phenomenon of unemployment and the views and perceptions of the business owners within the township of Sharpeville. However, the researcher would have appreciated a contribution of other diverse business owners, but due to the impact of Covid-19 regulations in the country, many business owners were unavailable for the interviews.

The area coverage of the Sharpeville Township could not be established as the researcher had limited time and limited resources to cover the whole township of Sharpeville. The study only covered the perceptions and opinions of the business owners within the township economy of Sharpeville and it is noted that other members of the community may carry a different view with regards to unemployment in the township economy of Sharpeville. The study was conducted with the main focus on the township business owners under the broad classification of SMME by the National Small Enterprises act 102 of 1996, although from the sample size, no generalisation can be made. This makes the results of the study relevant to the South African situation and must be interpreted as such.

3.10 RESEARCH FINDINGS

The following section of this paper provided the full findings of the study from the sample of 13 interviews.

3.10.1 Profiling the business background

The first section of the interview was based on understanding the actual businesses of the participants, the incomes they generate as well as the employment opportunities they created. All of the respondents indicated that their businesses are currently operational and they consider themselves business owners within the township of Sharpeville. This was the criteria set for the study and thus all the information gathered from all the respondents was used.

- **The type of business and size of the business**

Six of the 13 participants (46%) were considered to be the owners of micro enterprises according to the definition of micro enterprises in the National Small Business Act 29 Of 2004. Two participants (15%) were owners of hair salons, two participants (15%) were owners of tuck shops and three participants (23%) owned fast food businesses. Six participants' annual gross revenue was less than R150 000 and they employed less than five people. Three of the participants fell under the category of a survivalist enterprise. Their gross average income on an annual basis was below the average minimum standards and they did not have any employees.

Three participants indicated that they have a gross annual revenue of over R150 000 and they employ more than ten people in their businesses. Interviewee 4 indicated that his annual turnover is over R400 000 and he employs 11 people. Interviewee 13 indicated that his e-bike manufacturing business is estimated to turn over R1 000 000 in the year 2020, taking into account the number of orders he received. The owner employs 14 people, with a production of at least one bike a week; one business is a day-care centre with an annual turnover of R300 000 that employs seven people.

Generally, the view is that there is potential for businesses to survive in the township economy of Sharpeville. All the respondents indicated that they have been in their

business for over a year. Even though the survivalist enterprises depend on their small income to survive, they keep their business going.

Table 3. 1 Types of businesses and average annual income

Name	Business	Annual Income
Interviewee 1	Fast food	<R150 000
Interviewee 2	Hair Salon	<R150 000
Interviewee 3	Tavern	> R150 000
Interviewee 4	Restaurant and car wash	>R400 000
Interviewee 5	Tuck-shop	<R150 000
Interviewee 6	fast food	<R150 000
Interviewee 7	recording studio	<R150 000
Interviewee 8	fast food	<R150 000
Interviewee 9	Day Care	>R300000
Interviewee 10	Student tutoring	<R150 000
Interviewee 11	Tuck shop	<R150 000
Interviewee 12	Hair Salon	<R150 000
Interviewee 13	e-bike Manufacturing Company	>R500 000

Source: (Own compilation)

- **Employment opportunities created in the township of Sharpeville**

As identifies in chapter 2, the South African SMMEs have been identified as a critical component that could be used to advance the inclusive growth and economic development in the country. Creation of employment is one of the key factors that contributes to economic growth (Bhorat *et al*, 2018) this section depicts the employment opportunities that the township economy of Sharpeville have created.

From the previous discussion, the majority of the respondents indicated that they have created employment. Interviewee 3, who is a survivalist enterprise, selling fat cakes in the township, indicated that he uses the services of his sister, who at the end of the day will receives a certain percentage of the profits as her payment. The general

feeling of the participants is that they intend to grow their businesses simply because they want to create employment.

Interviewee 5, when asked about the intention to grow the business, indicated “Yes, I want to grow my business, fund myself, save money and buy equipment for my business, find a place to grow and employ the people.” The majority of the respondents believe that if they can get an opportunity to grow, they will need more people and that will automatically create employment. Interviewees 4, 13 and 9 indicated that as the enterprise becomes bigger, there is a relative need to employ more people.

- **The reason for establishing the business in the township Sharpeville**

Seven of the respondents (53%) indicated that the main reason why they chose to operate in the township economy of Sharpeville is because they want to create employment. Interviewee five stated, “The township is mostly neglected, so I wanted to come up with something and create jobs for people around me because I can see there is potential”.

Two respondents (15%) noted that there were no similar businesses within the township, which they saw as an opportunity and established their businesses. Interviewee 13 indicated that he established the business in Sharpeville because it is his hometown and he knew he will get support. Three respondents (23%) indicated that they simply needed extra cash and had no work and one respondent indicated that he established his business in Sharpeville because he already owns a property and there will not be any costs of renting the space.

What is worth noting is that, even though these business owners have different reasons why they established their businesses in the township of Sharpeville, 53% established their enterprises simply because they wanted to create employment. A few were driven by the frustration of not getting a job and 23% were for survival. Figure 3.1 indicates the graphical responses of the respondents on the reason why they established their businesses in Sharpeville.

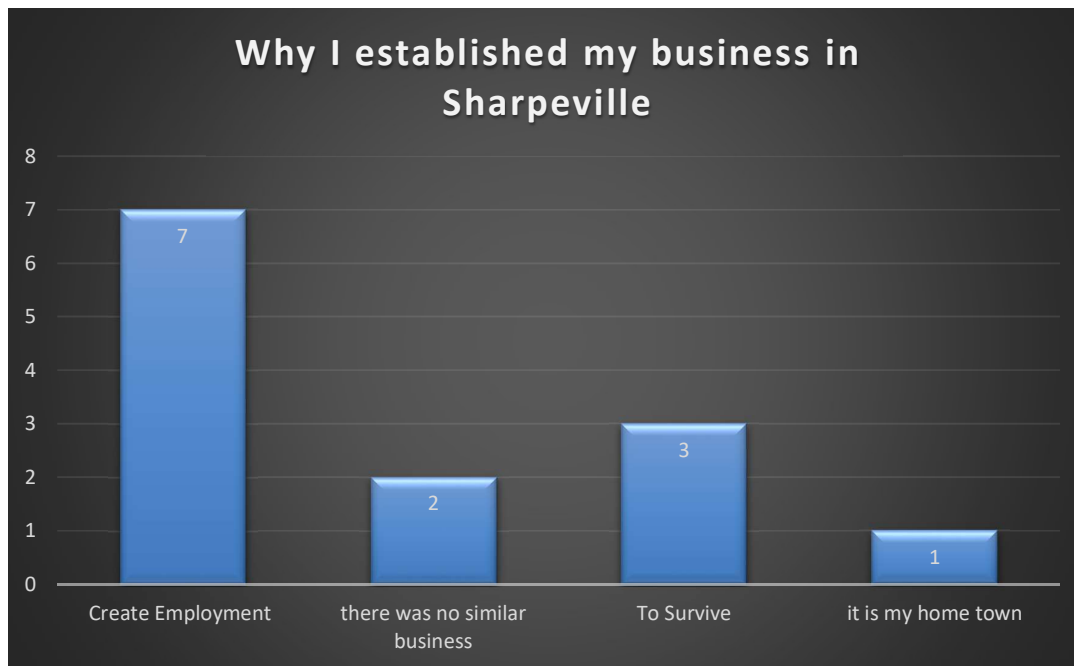


Figure 3.1 Reason I established business in Sharpeville (Source:Own compilation)

- **The benefit of having the business in the township of Sharpeville.**

Interviewee 5 indicated that running a business in Sharpeville gives him total control, he is familiar with the environment and the people. Interviewee 1 indicated that the benefit is that he earns respect from his peers. Interviewee ten indicated that because of the distance to the main city, he stocks in bulk and people are forced to accept his price for the product he sells. Interviewee 11 stated, “because of nature of my business, the one advantage I have is autonomy, I have the chance to do things at my own time in my own pace”.

Interviewee 12 indicated that the great benefit of operating in Sharpeville is that his staff does not have to commute because he employs people from Sharpeville. Further stated, “even if there could be protests and other places are closed, my people will still come to work”. Interviewee nine indicated that there is still free water and other free amenities within Sharpeville and it is cheaper to operate in Sharpeville than operating in the urban areas.

- **The average time it took for the business to be self-sustainable.**

Of all the interviews conducted, three participants indicated that they are still not self-sustainable. These are businesses identified as micro enterprises. Survivalist enterprises indicated that it took them less than a month to start being self-sustainable, in other words, make profits after taking care of the costs. One respondent indicated that it took him six years to start living off his business because his business was new to the people in the community. Interviewee 6, who is a tavern and fast-food owner, indicated that it took him at least a year for his business to be self-sustainable.

From the data analysed, it was clear that it is easier for survivalist enterprises to survive than it is for micro and small enterprises. Businesses that have emerged to be bigger enterprises tend to struggle to make ends meet because they have costs that are much bigger than other business classes. Even on the days the business is not doing well, they still have to pay rents, salaries and other costs of operations. Interviewee 11 indicated that in some months he needs to take loans to ensure that the operations of his restaurant are maintained.

3.10.2. The township economy

In section two of the interview guide, the study established that all the interviewees are prominent small business owners who make a living with their businesses. The researcher further established the potential that some township businesses have in creating employment. The third section of the interview is aimed at assessing the understanding and the perception of the business owners about their township economy.

- **Perception around knowing the worth of Sharpeville's Township economy**

The questions around the value and the worth of the township economy were designed to understand what the small business owners understand about their township economy. It was also designed to understand if they knew how much money is spent in Sharpeville and on what, which will it assist their enterprises and maybe influence other people to be entrepreneurs.

Interviewee 5 indicated that it will help knowing the value of the township economy. He stated that if people can see that there are business opportunities, they will be

motivated to start a business. Interviewee 13 believes it will help, he stated: “because we cannot change what we cannot measure and knowing the value of the township will assist in creating an economy around the township”. Overall, out of 13 respondents, eight respondents (68%) believed that knowing the worth of the township economy will help alleviate the unemployment problem by encouraging people to be entrepreneurs.

Four out of 13 respondents (30, 7%) indicated that it will not help. Interviewee 4 stated that,” as it stands, business owners know that the majority of the money is spent on the businesses operated by foreign nationals, but no one is doing anything about it”. He stated that knowing the figures will not help. Interviewees 10, 11 and 3 also shared the sentiment. Interview 3 indicated that “the business operations in Sharpeville is very bad because foreigners have overtaken a lot of it, we can’t even tell who is doing what because every corner is just foreigners”.

The figure 3.2 depicts the responses about the respondents’ view on knowing the value of Sharpeville’s township economy.

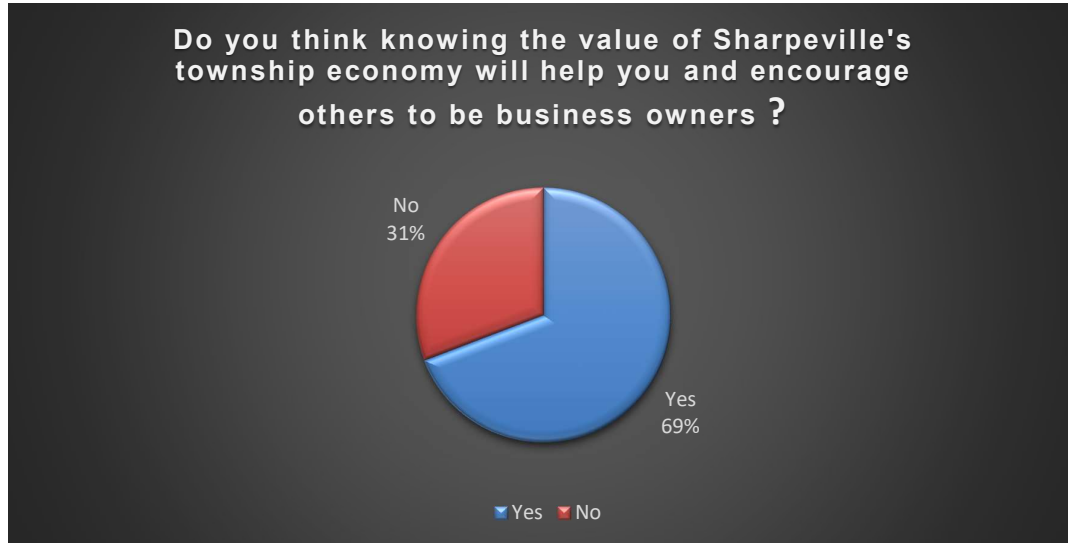


Figure 3. 2 Knowing the value of township economy (Source: Own compilation)

3.10.3 Unemployment in the township economy of sharpeville

This section focused on getting clear views of the small business owners about their perception on unemployment in the township economy of Sharpeville. The questions

designed in order to get the views of the business owners about unemployment in their township economy.

- **Factors creating unemployment in the township of Sharpeville.**

Interviewee 3 indicated that “even though many people in Sharpeville do not have sufficient skills to be absorbed by big corporates, they can still find a way to be entrepreneurs in the township economy; what seemingly prevents them from finding opportunities to be self-employed is that there are many businesses owned by foreigners”. Interviewees 4, 6, 7, 8 and 9 also believe that foreigners are the root cause of the problems for people not finding employment for themselves and others.

Interviewee 4 answered the question with “if you can look carefully around here, there are five shops, four are owned by people who are not from Sharpeville, they do not even stay here permanently, they come in the morning to open their shops, they employ their friends and people from their countries, I am the only one who is from around”.

Interviewee 7 answered the question by saying “people from Sharpeville lack patriotism and everyone do as they please in our township. We also don’t do by us for us here in Sharpeville”.

Three interviewees just generalised the behaviour of the Sharpeville residents as lazy and they do not see entrepreneurship as a solution. Interviewee 13 indicated that the root causes of unemployment in Sharpeville are influenced by traditional factors such as shortage of industries around the area; the Bantu education system; graduates being unable to find employment; and Sharpeville not having the potential for growth as the majority of the land is occupied and does not provide any opportunity for any new industry to be erected within the township.

This question relates to the primary objective of the study and the majority of the respondents, 7 out of 13 interviewees (53.8%), have a view that the foreign-owned businesses in the township are amongst the biggest causes of unemployment in the township of Sharpeville.

Although some of the respondents indicated other factors like effects of the past and the diminishing industries around the area, they still view the involvement of the foreigners in the township economy of Sharpeville as one of the biggest problems. Simply because they operate within the township and create unfair competition and also create employment for people who are from outside the township, leaving the community of Sharpeville unemployed.

3.10.4. Challenges faced by businesses in the township economy of sharpeville.

As it was explored earlier, it became clearer that the majority of the business owners in Sharpeville have the intention to expand their business. 57% of the respondents want to do this in order to create employment. The final section of the interview focused on challenges faced by the small businesses in Sharpeville and the questions around support, services they provide and their ability to retain their customers and not lose them to urban businesses were explored.

As noted in the literature review of this study, many SMMEs face numerous challenges ranging from power shortage, lack of capital, poor management skills and competencies, increasing levels of corruption and inadequate information. (Muriithi, 2017). The Sharpeville township economy shows that it faces similar challenges as other township economies in South Africa.

- **Challenges faced by businesses in the township economy of Sharpeville**

When asked about the challenges they face, many of these business owners had different challenges, understandably so because the sizes of their businesses and the business activities are different. Three of the respondents indicated that lack of resources needed to operate their businesses efficiently is their key problem. Two respondents indicated that lack of business management and education is the key challenge for many business owners in Sharpeville. Two respondents indicated that load shedding is their greatest challenge. Four respondents indicated that foreign-owned stores and the unhealthy competition they bring seems to be a challenge for their businesses to survive.

Interviewee 5 responded to the question by saying “lack of resources is my main problem, if people don’t pay in time it delays my work progress”. Interviewee 8 stated, “when there are too many orders, we can’t cater for everyone because we have limited stoves”. Interviewee 6 indicated that he does not have any problem with customers and equipment, but the greatest problem is the constant loss of power. Three respondents indicated that crime is the biggest challenge they encounter in the township economy of Sharpeville. The table 3.2 summarizes the challenges faced by business owners in the township economy of Sharpeville

Table 3. 2: Challenges faced by business owners

Challenges faced by business owners in the township economy of Sharpeville
1. Lack of resources to efficiently run businesses
2. Lack of business management
3. Relevant education to enable them to run businesses professionally
4. Constant power cuts due to cable thefts and load shedding
5. Crime within the township
6. Competition from foreign-owned businesses

Source: (Own compilation)

- **The perception on why customers buy from urban enterprises and not from township businesses**

Interviewees 2, 4, 5, 8 and 9 indicated that the reason why people prefer to buy from urban outlets is that the service in the urban outlets is much better than the service in township businesses. Interviewee 4 responded by saying “if you want to get a burger, you have two options KFC or me here in the township, you are more likely to get your order in less than five minutes but with businesses here in the township, it can even take you more than 20 minutes”.

Interviewee 8 responded by saying “some people don’t know how to deal with customers, so when you are dealing with customers, you have to be patient and don’t take things personal”. Two respondents indicated that quality may be the problem. Interviewee 7 indicated that “the there is a perception by customers in the township that anything produced from the township is not quality, I think primarily that is the reason why they prefer to go to urban areas”.

Two respondents indicated that the prices in the townships are not reasonable. Interview 9 responded by saying “someone buys a t-shirt for R100, print his brand on it and then sells it for R400 and expect support because they are from the township”. One respondent indicated, “the look and feel is one reason people prefer to buy from urban outlets, many township outlets don’t invest in the look and feel”.

The figure 3.3 depicts the responses of the respondents about why customers prefer urban businesses as compared to the businesses in the township.

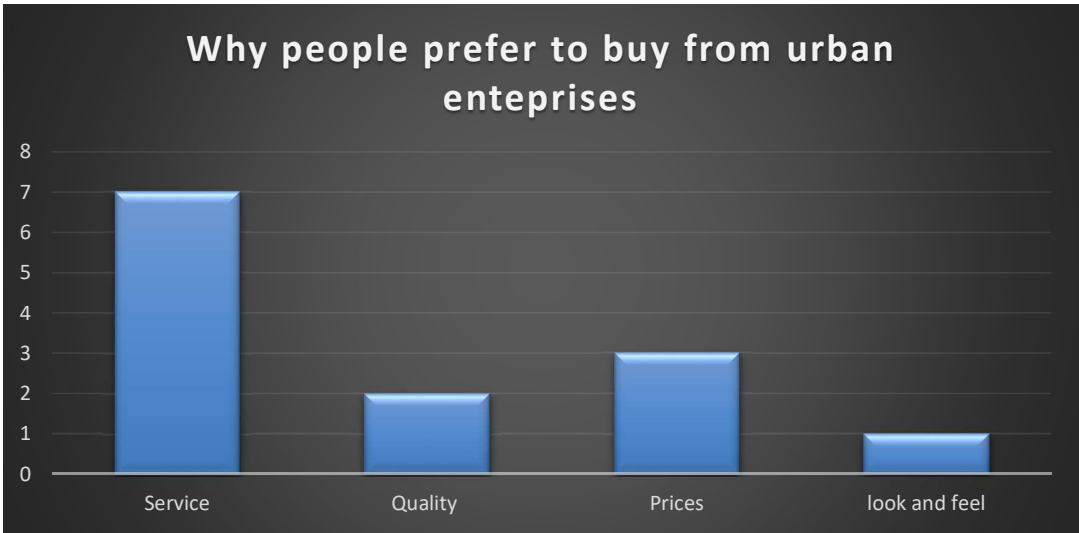


Figure 3. 3 Why people buy from urban enterprises Source: (Own compilation)

- **The perception on support available for businesses in the economy**

Nine of the respondents (69%) indicated that there is support made available by the government and in some instances by the private sector. But this support is linked to who you know. Interviewee 1 indicated that the corruption by government officials hinders the progress of the township’s entrepreneurship. Four respondents indicated that there have not seen or received any support at all. All respondents believe that

they need funding in order to effectively maintain their businesses and expand. The support they need should come as a means of funds or investments into their businesses.

The figure 3.4 details the responses of the respondents about the support they get for the businesses.

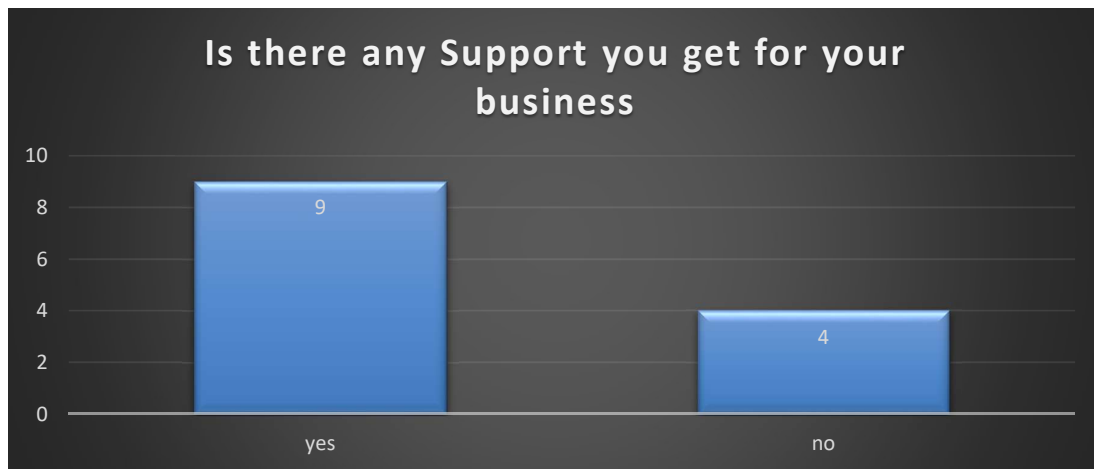


Figure 3. 4 Support for your business (Source: Own compilation)

3.11 WORD CLOUD

In conjunction with the analysis of data that was collected through the qualitative study, the word counting was also done. From all the data that was collected and transcribed, the words that were commonly used and were relevant to the study were business, support, Sharpeville, township, employment and foreigners. The constant use of these words illustrates the feeling of the respondents towards the business operation in the township and the aim or reason why they run their businesses in the said township. The illustration is demonstrated on the figure 3.5.

the results of the research and to demonstrate that the research methodology used in Chapter three was followed.

The data and most prominent codes or themes were discussed in this chapter. Some of the respondents were directly quoted. The first outlay of the findings was based on the background of the respondents in order to provide the reader a thorough background of the interviewees. The second section dealt with their perception of the township economy of Sharpeville and what they believe will encourage people to become entrepreneurs.

The third section of this study dealt with the views of the respondents about the unemployment in the township economy of Sharpeville and what may be the factors or the drivers of that unemployment, looking at it from the business owner's perspective. The last sections dealt with challenges they are facing and the opportunities they feel may be available for their businesses within the township in order to continue their operations or for other people to explore the space of being business owners. In the next chapter, the in depth conclusions and recommendations made by the study will be discussed in detail.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

4.1. INTRODUCTION

The primary objective of this study is to analyse unemployment in a selected township economy from a business owner's perspective. This chapter is the final chapter of the study, where the results of the empirical study and the findings from the literature review will be discussed. The recommendations will be made to the residents of Sharpeville's township to help them alleviate unemployment by playing a role in the economy of the Sharpeville Township. Recommendations will be made for future studies in Sharpeville's township economy and other areas with similar characteristics.

4.2. DISCUSSION OF THE MAIN FINDINGS OF THE STUDY (AS PER SECTION 3, SUB-SECTION 3.10 IN THE PREVIOUS CHAPTER)

The empirical study's results and the analysis conducted in the previous chapter were used as a basis and the source for the conclusions in this chapter. The conclusions and recommendation discussed in this chapter are discussed in unification with data obtained for the business owners' business background, their experiences and knowledge of the township economy within the township of Sharpeville, their ability to foster employment using their enterprises as well as the challenges they encounter to be self-sustainable and to keep their operations going.

The primary and secondary objectives were assessed and recommendations were made based on the full analysis of the employment problem within the township economy of Sharpeville as well as the factors that drive unemployment, the types of businesses that are dominating, factors that affect businesses, the average time it takes for these businesses to start generating income as well as the general contribution of these enterprises to the entire township economy of Sharpeville. The future research suggestions were also outlined in this chapter.

4.2.1. OVERVIEW

The interviews were conducted amongst the business owners in the township economy of Sharpeville. The research indicated beforehand that the interviews might take approximately 30 to 45 minutes. The data was collected, and semi-structured interviews recorded; the recordings were transcribed and then moved to Atlas.ti for coding and analysis. The researcher indicated that all the collected data and the study results would be made available upon request. Language and technical editing were done by a qualified editor. Mrs Linda Scott.

4.2.1.1 Profiling of the business owners

The first section of the interview protocol comprised of questions about the background of the business owners in order to profile the participants. The section included elements such as the size and type of the business as defined by the small business act, the income they generate on an annual basis, the employment opportunities the

businesses created within the township economy of Sharpeville, the reasons why they established their businesses, the benefits associated with having their businesses in the township of Sharpeville and the average time it took for their businesses to be self-sustainable.

- The business sector was very diverse; 30% of the respondents were in the food business, 15% of the respondents owned hair salons, the remaining 55% of the respondents were in day-care, taverns, manufacturing, recording and educational services.
- The type and size of business responses, as suggested by the national small business act, indicated that 53% of the respondents are categorised as micro enterprises. 23% are categorised as survivalist enterprises and the remaining 24% are categorised as very small enterprises.
- The income of the respondents indicated that 61.5% of the business owners generate an income of less than R150 000 annually; out of the 61.5%, about 37.5% are generating income below the average poverty income. 38.5% have managed to crack above the R150 000 and are generating more.

4.2.1.2 Creation of employment

53% of the respondents have created direct employment and have full-time employees working in their businesses; the remaining 47% have not created any employment for other people, but only for themselves, as the enterprise owners.

4.2.1.3 Reason for operating in Sharpeville.

53% of the respondents indicated that they opted to establish their businesses in Sharpeville because they want to create employment in Sharpeville. 15% indicated that they established their businesses because there were no similar businesses in Sharpeville's township, another 15% indicated that they wanted to create income for themselves, 17% of the respondents indicated that it was because of costs and that they already own property in Sharpeville.

4.2.1.4 The benefit of having a business in the township

The responses to the question yielded mixed results; each business owner had a different reason. The overall perception was that it was cheaper and convenient to operate in the township than in the urban area and that there are still free amenities afforded to people in the township and that is a different story in the urban area.

It is clear from the empirical study that the business owner finds value in operating in the township. Interviewee 4 and interviewee 13 indicated that it is easy for them to foster relationships and gain support because they are selling to their peers and people they grew up with. None of the respondents mentioned the intention to move out of the township. They would rather strive to fix the business environment within their townships. This indicates that there is potential for businesses to operate and survive within the township economy of Sharpeville.

4.2.1.5. The average time it took a business to be self-sustainable

The concept of self-sustainability was explained to the respondents; that it simply means the business can manage to pay for its expenses, including the business owner's income for him or her to make a living out of operating the business. 23% of the respondents indicated that their businesses are still not self-sustainable and they often have to take loans to sponsor some of the operational activities. 23%, which are survivalist enterprises, indicated that it took them less than one month to start making profits and live off their businesses. The remaining 54% took more than one year to get their businesses self-sustainable and, out of the 54% some took longer than five years.

The data analysed made it very evident that it is easier for survivalist enterprises to survive than for micro and small enterprises. Survivalists operate on a hand-to-mouth basis. Most of the survivalist enterprises operate from their own homes and incur fewer costs than some micro and very small businesses. Businesses that have emerged to be bigger enterprises tend to struggle to make ends meet.

4.2.1.6. Township economy

This section of the interview guide consisted of six open-ended questions. The researcher created themes from the recorded data to establish the general views of the respondents.

- **Perception of the business owners on knowing the worth of their township economy**

69.2% of the respondents indicated that knowing the value of the township economy will assist them in their planning and operations. One respondent indicated that knowing the township economy's worth will help alleviate the unemployment problem because it will encourage people to be entrepreneurs. 30.8% indicated that it would not help. The reasoning behind this was that even though it is known, a vast amount of money is spent in foreign-owned enterprises.

- **Unemployment in the township economy of Sharpeville.**

This section aimed at underpinning the factors that are the main source of unemployment in the township economy of Sharpeville.

Six out of thirteen respondents indicated that the main reason for unemployment in the township economy of Sharpeville is the existence of foreign-owned businesses. The general belief of these respondents is that they do not employ Sharpeville's citizens in their businesses but rather bring people from other countries or towns. Interviewee 5, a tuck-shop owner, indicated that the foreign-owned shops have a chain or a grouping of some sort, where they buy things in bulk, therefore, selling cheaper than his business.

That on its own is a barrier to his business because he cannot generate enough income. Three respondents generalised the community's unemployed members' behaviour as lazy and did not see entrepreneurship as a solution to their unemployment problem. One respondent indicated that the traditional factors from the past might be one of the root problems. The respondents' general feelings are that foreign-owned businesses are the main cause of unemployment in Sharpeville's township economy.

- **Challenges faced by township business owners**

This analysis intended to identify challenges that the businesses in the township economy of Sharpeville are facing. This section also included a question aiming to understand why township customers may prefer to buy from urban enterprises and the support they get for their businesses.

The responses included 23% of the respondents indicating that lack of resources as their main challenge, 15.3% indicated that lack of business management is the challenge in many businesses within the area, 30.7% of the respondents reverted to the foreign-owned businesses. 100% of the respondents indicated that load shedding is their greatest challenge.

It became very clear from the empirical study's analysis and the respondents' views that they feel very strongly about foreign-owned businesses within their areas. They view the competition brought by these businesses as unhealthy for their businesses and the community.

The number of foreign-owned businesses in the community has been increasing over the years. This indicates that there is a model that these business owners follow that is foreign to the residents of Sharpeville. One respondent indicated that the foreign businesses receive enough funding to get their businesses fully functional, whereas the South African government does not provide such support.

- **Customers buying from urban businesses**

In the interviewees' responses, the dominating codes were those of quality, price and service. 38% of the respondents believed that consumers prefer to buy from urban enterprises because they provide good service. 15% of the respondents indicated that the quality of the products or services erupting from the township businesses is most of the time on the same standards as those businesses' prices in the urban areas. Another 15% indicated that they are failing to beat the outlets' price in the urban areas. One respondent indicated that the look and feel might be one factor that attracts people to buy in urban areas, especially those who prefer to dine out.

- **Business support**

69% of the respondents indicated enough support from the government in terms of the SEDA, SETA within the communities to train township entrepreneurs and financing institutions like SEFA. But the general feel from the respondents is that these opportunities are merely linked with corruption. They believe that you will get support depending on whom you know. 31% indicated that they have not seen or received support at all. Generally, all business owners believe that their businesses only need funding to move to the next level. One of the interviewees' suggestions was the need for business incubators and the general awareness of the existing businesses within the townships.

4.3 RESEARCH ASSESSMENT

The study's success is viewed by the study's achievement to attain its primary and secondary objectives, as identified in Chapter one. The primary and secondary objectives are discussed below.

4.3.1. Primary objective

The study's overall objective was to analyse the unemployment problem in a selected township economy from a business owner's perspective. As indicated in Chapter 1, the study focused on the business owners' views on Sharpeville's township economy. Upon the completion of the study, the primary objective was achieved. This was demonstrated thoroughly in chapter three, sub-section 3.10.1.

4.3.2 Secondary objectives

To be able to address the primary objective, the following secondary objectives had to be thoroughly explored.

- To establish the factors that drive unemployment in the township. These factors were explored in Chapter three, sub-section 3.14.3.

Assessment: The involvement of foreign-owned businesses in Sharpeville was identified as one key factor that drives unemployment in Sharpeville's township economy. Respondents indicated that these businesses employ people from outside areas, thus hindering the employment opportunities that could have been created should the business have been owned by a resident of Sharpeville.

- To scope the drivers of the entrepreneurial activities in the area. The drivers of entrepreneurial activities in Sharpeville were depicted in chapter three, sub-section 3.14.1.

Assessment: The majority of the respondents indicated that the main reason they decided to operate in the township economy of Sharpeville was solely to create employment for themselves and other people in the community and the second reason is basically to survive. Creation of employment and survival were depicted as the two main drivers of entrepreneurship in Sharpeville.

- The nature of economic activities (i.e., businesses in the area) transpiring in the township economy of Sharpeville are explored in Chapter three, sub-section 3.14.1. The general overview of South African township entrepreneurship is discussed in chapter two.

Assessment: The majority of the businesses in the area are fast-food outlets, followed by beauty salons. Many of these businesses are micro-enterprises, seconded by very small enterprises and lastly, survivalist enterprises. Businesses in the micro-enterprise category and very small category show the potential of generating employment; unlike survivalist enterprises, these two categories in the Sharpeville township economy have permanent employees.

- To review the factors that affect township business. The in-depth discussion about these factors are discussed in chapter three, subsection 3.14.4.

Assessment: Lack of resources, limited support, competition from the foreign-owned businesses and constant power cuts were established as the main factors that affect the businesses in the township economy of Sharpeville.

- To determine the average time it takes for a business to be self-sustainable to keep its employees and employ more. This was thoroughly analysed in chapter three, subsection 3.14.1

Assessment: The enterprises in the very small categories are still not self-sustainable. However, the micro-enterprises needed a period of at least one year to start being self-sustainable. Survivalist enterprises start seeing profits from the first month of operation.

- To determine the contribution of the SMMEs in the township economy of a township. These contributions are discussed in depth in chapter two and in chapter three subsection 3.14.1

Assessment: The SMMEs in the township economy of Sharpeville contribute by adding employment. They pay salaries to their employees, which results in the improvement of the livelihood of their families. Some of the businesses generate an income of over R300 000 annually and pay taxes.

4.4. LIMITATIONS TO THE STUDY

As discussed in chapter 1, many respondents gave an honest and enthusiastic response. However, some may have found it hard to release accurate information, especially about their business income or the performance of their businesses, for various reasons. The covid-19 restrictions also made it less easier to get more time and more relevant respondents to understand their views and perceptions about the unemployment problem within the township economy of Sharpeville.

4.5. CONCLUSION

The revitalisation of the township economy has been one of the key factors intended to drive the South African economy forward. One of the aims is to ensure that the township businesses are sustainable enough to create employment. The problem with the South African townships is that they do not serve the purpose they were intended for; the sole purpose of the township was to create labour supply for the industries around the area. The industries are gone and the townships are still there. There has to be a shift of focus of how the residents in the township intend to create a living for themselves.

From the data analysed in Chapter two, it was indicated that the townships of South Africa carry the same characteristics. Most common being high levels of financial leakage, poor economic infrastructure, limited entrepreneurial traditions, unemployment, poverty and social ills such as crime and drug misuse, to name a few.

Seda (2019) , depicts the type of business owners, the type of sectors they operate in, the ages and gender of the owners and the number of SMMEs that operates in the country.

This study looked at the factors that are barriers to the smooth operations of the township economy of Sharpeville and the following conclusion were made from the findings of the research:

Foreign-owned businesses are the main barriers to the progress of many township-based businesses to create employment for their communities. It is very difficult for businesses in the townships to compete with these businesses because of their pricing models. There is not much that can be done because some of them operate legally as allowed by the country's constitution.

Many township businesses exist to try and foster employment within their communities. This is not just a good initiative for the communities but the country at large. As discussed in Chapter two, unemployment has been an increasing problem in the country for many years. These initiatives by township businesses may help the government to combat this problem.

There is a general perception by township residents that only good products are found in the urban areas. This perception leaves the township businesses lagging and begging for support. Crime and load shedding were repeatedly mentioned in the study by the business owners. Even though the business may show potential, these elements beyond the business owner's control hinder the success of the business.

The view of and the perception of the growth and the direction of the township economy is positive.

4.6 RECOMMENDATIONS

The recommendations of this study will be summarised in their categories, addressing the relevant authorities involved in the township economy of Sharpeville, the business owners as well the suggestions for future research.

4.6.1 For relevant authorities

To ensure that the National Development Plan's vision for SMMEs to create 90% of the jobs by 2030 becomes a reality, policies intended to assist the businesses within the informal sector must be thoroughly implemented. One of the barriers that hinders the implementation of these policies is the rising corruption within the government spheres.

The result for this increasing corruption is that the funds are not going where they are supposed to go and or serve the purpose its intended for. To root out this problem, the corrupt individuals must be rooted out of the systems. This will sure that the informal businesses that needs government support can get the desired support.

Financial and business management training as well as business incubators are key to strengthen the township businesses from their early days. If the business owners take an initiative of getting the skills on how to run their business from a professional point of view, many businesses may become profitable earlier, the service provided to the customers may improve and customers may not see the need to buy from urban businesses.

The government in the national, provincial and local level must try and do away with the red tapes. For business that operates in Sharpeville and has to purchase stock in the city of Johannesburg, one of the constant cost is the cost of e-tolls. This study discovered that price is already a problem for customers in the townships. Having to incur other costs will force business owners to increase prices. This will mean their products or services may be more expensive and repel clients.

4.6.2 For business owners

Financial and business management training are key to strengthen the township businesses from their early days. If the business owners take an initiative of getting the skills on how to run their business from a professional point of view, many businesses may become profitable earlier, the service provided to the customers may improve and customers may not see the need to buy from urban businesses.

One other key factor that was discovered by this study was that the quality of the products offered in the township is much lower than the quality of the products in the urban areas. There is the tendency of the township businesses to create products that the community can afford, at the same time compromising quality. This study recommends that, business owners must find ways to improve their products and never compromise quality.

There are lot of initiatives and support for businesses that are registered. In order to do business with the government and in some instances with the private sector, businesses must be registered. This study recommends that the businesses in the township should strive to get registered. SARS and CIPC has affordable mechanisms that assists businesses in general to be registered.

4.6.3. For future research

This study's main objective was to analyse the unemployment problem in the township economy of Sharpeville from a business owner's perspective. The study focused on the factors that drive unemployment within this township, the economic activities within the township and the analysis of the business owners' views around their township economy. Due to a limited number of studies done in this field, it is recommended that further research be done in the future: looking at the overall value of the township economy of Sharpeville.

The recommended research will give a clear indication of all the business activities within the Sharpeville township and the money revolving within this township economy. Such a study will shed light on the opportunities, advantages and disadvantages and encourage township entrepreneurs or prospective township entrepreneurs to focus their businesses on economic activity.

4.7. CHAPTER SUMMARY

Chapter four presented the discussion on the findings and conclusions of the empirical research conducted in Chapter three. The discussions were based on the data gathered from the interviewees' responses as analysed in Chapter three. The general

assessment of the research was based on primary and secondary objectives as set out in chapter one.

All six secondary objectives were tested to check if the research's primary objective was attained. The secondary objectives were singled in order to have an assessment oh how each objective was achieved. All six objectives were achieved and the conclusions of study were set out. The chapter detailed the recommendation set out to the relevant authorities involved in the township economy of Sharpeville, recommendations to the business owners within the township economy of Sharpeville as well as the recommendations and suggestions of the future study.

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APPENDIX A

ETHICAL CLEARANCE



Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: <http://www.nwu.ac.za>

Economic and Management Sciences Research
Ethics Committee (EMS-REC)

30 April 2021

Prof R Lotriet
Per e-mail
Dear Prof Lotriet

EMS-REC FEEDBACK: 30042021 (Round Robin)
Student: Mosia, M (20184290)(NWU-00937-20-A4)
Applicant: Prof R Lotriet - MBA

Your ethics application on, *Analysing the unemployment problem in the township economy of Sharpeville: A business owner perspective*, which served Round Robin, refers.

Outcome:

Approved as a minimal risk study. A number **NWU-00937-20-A4** is given for one year of ethics clearance.

Please note that the ethics approval of this application is subject to the Covid-19 protocols.

Kind regards,

Mark
Rathbone

Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North-
West University, ou=Business
management,
email=mark.rathbone@nwu.ac.za,
c=ZA
Date: 2021.05.19 10:45:42 +02'00'

Prof Mark Rathbone
Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)

APPENDIX B

INFORMED CONSENT LETTER



BUSINESS SCHOOL
BESIGHEIDSKOOL
SEKOLO SA KGWEBO



Private Bag X6001, Noordbrug
South Africa 2522

Tel: 018 299-2000

Fax: 018 299-2999

Web: <http://www.nwu.ac.za>

03 June 2020

To whom it may be concerned

INFORMED CONSENT TO PARTICIPATE IN AN INTERVIEW

Date: _____

Participant code: _____

My name is **Mpho Mosia** and I am an MBA student at the North-West University Business School. This study aims to Assess the employment opportunities of the SMMEs in the township economy of Sharpeville. This study forms part of a dissertation to be submitted in partial fulfilment of the requirements for the degree Master of Business Administration at the North-West University. It is an internationally accredited degree that requires adherence to strict ethical standards as a prerequisite to conducting this research.

Thank you for your willingness to participate in the interview. Your participation is voluntary. You do not have to answer any questions you do not want to answer. If at any time, you do not want to continue with the interview, you may decline. Your time and involvement are

profoundly appreciated. The entire interview will take approximately 45 minutes. To maintain the essence of your words for the research, I will record the information. At any time, you may request to see or hear the information I collect.

The interview will be voice-recorded, however, your name will not be recorded. The interviewer will take notes. This is done for data analysis. The recording will be transcribed by the interviewer and kept confidential in a password-protected computer. The transcripts and recordings will be destroyed after three years.

Furthermore, all individual identification will be removed from the hard copy of the transcript. Participant identity and confidentiality will be concealed using coding procedures. Please note that excerpts from the interview may be included in the final dissertation report or other later publications. However, under no circumstances will your name or identifying characteristics appear in these writings.

Limited demographic information will be collected with the purpose to form a profile of the participants, but will not be used to make comparisons between groups or for further statistical analyses.

The study was approved by the Scientific Committee of the NWU Business School. The Chair of the Scientific Committee is Prof Christoff Botha. He can be reached at 018 299 1672 and his email address is christoff.botha@nwu.ac.za.

Ethical clearance was obtained by the Faculty of Economic and Management Sciences Ethics Committee (EMS-REC) and the ethical clearance number was allocated [Insert number here:]. The Chair of the Ethical Committee is Mark Rathbone. He can be reached at 018 299 1356 and his e-mail address is mark.rathbone@nwu.ac.za.

The supervisor of the mini-dissertation is Professor Ronnie Lotriet. He can be reached at 018 299 1415 (Email address: Ronnie.Lotriet@nwu.ac.za) for further questions or concerns about the research project.

Your input is of great value to this research and I appreciate your help in providing this information.

Sincerely,

Mpho Benedict Mosia

NWU Business School

North-West University, Potchefstroom

APPENDIX C

LANGUAGE EDITOR LETTER



16 December 2020

To whom it may concern

This is to confirm that I, the undersigned, have language edited the dissertation of

M B Mosia

for the degree

Master's in Business Administration (MBA)

entitled:

Analysing unemployment in a selected township economy: A business owner perspective

The responsibility of implementing the recommended language changes rests with the author of the document.

Yours truly,

APPENDIX D

INTERVIEW GUIDE

Section 1

- ✚ What is the type of your business and the current size of your business?
- ✚ Can you describe the nature of your businesses and businesses that are dominating in this township?
- ✚ Given the nature of your business, how many employment opportunities have you created within this community, either direct, with the business employing staff or indirect, where employment opportunities were created because your business is involved?
- ✚ What is the main reason of starting your business in the township economy of Sharpeville? WHY?
- ✚ What is the biggest benefit/advantage of being a business owner in the township economy of Sharpeville?
- ✚ Can you describe how you view the overall business operations in Sharpeville?

Section 2

- ✚ On annual basis, how much can you say your enterprise is making, in terms of revenue?
- ✚ How long did it take your business to be self-sustainable, pay its own expenses, and generate sufficient revenue and profits for itself?
- ✚ Do you intend to grow your business from where it is now to become a larger enterprise and how?

Section 3

- ✚ Do you believe that knowing the value of the economy in Sharpeville will encourage people to be entrepreneurs?
- ✚ What is the biggest reason for unemployment in the township economy of Sharpeville?
- ✚ What is the biggest benefit/advantage of being a business owner in the township economy of Sharpeville?
- ✚ What mechanisms do you wish to see deployed in order to revitalize township entrepreneurship and make businesses in the township sustainable?
- ✚ What are the government initiatives that are available to support businesses in the township?
- ✚ What do you think are the main reasons why people choose to buy from urban outlets and not in the township?

Section 4

- ✚ How do you see your business in 5 years, and what could be the cause of the business failure or success within this 5 years?
- ✚ Can you describe any particular difficulties you experience in your business?
- ✚ What is the biggest challenge/drawback of business owners in the township economy of Sharpeville?
- ✚ What is the biggest THREAT for a business owner in the township economy of Sharpeville?

APPENDIX E

TURN IT IN REPORT.

20184290:Mpho_Mosia_20184290_Mini.pdf			
ORIGINALITY REPORT			
26%	22%	7%	15%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
PRIMARY SOURCES			
1	repository.nwu.ac.za Internet Source		5%
2	journals.sagepub.com Internet Source		1%
3	link.springer.com Internet Source		1%
4	Submitted to North West University Student Paper		1%
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