

**FACULTY OF AGRICULTURE, SCIENCE AND
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**TOPIC:
PROBLEMS OF SMALL BUSINESS IN THE FORMAL
AND INFORMAL SECTORS IN THE NORTHWESTERN
GREATER MAFIKENG**

DECLARATION

I declare that the dissertation for the degree of masters of Geography at the North-West University hereby submitted, has not previously been submitted by me for a degree at this or other university, that is my own work I design and execution and that all material contained herein has been duly acknowledged.

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IN..... MAFIKENG

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Above all thanks to the Almighty.

DEDICATION

TO

TSHEPISO GODDARD MABILLE

“POWER”

I dedicate this work to my big brother (TSHEPISO GODDARD MABILLE) who passed away some years ago. He owned a small business within the category of small-scale engineer (upholstery and motor trimming).

PREFACE

The choice of the geographical location of the premises for the business is of extreme importance for all kinds of enterprises, although for some it may be more important than for others. Some of the most important location factors are: social environment, climate, existing business environment, the attitude, regulations and tariffs of local authorities. The main purpose of this research is to map, and create a document for the small businesses (formal and informal businesses) in northwest greater Mafikeng. In pursuit of objective there will be at least, new knowledge and understanding of a specific geographic phenomenon (formal and informal businesses).

The study is subdivided into seven major chapters. Chapter one includes the small-scale business sector in the South African context, statement problems, and objectives of the study and research hypotheses. The literature review (chapter two) covers a number of subtopics related to both the topic and objectives, to name few: an overview of small businesses, location, and size and diversity of small business, important and laws governing small business, education and training for small business. Methods of study and the research area (chapter three) cover the approaches and techniques used in this study. The research area includes the background information of the northwest greater Mafikeng. Maps analysis: spatial distribution of small businesses (chapter four) covers the analysis of spatial distribution of small businesses (non tax registered and registered) in northwest greater Mafikeng. Consumer perception (chapter five) covers the discussion report of the questionnaires from the sampled residents of northwest greater Mafikeng. Traders surveys (chapter six) follows with the discussion report of the interviewed conducted in the small businesspeople (non tax registered and registered) in northwest greater Mafikeng. Summary, conclusion and recommendations, (chapter seven) includes the main summary of the study, major conclusion and recommendations to government and local authorities.

ABBREVIATIONS

ANC	African National Congress
BATAT	Broadening Access to Agriculture Trust
CAD	Computer Aided Design
CBD	Central Business District
CSS	Central Statistical Service
CBOc	Community-based Organisation
DBMS	Database Management System
DCD	Department of Constitutional Development
GDP	Gross Domestic Product
GEAR	Growth Employment and Redistribution
GIS	Geographical Information System
HBE	Home Based Enterprise
ILO	International Labour Organisation
IS	Informal Sector
LED	Local Economic Development
MAIL	Maximum African Informal Income
MDP	Manufacturing Development Programme
NGOs	Non-governmental organization
NSBA	National Small Business Act
NSBC	National Small Business Council
NWP	North West Province

RDF	Rural Development Framework
RDP	Reconstruction and Development Programme
SALGA	South African Local Government
SBAA	Small Business Administration Act
SBAB	Small Business Advisory Bureau
SDI	Spatial Development Initiatives
SEWU	Self-Employed Women Union
SMME	Small, Micro and Medium Enterprise
SPSS	Statistical Programme for Social Science
VAT	Value Add Tax

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CHAPTER ONE

SMALL-SCALE BUSINESS SECTOR IN THE SOUTH AFRICAN CONTEXT

1.0. Introduction

There has been great excitement in small business and entrepreneurial circles about social and economic developments taking place in South Africa. The demise of the apartheid system, and high levels of retrenchment, unemployment, and poverty have forced increasing numbers of South Africans to become involved in small business ventures.

This proliferation of indigenous small businesses, however positive it may be in many respects, has proved problematic at an operational level in terms of location. Many of the individuals who ventured into small businesses had little or no training or managerial experience about entrepreneurship as a whole, and they were not aware of the socio-economic effects of their businesses (Sharma et al, 1990).

In developing countries the labour market is divided into formal and informal sectors. The formal sector is characterised by skill requirements and higher wages; it also has primary and secondary labour markets. On the other hand the informal sector is characterised by informal and casual labour, domestic and family labour. The informal sector is a mixture of manufacturing and service activities. It is also an important and visible feature in the rural and urban economies of most developing countries (Rogerson, 1986; Govender 1991; Kekana, 1994).

Small businesses, as their name implies, are small and some of them, such as flea markets, may operate in the open air. Many people anticipate that small

businesses and entrepreneurship will lead the way to new economic development (Sharma et al, 1990).

1.1. Statement of Problem

The north-western area of greater Mafikeng has experienced a rapid increase in the number of informal sector activities. These sectors are a fascinating area of contemporary South African geographical research. With the exception of shebeens, and despite the efforts of some local governments, nearly all informal businesses in tribal and title deed areas exist and operate in a near laissez-faire environment. This situation is most unusual. A unique economic landscape has formed which poses opportunities as well as potential problems for formal sector businesses and government.

The purpose of this research is to map and to create a document for the small businesses (formal and informal) in the research area. In pursuit of this objective there will be at least two outcomes:

- First, maps will be constructed which will have immediate practical use and application for government, business, and future researchers.
- Secondly, new knowledge and understanding of specific geographic phenomena (formal and informal sectors) will be enhanced.

1.2. Aims and objectives of the study

This study has the following objectives:

1. To map the distribution of enterprises in northwestern greater Mafikeng (i.e. north of the Molopo River and west of the railway track to Botswana), in the North West Province.
2. To demonstrate consumer perceptions on such businesses and how consumers use and value them.
3. To demonstrate the problems traders have in setting up and maintaining a business, and how they may be further encouraged.

4. To ascertain the opinions held by home business operators and non-home business operators on the kinds of problems and nuisances caused by these activities.
5. To evaluate the availability and adequacy of small businesses management education and training.
6. To find out which people are engaged in home businesses and what influences them to participate in this sector.

1.3. Research hypotheses

The study will test the following hypotheses:

1. Location is a primary factor in the establishment of home-based businesses.
2. The majority of people who are engaged in small businesses were once formally employed and may have been retrenched, and
3. Small, Micro, and Medium Enterprises (SMMEs) can improve the living conditions of the people.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

This chapter addresses the literature of non-tax registered small business (informal business) and tax registered small business (formal business) with respect to these subtopics: a) what a small business is; b) the location of businesses; c) phases of small business evolution; and d) the importance of small businesses and the socio-economic role of small businesses. In pursuing these objectives the law governing small businesses before and after 1994 will be addressed. Lastly, education and training, the government's role and the application of geographical information system in business will be addressed.

2.1. Towards a definition of "small business"

There are different interpretations among individuals, organisations and even countries of what a small business really is. It is difficult to formulate a universally acceptable definition. This problem forces researchers and writers to formulate their own definitions to suit the context in which they are writing or researching. Typically, we apply the term small business to so-called "mom and pop stores" such as cafes, green grocers, and restaurants, and we apply the term big business to such giants as Anglo-American, Toyota, Sun International, and South African Breweries (Small Business Advisory Bureau, 1995). Tsabadi (1984) defines a small business as any kind of business locally owned and operated, in which the owner is the boss.

In terms of South Africa's National Small Business Act (Act 102 of 1996), a small business is a separate and distinct business entity, including co-operatives and non-governmental organisations (NGOs). Rwigema and Karungu (1999) highlight

that small, micro and medium enterprises can be defined by revenue, assets or by the number of employees.

A small business has no significant power to control the prices of the products it sells. The business is managed by its owner who also controls the business, for example, by majority shareholder (Warner, 1996). Molefe (1998) highlights that the owner must be a moderate risk-taker rather than a gambler, and must be versatile, that is, he or she must be constantly striving to become competent in all areas.

There are both urban and rural small, micro and medium enterprises (SMMEs). Urban SMMEs consist of two types: organised and unorganised. Rwigema and Karungu (1999), state that organised enterprises typically engage salaried employees and have fixed premises. They further state that the unorganised firm consists largely of artisans without fixed premises who operate in the open air, in mobile kiosks or at home, and employ few or no salaried workers.

Rwigema and Karungu (1999) say that rural SMMEs are composed largely of family groups, individual artisans, women engaging in subsistence farming or the production of fabrics, village blacksmiths, mechanics, etc. Lastly they find that small business is a common form of subsistence, particularly in informal settlements (Rwigema and Karungu, 1999). Acs et al, (1997) indicate that most of the giant corporations that dominate the landscape of the emerging global economy began as small businesses.

On the argument between small and big businesses Møller (1993) indicates that big businesses have a far greater capacity to provide employment. Small business ventures on the other hand simply cannot cope with the demand for jobs. On the other hand she highlights the following about small businesses: small business provides manual jobs unlike big businesses (industries), which use machines and computers for jobs. Furthermore, big businesses (industries)

only tend to employ people with certain qualifications. Small business can be far more flexible in hiring.

Lastly, Møller (1993) indicates that while small businesses may have flexible hiring policies, these do not always help the unemployed, since business people tend to employ their family members or relatives in their business. From the above definitions and characteristics, one can summarise a small business as a business, which is privately and independently owned, and operates, inter alia, in informal places like residential areas. The best examples are tuck-shops, backyard manufacturers, and side street car-washers.

2.2. An historical overview of small business

Small businesses (formal and informal) can be considered to be a reflection of the free market system. They reflect the freedom of the individual to start, operate, sell, and even close a business to his own advantage. This choice and absolute freedom of the entrepreneur to establish his own business, and do with it as he or she pleases, confirms the basic principles of the free economic system of the Western World. Clearly the small business is a vital force in our economic system (Small Business Advisory Bureau, 1995; Morris et al, 1996).

In the vast sweep of history, the small business has received little attention. Few historians have recorded its contribution to society. It flourished in almost all ancient cultures. The Arabs, Jews, Greeks and Romans excelled at it. The historian's views of ideas and military deeds are still predominant in history. It was largely through small business however, that civilisation was spread to the four corners of the then-known world (Small Business Advisory Bureau, 1995).

In South Africa many companies are retrenching people because of low economic growth. Some of those retrenched have opened small businesses, and are using the experience acquired from their former jobs (Gilbert and Gugler,

1996). The South African government, through the means of the Reconstruction and Development Programme (RDP), is encouraging the development of small business (ANC, 1994). This fact was emphasised by former North West Province Premier Popo Molefe when he stated that small businesses should continue to do their business to bolster the economy of the province and their own welfare (Molefe, 1999).

2.3. Location of business

The choice of the geographical location for the premises of the business is of extreme importance for all kinds of enterprises, although for some it may be more important than for others (Badenhorst et al, 1997 and Hernandez and Bennison, 2002). Some of the most important location factors are: social environment, climate, existing business environment, and the attitude, regulations, and tariffs of local authorities (Wheeler et al, 1998; Chuang, 2002).

A prospective businessman or businesswoman should never be hasty to start a business. He or she must take the time to study and research the ideas and plans of starting a small business (Maesela, 1988). Under apartheid, White South Africans controlled the allocation of formal business sites. Moutlana (1998) discovered that because of the legacy of spatial segregation, more than seventy-one percent of Black-owned micro-enterprises are operated from home, far from formally established commercial zones.

The importance of the location depends on the nature of the business. For example, if you are selling vegetables, your home or garage is the best location. On the other hand, if you plan to open a retail store, you will want to be where you will be in contact with the largest number of potential customers for your products (Lasser, 1982; Dewar and Watson, 1991; Wheeler et al, 1998).

The geographical location of any business makes an important contribution to the success of the business. A businessman or woman may be selling quality products at competitive prices and may have excellent personnel but still fail because the business is not correctly located (Thobejane, 1987; Hernandez and Bennisson, 2002; Chuang, 2002).

The smaller size and simplicity of small businesses usually enable them to quickly adapt to environmental changes and make appropriate decisions. The flexibility and adaptability of a small business can mainly be ascribed to three factors: it has shorter channels of communication, faster decision making is possible, and small businesses may, in some instances, act as sub-contractors to the big business sector (Clarke and Hallsworth, 1994; Small Business Advisory Bureau, 1995).

The following points must be taken into account when one is locating a business. Visibility is an important factor of location and advertising increases public awareness, presenting people with an opportunity to look at your goods in your store or business. The stores using big and bright posters are more likely attract the people (Karakaya and Canel 1998; Clarke et al 2001).

Intersection locations are preferable as they are passed by pedestrians coming from two different streets (Lasser, 1982; Dicken and Lloyd, 1990). An important intersection may also increase trade, especially if it is regarded as a landmark or a point of reference for people to meet each other. Another favourable location may be close to a store, such as a supermarket that runs large advertising campaigns. Customers attracted to such a store will also pass your store.

Every location has advantages and disadvantages. If the pedestrians seem to be hurrying to a bus or train station, the chances are that location will not attract passes-by to a store, which relies upon a leisurely shopping. On the other hand, fast food outlets, stationery stores or newspaper stands might do well in the

same location because most of the hurrying people will require fast service (Lasser, 1982; Dicken and Lloyd, 1990; Clarkson et al, 1996).

Some stores will succeed wherever they are located because their uniqueness serves to draw the customers to them. For example, a store which attracts customers by offering computer or game machines, will have large numbers of customers. Other stores actually benefit from being near the competition. In this case people can easily compare prices and the store with lower prices will benefit (Lasser, 1982).

Furthermore the businessman and woman must look at the behavioural aspects of the potential customers. He or she must try to identify the attitudes of the people in the area. This will help in deciding on the degree of convenience and accessibility the location must have (Thobejane, 1982). Thobejane (1982) further highlighted that the businessman or woman should know the number of outlets and competitors in the area. In North West Province most small businesses, both formal and informal, are concentrated in urban areas. However, more than ninety-five percent of small businesses owned by Blacks and classified as informal, are located in their homes and far from the Central Business Districts. In rural areas most small businesses sell from the home (Moutlana, 1998).

2.4. Reasons people engage in small business

There are many reasons why people want to start their own businesses. If the typical small business owner were asked why he or she chose a small business as a source of livelihood, the typical answers given would be "to be independent" or "to make money". However, these answers are often superficial. The small business owner may be inclined to give the response that the interviewer is seeking rather than the true answer, which lies deep within the owner's mind and psychological structure.

Whether or not the typical small businessperson has a true insight into his or her basic motivations, it is true that usually the business is elected as a way of life on the strength of certain appealing advantages. These advantages are usually listed as: Being your own boss, doing something you like, community development and personal status.

2.4.1. Being your own boss

The independence of being one's own boss is a frequently sought goal. Obviously the freedom and independence of action which goes along with business ownership appeal to many individuals. Being their own boss, of course, has a variety of meanings for those who are seeking self-direction. To one person it means being able to close up shop and go fishing, to another it may be freedom to do the work in the sequence he or she elects, or simply the privilege of making decisions in all matters pertaining to one (Small Business Advisory Bureau, 1995; Zhang, 2000).

2.4.2. Doing something you like

Owning a small business entitles the individual to engage in a line of work which is enjoyable. Such freedom is closely linked to the independence gained from being your own boss. The freedom to do something you like goes further than merely being able to determine when you want to do something and to tell others what to do (Small Business Advisory Bureau, 1995; Zhang, 2000). These clearly indicate that the small business owners in this case operate in the sector of their choice. They are not accountable to somebody beyond this business.

2.4.3. Community development

Many people who own and operate their own business have initiated these enterprises because they feel a responsibility to the community. This feeling of responsibility toward the community is not common to all entrepreneurs, but those individuals who do believe they have an obligation towards their

community, province, and nation often find an opportunity for serving their communities via small business (Møller, 1993). Some business owners are not aware that their involvement in small business is also part of development in the community they are serving. Furthermore, the quality of service and employment in their respective businesses can develop the community.

2.4.4. Personal status

There is one final advantage which many people seek by means of owning their small business. That advantage is the personal status and recognition, which they feel, will be theirs as an entrepreneur. The general feeling in respect to personal status, which an individual attains as a small business owner, is that he or she will be recognised as an independent businessperson (Small Business Advisory Bureau, 1995; Zhang, 2000).

A surprisingly large number of small businesses are owned and operated by people who are seeking security or wish to avoid dependency upon an employer. Many small businesses are started because of a need for providing the small businessperson with a job or some source of income.

Whether or not many people start their own small business because of the anticipated or real loss of a job may be a debatable point. A large percentage of the population does tend to find themselves in jobs for which they are not particularly suited, which do not particularly appeal to them, and which they take no pride in doing. When this happens, under certain circumstances they often are motivated to start their own business (Møller, 1993; Small Business Advisory Bureau, 1995; Zhang, 2000).

2.5. Size and diversity of small businesses

There are more than 800,000 small, medium and micro-enterprises in South Africa. These enterprises absorb about a quarter of the labour force, which numbers about 15 million people. In addition about 3.5 million people are

involved in one or another type of survivalist activity (National Small Business Act 102, 1996). There is a distinction between survivalist activities, micro-enterprises, small enterprises and medium-sized enterprises. All these enterprises' sectors are generally termed "SMALL BUSINESS" and abbreviated as "SMMEs (National Small Business Act 102, 1996; Badenhorst et al, 1997). The White Paper of National Strategy on the Development and Promotion of Small Business in South Africa (1995) outlines the characteristics of four categories as follows:

2.5.1. Survivalist enterprises

Survivalist enterprises are activities practised by people who are unable to find a paid job or get into an economic sector of their choice. According to Møller (1993), the incomes from this sector are not classified in minimum income standards. No skill training is needed in this field. People are engaged in survivalist enterprises in an attempt to surmount poverty (Møller, 1993; National Small Business Act 102, 1995).

2.5.2. Micro-enterprises

Micro-enterprises are very small businesses. The people who are involved in these enterprises are often the owner and some members of the family. This business usually lacks formality in terms of business licences, value-added tax (VAT) registration, formal business premises, operating permits and accounting procedures. However, many micro-enterprises advance into viable small businesses (National Small Business Act 102, 1995; Perren, 1999; Frijs and Vliet, 1999).

2.5.3. Small enterprises

According to the National Small Business Act 102, (1995) small enterprises employ between five and fifty people. They meet formal registration requirements

such as tax-registration and operate from business or industrial premises. They are directly controlled by the owners or owner managed.

2.5.4. Medium enterprises

These categories are difficult to classify in terms of small and big categories. They are still viewed as basically owner or manager-controlled, though the shareholding or community control base could be more complex. They employ 51 to 200 people.

2.6. Home-based enterprises (HBEs)

Dwellings can provide not only shelter and amenities but also an income through rental space or use as a shop. Some policymakers have opposed work at home. They regard home based businesses as unproductive sweatshops with no future (Strassmann, 1987). However, while home-based enterprises are small in structure they are also a family operation in the home. In other words, a home-based enterprise is a functional unit of production. Marxists see home-based enterprise as 'petty commodity production'. Strassmann (1987) further highlights the view that they are an unproductive set of family businesses that overexploit themselves and transfer the surplus to the capitalist sector because cheap goods allow low wages (Strassmann, 1987).

2.6.1. The Tuck-shop or Spaza shop

The word 'spaza' is 'Zulu' for camouflaged or dummy and was applied to small township shops run or operated from homes or private garages (Rudman, 1988). The term was used by traders to fool the authorities because of then strict laws for the licensing of small businesses. These stores were run illegally before legislation was amended to legalise retail trade from township houses (Zuydam-Reynolds, 1990).

Rudman (1988) states that there is no record or written document on the history or origin and evolution of spaza retailing in South Africa. His remarks highlight the fact that some observations and unpublished documents state that spaza shops have always been present in urban townships. The illegal trading of foods from homes and tin shacks was known to be practised in South Western Township (Soweto) as early as 1946 (Beavon and Rogerson, 1990).

There are different descriptions of spaza shops. Rogerson (1991) describes the term spaza shop as a common form of retailing institution undertaken from a domestic residence in the lower-income urban areas of South Africa. Tager (1990), states that the spaza shop is a very important shop to small neighbourhoods because it serves the community in its immediate environment. Spaza shop operations are normally of three kinds: a garage, or out-house purpose built for informal retailing; a room in a house, often a kitchen, dedicated to retail activities; or a backyard shack, usually constructed of old corrugated iron and wooden planks (Rogerson, 1991; Terblanche, 1993). Tuck-shops may also operate from caravans or old cargo containers (Mabille, 1998).

May and Schacter (1991) discovered that tuck-shops vary in the scope of their operations. Some are retail enterprises selling only food and others sell non-food items. Some sell a small range of goods, while others act as general dealers, and some function as shebeens (Tager, 1990). There are also tuck-shops serving as general dealers, meaning that they sell both food and non-food items, and others that only serve as cool drinks sellers (Terblanche, 1993; Mabille, 1998).

Although entry into retailing may be severely hampered by the strong position of large chains, which enjoy the support of Black shoppers, the retail informal sector provides a crucial role in serving a specific market by providing convenience, credit and bulk-breaking facilities and the keeping of adequate stocks. Many entrepreneurs in the informal sector may remain in the embryonic stage. The

success and growth of spaza shops as informal enterprises provides a breeding ground for management expertise either through experience, training or education (Ligthelm, 2002; Sukazi, 2003). The informal sector could be the nursery of future retail management. The self-financing ability and growth of tuck-shops indicates that these entrepreneurs have overcome almost insurmountable obstacles. There is a great interest in the informal sector (spaza shops) in South Africa by manufacturers who are developing strategies to service the informal sector directly. In the process, traditional tuck-shop institutions are becoming threatened. With the evolution of a formal-informal sector symbiosis, the very growth of the informal sector may result in the elimination or reduction in size of a distinct sub-sector of the economy (Terblanche, 1993; Ligthelm, 2002; Sukazi, 2003).

2.6.2. Shebeen and Tavern

The word 'shebeen' derives from Gaelic and means little shop (De Haas, 1991). In its origin shebeen means 'bad beer' and the Irish applied it to places where liquor was sold without licence (Rudman, 1988). It further refers to the unlicensed, and thus illegal, sale of liquor from the residence of an operator or shebeener.

This is a fair description of its usage in South Africa today. The name shebeen is popular with Black South Africans. The Chairman of the National Taverns Association, Lucky Michaels, compares them to an English Tavern or Pub (Rudman, 1988). According to Branford (1987), a tavern is a licensed shebeen. Hart (1991) supports the above point by saying that shebeens are like London pubs and they provided the focal point of city life.

Hart (1991) regards the shebeen as a noble institution. The shebeen is treated as a dynamic organisation, an important recreational outlet and derivative of traditional Black African culture. They are noted for their warmth, hospitality, and

colour (Rudman, 1988). Rudman (1988) said that an evening there is a social, congenial gathering of a few people from the immediate neighbourhood seeking company and relaxation, just like the English pub or tavern.

In the creative writing of both Black and White South Africans, shebeens are shown as the 'social hub' of every township. Shebeen culture comprised that twilight underground world of urban Black life where all classes met, united only by the need for alcohol, the consumption of which was prohibited for Blacks in South Africa some decades ago. Hart (1991) said that shebeens are often likened to the American speakeasy and the British public house. Despite the comparisons, Hart (1991) states that shebeens are emerging in literature as a distinctively Black cultural form in terms of genesis, organisation, and mode of operation. The origins of shebeening may be traced to the effects of proletarianization and of the growth of urban Black settlement in South Africa. Beer brewing was a traditional skill of rural women, and in the urban milieu, the craft was transformed into the institution of the shebeen (Hart, 1991). Shebeens operate in different ways, some have off-sales and others only allow consumption on the premises.

2.6.3. Small-scale engineering

Informal sector manufacturing has been assumed to provide many of the products consumed by both the urban and rural poor. The health of the sector, and its capacity to expand its total income, is the key to the well being of millions of farmers (Kabecha and Thomas, 1995). The typical range of activities that take place in this field are welding, the manufacture of burglar guards, motor vehicle repair, the production of wood and clay handicrafts, building and other cognate production.

An example is light steel or welding work, such as the manufacture of burglar guards. This work appears to be the most significant activity amongst Black

African males. They also deal with much more sophisticated activities such as making metal brackets and hinges. Most of the entrepreneurs in Black owned enterprises had some experience in the formal metal industry, where they worked as artisan's assistants, before voluntarily or involuntarily leaving formal employment for self-employment (Manning, 1993; Gauthier, 1995).

2.6.4. Small-scale soft goods production

This field deals with knitting, the sewing of garments, and manufacture of toys. In many developing countries one finds the tradition of seamstresses working at home or in small rented rooms sewing dresses for women and children. Women are also engaged in embroidering, weaving mats or selling cooked food. A vast number of small manufacturers of custom-made women's garments operate either from home or from small rented offices. Small-scale units, which have emphasised flexibility, product diversity, and product quality, have been very successful. The most lucrative segment of the market has been the high quality fashion and design intensive segment (Wentzel, 1993).

Manning (1993) found that most pinafores (women's kitchen dresses) appeared to be informally manufactured. Mainly Black African women and girls wear this clothing. Pinafore production appears to be one of the few segments of the clothing industry in which small-scale and largely informal enterprises dominate the market. The majority of the seamstresses are retrenched women workers from the big clothing industries (Wentzel, 1993; Gibson, 1997).

Wentzel (1993) found that clothing manufacturing enterprises in the informal sector are internally differentiated by the type of machines used. The informal sectors use home industry (hand) machines and the big industry operates with big machines. The markets are based on immediate home needs, neighbourhood markets, flea markets, cut-make-and-trim orders for big retail outlets, school orders, small retail outlets and sport club orders.

2.6.5. Service activities

These activities deal with hairdressing, shoe-repair and shoe shining, alteration of garments and street-side car washing. Street car-washers can either be casual, temporary, or permanent (Booth, 1987). Casual washers are those still attending school and washing cars on the weekends and holidays. Temporary washers are those actively looking for full-time wage employment, who divide their time between job hunting and car washing: they wash cars when shoppers fill public car parks. Permanent washers include those who would not accept formal wage employment if it were offered to them, and those who are not actively seeking full-time wage employment, despite their desire for such employment (Booth, 1987).

2.7. The importance of small business

Small businesses are internationally recognised as an important component of any country's economic development. At the end of the 1990s, little disagreement existed on the important role SMMEs should play in economies throughout the world. Generally, small businesses are considered to be the 'seedbed' or 'bedrock' of many countries' economies. This observation is also the case in South Africa. Since 1994, the government has frequently stated their intention to promote small business (Small Business Advisory Bureau, 1997).

Small businesses are also the foundation of larger businesses. Large businesses are not born large, they grew from small businesses. Small businesses contribute a great deal to the improvement of the society in which they are situated. Most businesses in Southern Africa are classified as small. The reason is that small businesses are prevalent and perform a valuable function in the economy of Southern African (Molefe, 1998).

Tsabadi (1984) says that small businesses make up the economic backbone of the nation. He further says small businesses offer services, which big businesses cannot afford to accommodate. For example, small businesses can sell some items individually (for example half a loaf of bread and a single cigarette) but big businesses generally sell in bulk. According to Tsabadi (1984) small businesses help the larger ones to stay in business, because they usually buy in bulk.

According to Moutlana (1998), non tax registered small businesses in North West Province make a profit of between R200.00 and R800.00 per month. These small profits suggest that the potential for growth through investment and job creation in the small business sector may be limited, unless interventions by governments and other players improve the competitiveness and profitability of small business (Moutlana, 1998). Presently, most profitable small businesses are shebeens and street vendors. These small businesses generate jobs because they are exceptionally labour intensive (Moutlana, 1998).

In South Africa, and in particular North West Province, economic development requires more jobs, faster economic growth, rapid poverty alleviation, and greater equity in sharing the fruits of economic growth (Moutlana, 1998). The statistical base of small businesses in South Africa is still poor but there can be little doubt about their relative significance. A large portion (mostly family members) of the labour force is employed in the small business sector. Employment and creation of new job opportunities by the small business sector are not only advantageous to the socio-economic development of rural areas, but also for the maintenance of a healthy balance of economic growth in urban and rural areas (Small Business Advisory Bureau, 1997; Watson et al, 1998).

2.7.1. Job creation

According to the National Small Business Council (1998), small business plays a substantial role in the development of new employment opportunities in South Africa. It is estimated that about 44 percent of all employment is found in non-tax

registered and tax registered small businesses. Recent studies have shown that job losses have occurred in most sectors in South Africa because of the new economic strategy. As an exception, the small business sector has managed to create new jobs. Self-employment is a career option for many people who are unemployed in the country (Thomas, 1988; Møller, 1993; Camilleri, 1997; Moutlana, 1998; Ligthelm, 2002; Sukazi, 2003).

Successful job creation has to start somewhere. Jacobs (1972) indicates that each kind of new work is added 'logically' and 'naturally' to a specific bit of old work. That is how innovations are made. It is also how work has diversified and expanded in modern times (Møller, 1990). Jacobs (1972) argues that cities are places where adding new work to older work proceeds vigorously. Productive and creative cities are a primary necessity for economic development in both urban and rural areas. Cities have more diverse divisions of labour than villages, towns and farms. Cities contain more kinds of work to which new work can be added (Jacobs, 1972).

The socio-economic contribution to communities finds expression in two areas especially. Firstly, the small business offers a wide range and high standard of personal service and products to the community. A second remarkable characteristic of tax registered small business is the willingness of the owner to plough back into the community what has been taken out of it, for example by funding local charity soccer tournaments (Small Business Advisory Bureau, 1997; Watson et al, 1998).

Small businesses offer many business routes in this sector. Many business people made their entrance into the business world by means of a small business, which in the course of time developed into a flourishing business. Small business offers the entrepreneur the opportunity to prove himself, to become part of the business world, and to grow and develop in it.

According to Frank and Landström (1997), small business is a vital force in the economy of developed countries. The unique nature of the small business lends itself exceptionally well to the role of inventor of new products, ideas, and techniques. The small businessman has more freedom at his disposal to realise his innovation and initiatives himself. Small businesses continually contribute to the product development of consumer goods and often lead the way to new fields, which can be explored and developed (Frank and Landström, 1997).

In Europe, Great Britain was the first country to be hit by an economic structural crisis, which characterised much of the 1970s. It was also this structural crisis which prompted an increased political interest in entrepreneurship and the small business sector. Frank and Landström (1997) explain that small business was regarded as the answer to structural changes and employment problems which large companies were unable to solve.

Camilleri (1997) indicates that the contributions to GDP in Black Africa are divided amongst the agricultural, modern, and informal sectors. He further highlights the fact that the informal sector has almost no rights, even though it ensures the survival of urban economies and absorbs the largest part of the rural exodus. Its growth rate is faster than that of the modern sector in the chaotic cities of the present day.

The National Small Business Council Act (1998) indicated that small businesses are essential actors in the process of local economic development. They provide the main driving force behind the interrelated flows of trade, investments and technology, on which the strength and dynamism of an economy depend.

2.7.2. Poverty alleviation

Small business activities have been used to generate income by a number of people living in poverty and experiencing unemployment (Møller, 1993). The National Small Business Act, 1996, classified some of their small businesses as

survivalist or micro-enterprises. Some demonstrate elements of entrepreneurship. On the other hand the National Small Business Council (1998) state that not all informal sector businesses or micro-enterprises remain static. They can become more profitable, employ more people, and increase household income (Møller, 1993).

2.8. The socio-economic role of small business

Generally, SMMEs are considered to be very important players on the socio-economic scene. In the past decade for instance, more and more policy makers have pushed the SMMEs forward as generators of most new jobs (Donckels et al, 1997). The small business sector is not only advantageous to the socio-economic development of rural areas, but also to the maintenance of a healthy balance of economic growth in urban and rural areas. Small businesses satisfy the needs of communities to a large extent. Small business offers a wide range of products and a high standard of personal service and products to the community. The small business often serves as a valuable source of practical expertise (Donckels et al, 1997).

When the total environment of the small business sector is investigated, it reveals that the small business exerts a multiplier effect on the socio-economic activities. Although small businesses do not necessarily offer long term advantages to an area, a significant number have the ability to stimulate activities in a particular area.

With regard to the internal systems of small businesses, working owners or managers, as well as the staff complement, often have to be recruited from elsewhere. This labour force has a need for housing and the other normal provisions of urban life. The remuneration obtained from the small business is used to satisfy their needs (Donckels et al, 1997). As businesses grow, more businesses establish themselves in an area. The demand for certain business

facilities such as banking, insurance services, local authorities, and other services can increase.

Lastly, small business offers entry into the business world. Many business people made entrance to the business world by means of a small business, which in the course of time developed into a flourishing business. It is essential to offer the individual the opportunity to be part of the economic process and this is itself an important reason to support small businesses in the economy.

2.9. Non tax registered small business or informal sector

Informal activities have attracted a great deal of attention in recent years. A reading of different definitions of what constitutes the informal or unrecorded sector reveals that in simple terms it is those businesses that are not formally or legally registered. Therefore any business which is not operating from a legally declared commercial or industrial site and is not properly registered is termed "informal sector" (IS) (Rudman, 1988).

2.9.1. Terminology and conceptual issues: Informal Sector

There is by no means a strict or clear delineation as to what is meant by the term 'informal sector'. The reason is that there are various ways of viewing the informal economy all of which are influenced by numerous factors. Included amongst these are activity, group, area or country studies, and the particular relevance, academic or other parameters in which the study is being conducted. The following terms are used by researchers, academics and writers to define the 'informal sector': underground, grey subterranean, black, submerged, shadow, and unrecorded. The key issue is whether these names are indeed pseudonyms or related to informal activity (Abedian and De Smidt, 1990; Harper, 1996; Sanyal, 1996).

These terms may suggest either some notion of illegitimacy or illegality, or that income may be concealed from official records. Theoretically, the classification of an activity as 'informal' may be based either on the technology used, or the degree of formal recognition. If technology is the criterion, then much of the formal economy could be classified as informal. Abedian and Desmidt (1990) conclude that if the meaning is the basis of classification, then the informal economy is merely the sum total of unrecorded economic activity.

The term 'sector' usually includes activities that have either a common nature or are subject to the same dynamics. On the other hand Thompson (1992) defines sector as a distinct part of an enterprise. It basically depends on the context used. The informal economy consists of a variety of activities that can be related to different sectors of the economy. For example spaza shops are part of the retail sector (Abedian and Desmidt, 1990; Harper, 1996; Sanyal, 1996).

Gilbert and Gugler (1996) said that the classic paper of Hart (1973), originally presented in 1971, introduced a new terminology, distinguishing between informal and formal sectors. Hart emphasised the great variety of both legitimate and illegitimate income opportunities available to the urban poor. The informal sector can be split into two sub-sectors, the 'rural non-farm sector' and 'urban informal sector'. The term 'urban' will be related to the informal sector in the major cities, and 'rural' to small enterprises in the market town because they are linked with rural areas (Miles and Norcliffe, 1984; Harper, 1996; Sanyal, 1996).

Hart coined the term 'informal sector' in 1971. He regarded the informal sector as the unremunerated, unorganised sector, characterised by self-employment (Maasdorp, 1983). This terminology was adopted by a mission to Kenya organised by the International Labour Organisation (ILO) in 1992 (Gilbert and Gugler, 1996).

Researchers in different countries tend to use this term according to the activities they observe. For example, the term 'informal sector' is invoked to refer to street vendors in Bogota, Colombia, shoeshine work in Calcutta, India, garbage collectors in Cairo, Egypt, textile waste recycles in Manila, the Philippines, home-based garment works in Buenos Aires, Argentina, and home-based electrical workers in West Yorkshire, England (Chen et al, 1999).

Furthermore, this phrase may mean different things to different groups of people. For example, to the police it means the shebeens, drug dealers, gun-runners and purveyors of hot goods. To the statisticians the informal sector is an embarrassment, which makes a continuing nonsense of their detailed numerical predictions on just about everything. To the rich it means tripping over hawkers on the pavements and avoiding unpleasantly abrupt meetings with taxi cowboys on the roads (Hetherington, 1992).

The advantage of using Hart's definition is that there is a clear dividing line between the informal sector and the formal sector. For example, an individual may operate in both sectors, by working in two different jobs. Hart gives examples of a registered domestic servant who is a formal worker and an unregistered one who is informal, and he further said a teacher would be in the formal sector while undeclared earnings from giving extra lessons would be in the informal sector (Maasdorp, 1983; Windebank, 1991).

In some countries in Africa the informal sector is growing at a fast rate. It was found that almost every household in Dar es Salaam, Tanzania, receives at least part of its income from informal sector activity (Schulz, 1995). The ILO has classified the vast majority (95 per cent) of these businesses as survival activities with limited growth potential (Broom and Joyce-Clarke 1990),

2.9.2. Characteristics of the informal sector

Aspaas (1998) says that the informal sector is characterised by the selling of goods or services in businesses that are usually small in terms of employees. Those entering the informal sector are mainly traditional artisans migrating from rural to urban areas, and skilled persons who have either lost or left their jobs in the modern sector. The informal sector is widely seen as providing a second best choice for those who are unable to obtain wage employment. It is sometimes described as petty retail trade and services done by people with low levels of living standards, poor working conditions, high birth rates, low levels of health and education (Gugler and Gilbert 1996).

Furthermore, it is often thought of as a major source of urban employment and economic activity. Moreover, the usefulness of the enterprises lies not only in absorbing and supporting urban workers but also in fostering entrepreneurship, and lowering the cost of living by providing simple goods at low profit margins for other urban workers (Katona 1993; Aspaas, 1998).

Aspaas (1998) argues that the informal sector has been able to compete for imported commodities, by the fact that economies of scale are non-existent in their area of operation. They are therefore able to compete with the formal sector in that they offer their products at a quality and price that easily compete with those in the formal sector.

Gugler and Gilbert (1996) classified the informal sector according to the following characteristics: a) Ease of entry, b) Reliance on indigenous resources, c) Family ownership of enterprises, d) Labour intensive, e) Unregulated and competitive markets, f) Skill.

The informal sector appears to offer a remedy for the urban employment problem. Internationally, six cities in Latin American and two Asian countries

suggest that two-fifths and two-thirds of the urban labour force work in the informal sector (Sousa and Tokman, 1976; Katona, 1993; Gugler and Gilbert, 1996). Informal trade is historically and empirically a livelihood in Andean America. A large number of Peruvian people work in the field in production, construction, and transportation. These activities are small scale, use simple technologies, are labour intensive, are largely unregulated, and in many cases, are traditionally rooted in Andean society (Hay-Mitchell, 1994; Schulz, 1995).

2.9.3. Supply of informal goods

Informal operators produce mostly within a cash economy. Their inputs are thus largely obtained from the market place, although mostly purchased from that segment of the market that is less constrained by the regulations of quality standards, and sales tax. Much of the profitability of these activities in fact rests on their procuring input at favourable costs (Abedian and De Smidt, 1990; Broom and Joyce-Clark, 1990).

2.9.4. Labour absorption and the informal sector

The informal sector labour absorption capacity is fairly fixed in the short term. However the supply of goods is continuously rising, mainly because of migration from the subsistence economy. Much of this labour is not employable. Nonetheless, the faster the rate of urbanisation and unemployment, the greater would be the difference between short-term supply of and demand for occupations in the economy (Schulz, 1995; Abedian and De Smidt, 1990).

2.9.5. Scale of informal sector

The scale of informal operations is smaller than that of formal operations. To an extent this arises out of the centre and periphery relationship between the two sectors, itself a consequence of fundamental differences between the two modes

of production. Davies (1985) indicates that there are other important factors which explain the difference in size. Firstly, informal operators do not have the same access to credit as their counterparts. This obviously limits the scale of operations, since it means that the period between making outlays for material and receiving income for products must be small. It also means that growth within the sector must be financed by internally generated surplus, while the formal sector has recourse to formal fund-raising institutions (Davies, 1985).

Secondly, because of the semi-legal nature of many subordinated informal activities within the social formation, the risk involved in such activities is high. There is therefore no incentive to expand activities beyond a certain viable level. This would also apply to legal informal activities, since they do not have access to the risk averting strategies of formal business, for example, insurance (Abedian and De Smidt, 1990).

2.10. Women in the informal sector

In recent years researchers have come to accept that the informal sector is internally differentiated and they have begun to take notice of the fact that women dominate this sector (Chen et al, 1999). They are classified in enterprises at the bottom of the informal sector hierarchy including the lowest remuneration and the least capital investment. Globally, according to official statistics, women are over-represented in the informal sector (Chen et al, 1999). Over the past few years, in many parts of the Third World, rural women's participation in labour markets has increased because of rural-urban migration. Donovan (1992) states that women need self-determination in order to develop personal strength in their encounter with the world.

Donovan (1992) argues that women's experience and perceptions often differ from those of men, and they have restricted access to a range of opportunities

from paid employment to services. The high number of women in the informal sector is viewed as a consequence of women's oppression (ILO, 1994).

Broadly speaking women in the informal sector can be divided into three main categories. First, self-employed women whose aim is to survive and who often operate small scale industries in the streets or markets; secondly, women in part-time paid employment who often supplement incomes by the use of informal income generating activities; and thirdly women in full-time small-scale enterprises which often consist of relatively formalised small businesses often distinct from the home (ILO, 1994).

Gill (1994) recognises the following characteristics of women's small-scale enterprises as follows: firstly, choice of business tends to be an extension of domestic chores, for example, cooking food and selling it in the streets or beer brewing. Secondly, women tend to open their businesses as close to home as possible because of certain constraints, such as child care and agricultural responsibilities. Women own most of the businesses and they often engage in more than one activity, for example, selling fruits and cooked food. Lastly, the conditions under which these women work are not normally good. For example, they are often exposed to unfavourable weather conditions because they have no shelter (Mabille, 1998).

Women's participation in informal sector activities is an option for generating cash resources (McIntosh, 1991). Aspaas (1998) states that the involvement of women in production work at home and in the informal sector is better understood as rural house-hold economic. Chen et al (1999) state that the share of the female work force in the informal sector is greater than the share of the male workforce. The oppression of women was promoted by customary laws which state that women are responsible for household tasks. This pattern however should not blind us to the important role played by women.

In Nigeria, women have largely been ignored in official statistics, though the majority of them are involved in micro-enterprises. The government of Nigeria indicates that the trading and service sectors do not qualify for official economic development assistance (Soetan, 1997). On the other hand the formal sector has a small percentage of women who, nonetheless, dominate in activities such as nursing, teaching and secretarial duties.

Women who participate in the informal sector tend to concentrate mostly in trading, catering, hairdressing, tailoring, and food processing. There are various reasons for governments to exclude women entrepreneurs from official statistics, because generally their enterprises employ very low numbers of people (Friedman and Hambridge, 1991; Soetan, 1997).

Beall and Kanjil (1998) indicate from their recent study in Nairobi that hawking in general is a source of livelihood for a high proportion of Nairobi's population. They further state that contrary to popular belief hawkers in Nairobi are not organised. They are unlicensed but hawkers "own" their sites, meaning not legal ownership but regular operation from one spot recognised and respected by fellow operators. These operations are dominated by women and children (Beall and Kanjil, 1998).

In South Africa, the National Small Business Act 102 (1995) protects the right of the women who were discriminated against to own or control their businesses (South Africa's National Small Business Act 102, 1995). A similar policy has been implemented in Kenya (Keraga, 1996). The Self-Employed Women's Union (SEWU) works to improve the visibility of women in the survivalist sector of the economy. Because women are engaged in a large amount of trading, SEWU find it necessary to make their work visible and recognised (Horn, 1996).

2.11. The informal economy in South Africa

The concept of informal economy emerged in Africa some years ago. Researches began to notice that there was no economic explanation for how the majority of the population survive (Shanin, 1936). They did not own land. They did not seem to have any assets. According to Shanin (2002), many people did not have jobs, pension, a steady place of work or regular income. The rapid urbanisation of the Black South African population in recent years has given birth to an entirely new set of economic activities, many of which have escaped official recognition. It is a fact that in South Africa, most estimates of informal or unrecorded activity have been based on subjective impressions.

The informal economy must form part of the policy towards a human development approach to South Africa's development planning. It is estimated that the existing informal economy currently absorbs between four to five million workers and contributes roughly nine percent to total gross domestic product (GDP) (Rogerson, 1986). The ILO (1992) and Rogerson (1996) indicate that in South Africa the informal economy manifests itself in various ways in different regions, in different cities, and in urban and rural areas. Thus its economic contribution to growth and welfare varies between different regions, cities and the urban-rural divide. In the context of contemporary South Africa, the bulk of informal activity takes place in peri-urban and urban centres occupied mainly by new urbanisation and areas having a high rate of retrenchment.

Thomas's (1988) model uses two continuous variables to depict the relationship between the formal and informal sectors. The first dimension used by Thomas is concerned with the extent to which activities are recorded in measured Gross Domestic Production. These activities include hawking, babysitting, and even illegal activities. The second dimension is concerned with socio-economic sophistication, within the informal sector. Thomas (1988) distinguishes between

First World and Third World segments, and comes up with four categories discussed below.

Thomas refers to Third World survival entrepreneurs in the low income rural and fringe urban communities. This segment, thought to be vast, includes all those unemployed or underemployed people who try self-employment in one or other activity as a means of earning at least enough to keep themselves and their families alive. The bulk of these informal sector participants have no banking links and therefore no access to conventional credit facilities (Broom and Joyce-Clark, 1990).

According to Broom and Joyce-Clark (1990), the informal sector provides about 1.7 million jobs in our economy and is the only part of the economy that has really grown in the last two decades. It has grown more than all the other sectors put together. Conservative estimates state that goods and services from the informal sectors contribute about 5.5 per cent to South Africa's overall GDP. More recent estimates from a household survey, however, say that the contribution may actually be as much as 15 per cent. Because of the nature of the informal sector it is difficult to get an accurate figure.

Although this sector forms such a large part of the economy in terms of the money that it generates almost nothing is paid to the government in tax. Because the informal sector is not regulated and controlled like other parts of the economy, the government cannot easily get tax from this sector or subtract tax from the wages that they pay (Preston-Whyte and Rogerson, 1991). This sector must be brought into the formal tax system by better indirect taxation, for example through value added tax (VAT) and petrol tax, which informal traders pay for buying and transporting goods. More support must also be given to the informal sector through advice services, training, and loans.

The National Small Business Enabling Bill addresses a standard set of quantitative and qualitative criteria. The quantitative criteria are based on the setting down of maximum levels of annual turnover. The bill also covers total asset values and total numbers of full-time employees for different groups of SMME. The bill also indicates the criteria which determine SMME classification.

According to the Central Statistical Service (CSS) (1991) report, which was conducted last decade, there are two major concentrations of informal sector employment: KwaZulu/Natal and Gauteng provinces. Informal economies were mostly found in cities. Available evidence from micro-level studies suggests that the prospects for 'growing' the micro-enterprise economy are geographically uneven across South Africa (Rogerson, 1998). The micro-enterprises in South Africa are little different from those recorded in other countries of the developing world.

The informal sector in Third World countries has its counterpart in developed countries in the form of the 'underground' or 'hidden economy'. Maasdorp (1983) and Hetherington (1992) defined it as that sector of the economy forced by government interference to make its own rules to cheat and survive. The underground economy probably represents a considerable proportion of gross domestic product (GDP) in most countries, although it does not figure in national accounts (Maasdorp, 1983).

2.12. Laws governing small businesses

As the definition of informal businesses stands, licensed hawkers, operating within the relevant legislation could be classified in the informal sector, while a pirate trucking company which operates without the necessary permits could be classified in the formal sector, regardless of its size or compliance with other relevant legislation (Rogerson, 1991).

Additionally, boundaries between categories and activities are subjectively based, and uncertainty prevails between what is regarded by some as the criminal economy and by others as the social or irregular economy. Such demarcations entail categorisation from current moral or ethical perspectives and, when they change, lead to measurement difficulties. For example, two decades ago all liquor trading by Blacks in the townships was illegal (and therefore informal) while today there are licensed bottle stores, shebeens, and taverns in the townships (Rogerson, 1991).

A wide range of businesses are based in residential premises in many African towns. This would include small manufacturers such as welders and clothing manufacturers as well as service businesses such as hairdressers, various repair services, and retailing through spaza shops. The Small Business Bulletin (1990) states that until recently, these activities had been technically illegal in the sense that regulations did not allow any business activities from sites that were not allocated for such purposes. Lastly, there are town authorities that are uncertain as to the correct legal position of informal business in their areas of jurisdiction.

2.13. Informal traders before 1994 in South Africa

The anti-informal programme, which functioned in South African cities from 1948 to the end of the 1970s, was an aspect of the state's broader strategies towards urban unemployment. This happened during the time when Bantustans were the critical pillars of state policy. The informal sector in the apartheid city suffered from conflicts with the ideology of apartheid development (Rogerson, 1989, 1990, 1992). Special police guards were formed to prevent establishment of informal enterprises in the cities.

Raids, harassment, and fines by the police undermined the existence of women brewers, operators of shebeens, and illicit township liquor outlets (Rogerson and Hart, 1986; Rogerson, 1992). Rogerson (1989b) recounted one of the worst

events, which was the closure by Johannesburg's city fathers of two thousand women coffee-cart vendors in 1950.

Before 1991, the government tightly controlled Black business activities using apartheid legislation. Some of the key pieces of legislation which will be discussed were:

1. Influx Control Act: 1923,
2. Group Areas Act: 1950,
3. Development Land and Trust Act 1936 and
4. Population Registration Act: 1950

The Influx Control Act denied Blacks the right to move freely around the country. This act had a major impact on small businesses.

The Group Areas Act forbade Blacks from operating businesses in the so-called 'White' areas of Central Business Districts (CBD) except where CBDs were declared 'free trade areas' (May and Scharter, 1991). Racially segregated residential areas, enforced through the Group Areas Act, did not only uproot millions from their places of residence and business, but also led to large capital losses and virtually destroyed the fabric of Black small enterprises (National Small Business Act, 1995).

All Black traders and professionals were required to obtain annual ministerial permission to operate a business. Apartheid left no real space for the business involvement of Black women (National Small Business Act, 1995). Furthermore, if more than six Blacks needed land for a business or company they had to obtain ministerial permission. Black people could trade only on sites allocated at the discretion of township managers. The sites allocated were very small and only a few categories of trade were permitted (May and Schacter, 1991). Furthermore a Black person could not raise capital from or share profits with a non-Black nor could he employ non-Blacks. Inspectors were appointed by town managers to check accounting books. Black businessmen were not allowed to dispose of their businesses without permission. May and Schacter (1991) state

that Black rights or licences to sell were cancelled if the municipality service fees were in arrears or if they were convicted of any criminal offences.

According to the White Paper on national strategy for the development and promotion of small businesses in South Africa, the legacy of apartheid constitutes an important factor in the inability of Black owned or controlled small enterprises to face business development constraints. The majority of South Africans were deprived of viable business opportunities, particularly in the following ways. Bantu Education restricted opportunities for the acquisition of technical and professional skills by Black people. There was a total absence of entrepreneurial education for young people and lack of encouragement for them to enter business and acquire a culture of entrepreneurship.

Apartheid confined the majority of Black South Africans to homeland areas, which were not only the poorest in terms of living standards but also business opportunities. Even outside the homelands the system of apartheid made it impossible for Black - would-be-entrepreneurs to participate in business apprenticeships and partnerships with more established enterprises.

2.14. The informal sector after 1994 in South Africa

The Business Act 1995 reduced the majority of regulatory burdens on small businesses. Regulations relating to township establishment and land use were promulgated in terms of the Black Communities Development Act (Small Business Bulletin, 1990). The act abolished licensing requirements for all types of businesses in the country.

The Business Act basically forbade law enforcement officers from confiscating street traders' merchandise and prohibited local authorities from enforcing distance and 'move-on' laws. Distance law prescribed the distance street traders must keep from a licensed shop selling the same products. Move-on laws

required street traders to shift their stands a prescribed number of meters every half-hour. May and Schacter (1991) stated that these two laws were long used in some jurisdictions as justification for harassing street traders.

The Business Act operated in Natal and Cape Province during the apartheid era. These laws made the roles of municipalities minimal because the Act denied them the right to declare certain areas open to street trading. The law repealed Regulation 1036 of 1962, which contained some of the most restrictive discriminatory laws governing business activity, including the prohibition against the use of residential sites for business purpose (Tager, 1990; Small Business Bulletin, 1990).

In 1990, a small business operating in a residential area was forced to have a licence. However, those home businesses which prepared food for sale did not need to have a licence. Basically, it meant that tuck-shop owners did not have any problems when they applied for a licence, because the licence could not be refused (Tager, 1990).

The sale of liquor is governed by the Liquor Act. Shebeens or spaza shops selling liquor are required by the law to have liquor licences. Liquor licences have in some cases been issued to shebeen owners, but before he can obtain a liquor licence the shebeen owner has to comply with the requirements prescribed by the Liquor Act. These include alterations to the premises where the liquor is to be sold (Report of the National Manpower Commission, 1984; Tager, 1990).

The Small Business Advisory Bureau (1995) and Reconstruction Development Programme (1994) aimed to promote and develop entrepreneurship. The African National Congress (1994) stated that small businesses, particularly those owned and operated by Black entrepreneurs, must form an integral part of the national economy. They intended to promote small businesses by helping them overcome four major constraints: that is, access to credit, markets, skills and

supportive institutional arrangements. Both the national and local governments intended to review zoning and licensing regulations to end discrimination against micro and small enterprises (Reconstruction Development Programme, 1994).

2.14.1. Small business laws after 1994

In order to formally recognise the importance given to the small-enterprises sector in the process of economic reconstruction and development, and to facilitate policy implementation in different areas, the government passed a number of enabling acts. In 1995 the government issued a White Paper, which dealt with national strategy for the development and promotion of small businesses in South Africa.

Governments at central, provincial, sub-regional, and local level are responsible for the legislative and regulatory framework and its ongoing adjustment. It is also their role to assure the appropriateness of these rules and regulations for the small businesses. Furthermore the government is committed to appropriate regulations. After 1994 the government abolished all the acts which hampered the growth of small businesses in the country.

One of the national government's main objectives was to facilitate greater equalisation of income, wealth, and economic opportunities. This objective relates to a strengthening of the labour-absorptive process in the micro-enterprises and survivalist segments. It also redresses past discrimination with respect to Blacks, as well as women's access to economic opportunities and power, and lastly to facilitate growth in Black and small enterprises in rural areas (National Small Business Act, 1995).

Another role that the government played was to level the playing field between bigger and smaller businesses. Larger business was favoured in the past. The government support strategy rectified the imbalance between sectors, and its

main aim was co-operation and interaction of these segments of the economy. The National Small Business Act of 1995 highlights that government must recognise and support small businesses.

The Transaction and Procurement Act was formulated to help small enterprises gain market access. The Small Business Finance Act addresses a number of fundamental issues regarding access to finance by SMMEs. This act also encouraged financial institutions to help in the emergence of small businesses (National Small Business Act, 1995).

All over the world there is an increasing realisation that the most effective level for the promotion of small businesses is the lowest level of local government. The government can encourage its local authorities to have direct contact with each enterprise, in order to help the implementation of support programmes. One of the most important instruments in spreading support for small enterprises at local level is the envisaged nation-wide network of Local Service Centres or Business Service Centres. The formulation of good and strong policy for small and medium enterprises can improve the economy of the country (May and Schacter, 1991; Maldonado, 1995).

2.15. Education for small business management

There has been international interest in the role of management education and training and the development of small business. Acquisition of technical and business skills is generally regarded as one of the critical factors for success in small enterprises. According to South Africa's National Small Business Act (Act 102 of 1996), literacy and entrepreneurial awareness are seen as particularly important to enable people to advance from survivalist activities into larger and better earning enterprises. Because of the rapid expansion in the range and number of small enterprises all over the country, South Africa faces a daunting challenge in the sphere of small business oriented education and training.

Every year thousands of men and women start small businesses after they lose their jobs. The main problem they encounter is lack of business management skills (Sergeant, 1996). Govender (1991) indicates that 400,000 small businesses fail every year in the United States of America because of lack of management skills. He further remarks that a concerted effort to increase effective education and training will not only improve the viability of the small business sector, but also benefit the community at large.

The responsibility of education, training, and experience transfers rests on a wide range of institutions, including the central and provincial tiers of government, non-governmental organisations (NGOs), parastatals and the private sector. These responsibilities also apply to the sphere of entrepreneurship sensitising, the training in skills relevant to small enterprises (Kirby, 1990; South Africa's National Small Business Act, 102 of 1996; Sergeant, 1996; Nieman, 2001).

The manager of a small business should have well-rounded management training as well as experience. Govender (1991) states that if the basis of the business venture is a new product or service, no matter how sound it may be, the idea will be hard to sell for one who lacks training or experience in marketing.

According to Baumbach (1987), to operate a business successfully entrepreneurs need a balanced knowledge of marketing, production, accounting, finance economics, business law, and administrative management. In addition, they must have the special knowledge applicable to their particular business, such as manufacturing techniques, or the skill or professional knowledge learned in formal education or training.

The government sees several challenges as core elements in a training strategy for small enterprises. Knowledge about presently available training programmes has to be disseminated more effectively to reach entrepreneurs all over the

country. Such information should also help match particular needs and specific training programmes. Suppliers of training have to reconsider the nature, content, and effectiveness of their programmes, taking into account the small-business environment in the different sectors of the economy and working closely with the business sector (South Africa's National Small Business Act, 102 of 1996; Nieman, 2001).

The training has to become far more sector-specific, focusing on the particular needs and practical problems of small enterprises. Different programmes will have to be developed for survivalist entrepreneurs lacking even basic literacy; micro-enterprises in rural areas, where language capabilities are critical for the absorption of experience; women entrepreneurs wanting to focus on particular issues and problem areas needing particular time considerations to match home duties and training; and business and skill needs in sectors like construction, manufacturing, small-scale agriculture, tourism, etc (South Africa's National Small Business Act, 102 of 1996). In addition, training should in general help to break with traditional gender roles in business and skill categories.

Lastly, there is a great need for training in understanding financial statements, managing finances, selling effectively, controlling stocks, and costing. This training would include issues like certification, accreditation, matching, grants, and better co-ordination on these training efforts (Kirby, 1990; Drummond and Chell, 1994). South Africa's National Small Business Act (102 of 1996) also provides that training incentives in different government departments have to be co-ordinated more effectively. The business empowerment will help the Department of Labour to support the emerging SMMEs.

Parallel to more training efforts it is necessary to expand applied research about the problems, needs, and development trends in South Africa's SMME sector, as well as developments in Southern Africa. These efforts should occur in close co-operation with tertiary education institutions, the business sector, relevant

parastatals, and governments (Govender, 1991; National Small Business Act, 102 of 1995).

2.16. Problems encountered in small businesses

As with big business, small businesses are exposed to all sorts of problems. Firstly, the small business sector is exposed to the problems, fluctuations, and uncertainties of the economy. Because the small business sector forms an integral part of the economic activities of the national economy, the general problems and bottlenecks of the national and international business communities also exert influences on the small business sector (Osborne 1993; Drummond and Chell, 1994; Small Business Advisory Bureau, 1995; Mulhern, 1996).

Trade cycle changes, recessionary conditions, inflation, and growth rate changes in the economy are therefore also reflected at the small business community's level. In certain circumstances small business may be protected from general economic fluctuations, but in other cases, small business may be totally vulnerable. The local conditions within which a small business does business can in the short term have a specific influence on the business, but in the long term the small business sector is subject to the current macro-economic conditions in the country (Mulhern, 1996). In addition, a number of the problems of the small business sector are related to the specific characteristics and needs of the small businessman or businesswomen as well as the size of the business.

2.16.1 External problems

According to Small Business Advisory Bureau (1995), small business problems and failures can be influenced by internal and external factors. Among the external factors that have an influence on the small business are the following: the general economic climate; political and legal restrictions and deregulation;

demographic changes; buildings and facilities; and discrimination. Each of these will be discussed.

The general economic situation has an influence on the economic activities of all businesses in a country. During an economic recession the small business sector often experiences problems relating to its small size, which makes it particularly vulnerable to changes in the economic conditions in a country. For example, credit facilities to small businesses are the first to be tightened in times of credit restrictions.

In such times the financial institutions and commercial banks inevitably first limit credit to the less viable and weaker capitalised small businesses before denying the big concerns credit. On the other hand, financial institutions have a responsibility to their shareholders and must invest funds safely at all times.

The small business, which is often committed to specialisation for its survival, cannot easily reduce its risk through diversification. In contrast, big businesses concentrate largely on a wide variety of basic and essential products and are therefore less susceptible to economic fluctuations. Small businesses are particularly sensitive and vulnerable in times of economic uncertainty.

The small business is particularly sensitive regarding the influence of government policy and restrictive measures. Government formulates the policy and legislation, but local and regional authorities determine ordinances and regulations. A policy, together with its implementation and legal measure, that is aimed at promoting and developing entrepreneurship, and has empathy for the small business, can make a valuable contribution to the growth of this sector in the economy (Hartzenburg and Leiman, 1990).

The multiplicity of laws, regulations, procedures and red tape which confront the potential businessman or businesswoman, will, by its very nature, limit the

establishment of small businesses. According to the report of Small Business Advisory Bureau (1995), legal restrictions do not rate as high on the list of restrictions as often believed.

Demographic changes create specific problems for some small businesses. Depopulation of rural areas is a world-wide phenomenon, which is reaching alarming proportions in South Africa. The farming population is decreasing. Young people relocate to the cities. With a decline in rural population, rural professional practices and service industries become less viable and come under pressure.

These problems of urbanisation and of the high unemployment rate influence the people who participate in informal trading. Sociologically, the small businessman or businesswoman is generally more involved in the community than for example, the manager of a branch of chain stores (Small Business Advisory Bureau, 1995).

Many small businessmen or businesswomen have difficulty in obtaining suitable, modern and appropriate business premises and buildings. This problem forces people to operate in the open air (Aspaas, 1998). In rural areas, especially, there is a great need for buildings which fulfil the requirements of the modern distribution trade. The fact that so many rural traders have to operate in inadequate and antiquated buildings harms the image and effectiveness of the small business sector.

The problem clearly sprouts from the growth risk and priority of the property developer and investor. The need for adequate facilities for small business applies to both rural and urban areas. Lastly, this problem forces some businessmen and women to divide the home to serve two purposes, that is as accommodation and as a business centre (Aspaas, 1998).

Discrimination often takes place against the small businessman or woman on grounds of the small scale of his or her operations. This discrimination is not necessarily reflected in the principle of the economies of scale. There is a strong school of thought which argues that in more than one instance, big business is subsidised by small business. Of the many examples that can be mentioned in this category, the most common are purchases, rent, and finance.

Small businessmen and women complain that they are not given the opportunity to purchase goods at the same prices as big businesses. The same principle often applies in the case of rent payable per square meter. It is often found that the small businessman or woman pays a considerably higher rent for space in the same building than a big business. The difference between the rents paid by the big versus the small businessman is often so wide that a careful analysis shows that the rent paid by the small businessman subsidises that paid by the big business (Hartzenburg and Leiman, 1990; Small Business Advisory Bureau, 1995). Regarding the limit applied to the credit ceiling and determining prime lending rates by financial institutions, it is once again the small business that is at a disadvantage, not necessarily because of the greater risk attached to small business, but often as a result of the small business's weaker bargaining power.

2.16.2. Internal problems

Internal problems are the problems related to the management and operations of the small business. They are thus problems that are related to the size of business, but over which the businessman can exert an influence. These problems can be divided into four categories, namely managerial competence, financing, marketing and personnel. According to Small Business Advisory Bureau (1995), studies and surveys show that the single greatest cause for the failure or unprofitability of small businesses can be ascribed to managerial incompetence. Additionally, factors such as managerial ignorance, inability to manage and limited managerial experience play an important role.

Too often small businesspeople are controlled by their businesses rather than them being in control of their businesses. This problem issues from an inability to apply basic managerial functions as well as carelessness pertaining to the administrative functions of operating costs, cash control and credit control (Small Business Advisory Bureau, 1995).

Although poor financial management is often responsible for the financing problems of small businesses, it is a recognised fact that small businesses constantly experience a shortage of capital. The main cause of this is that too many small businesses are started with insufficient capital. Capital is also too readily withdrawn from the business while capital formation by means of reinvestment of profits is not always satisfactory (Small Business Advisory Bureau, 1995).

Small businesses often experience difficulties with the marketing of their products or are unable to conform to modern marketing requirements. Most small home-based industrialists have their origin in the fact that they are technically capable and can manufacture a product. The small businessman or woman in the commercial and service industries is often so involved with the day to day problems of the business that the marketing function which is essential for his continuity is neglected. (Small Business Advisory Bureau, 1995; Kwong-yin Fork, 2001).

Small businesses in rural areas and those distant from favourable labour markets often experience a lack of suitable, trained and skilled personnel. Also small businesses cannot offer the same benefits, security and opportunities for promotion as big businesses can. As a result a large proportion of the labour force is not interested in a career in small business.

In spite of the simplistic, informal organisational structure of small businesses and the more genial labour relations that accompany it, the small business often also finds it difficult to recruit sufficient personnel. Small businesses are often

characterised by family businesses or owner-manager businesses. Occasionally this phenomenon also creates specific problems for small business. Because of the owner-manager's own interest in the business, delegation is difficult (Small Business Advisory Bureau, 1995; Kwong-yin Fork, 2001).

2.17. Conclusion

In conclusion, in South Africa small businesses were driven underground by laws that protected the interests of the formal sector. Non tax registered small businesses are growing in large numbers, but they are not reaching higher business standards due to type of management and incorrect location. Tax registered small businesses on the other hand often experience lower support from buyers. Lastly, urbanization, retrenchment and poverty have a favourable impact on the expansion and the level of informal businesses.

CHAPTER THREE

METHODS OF STUDY AND RESEARCH AREA

3.0. Introduction

This chapter briefly explains the methodology used to map and create a document for small businesses (formal and informal). In this study the methods used are field-work and personal investigation, interviews and questionnaires. The selected research area and the background information are briefly discussed. The type of businesses and tools used for data analysis are discussed.

3.1. Methodology

To achieve the above mentioned objectives, a number of methodologies have been applied.

3.1.1. Field-work and personal investigation

Fieldwork and personal investigation provided the primary data. Maps have been compiled showing the location of all types of enterprises. The spatial distribution was done by using a form, which has the following: name of town, unit, street, house number and types of enterprise. The form was used only for urban title deed land. The 1994 air photo imagery of Mafikeng was also used to map the small businesses.

A Global Positioning System (GPS) was used, in newly established units (units 13, 14 and 15). The GPS was used to determine the precise geographical coordinates of these businesses. The GPS provided the longitude and latitude coordinates of the particular enterprise.

The fieldwork was conducted from March 2000 until March 2001. In each area or unit the initial survey was succeeded by a follow-up survey. The purpose of the follow-up was to check or survey small businesses missed during the initial survey. A second purpose was to revisit small businesses where the quality of initial information gathered was not up to standard or where too many fields of information were missing.

3.1.2. Interviews

Interviews were conducted with formal and informal business owners in both urban tribal and title deed land to ascertain their views on the increasing number of small businesses.

3.1.3. Questionnaires

Two types of structured questionnaires were issued and administered to residents and small business owners in the study area. The first one was directed to small business owners to find out why they participate in small business, and what problems they encounter (155 questionnaires). The second one was administered to residents to ascertain their attitudes to the small businesses in their areas (300 questionnaires).

Because of the large number of small businesses in Mafikeng (Mabille, 1998), the method of random sampling was used for the two types of questionnaires. A number was assigned to each home-based business or random sampling unit in the sampling frame so one would not be biased by labels, names, or other identifying criteria.

On the first questionnaire for small business owners, numbers were assigned to different types of small business. One hundred were picked for all units, Imperial Reserve, and Montshiwa township and 100 were picked for the villages.

For the second questionnaire, a number was allocated to each house. Two hundred (200) were randomly selected from the units, Imperial Reserve and Montshiwa Township, and one hundred (100) were randomly selected from the villages.

3.2. Selected research area

Mafikeng is the capital city of North West Province, which is the sixth largest province in South Africa. The geographical location of Central Mafikeng is South 25° 52' Latitude and Longitude 25° 36' East (Map 3.1).

The selected research area is northwest greater Mafikeng (i.e. north of Molopo River and west of railway track to Botswana) (map 3.2). The precise urban-tribal study areas are Dibate village, Motlhabeng village, Motsoseng village, Phola village, Ramosadi village and Seweding village (map 3.3). The title deed land of Montshiwa township, Imperial Reserve, and the Units, (1, 2,5,7,8,9,10,12,13,14, and 15) on the western side of the railway track to Botswana (map 3.4).

3.2.1. Background Information on northwestern greater Mafikeng

This study area has a unique historical background. Firstly, the Barolong tribe settled in this area along the Molopo River in 1847, and later the British established the colonial settlement of Mafikeng town. Secondly, the Imperial Reserve formed part of Mafikeng and was used as an administrative centre for the Bechuanaland Protectorate, which later became Botswana. Thirdly, Mmabatho, north of central Mafikeng, was the administrative head quarters of the self-governing territory of Bophuthatswana. Montshiwa is Mafikeng's Black Township, which was formed in the mid 1960s during forced removals (Cowley, 1985; Mosadi, 1994; De Klerk, 1998).

Mafikeng is now the capital city of North West Province. Northwestern Greater Mafikeng is an area formed by communal or Tribal lands (urban tribal) and urban (title deed) land. Tribal land is controlled and owned by tribal authority under the Barolong-Boo-Ratshidi tribe. The villages of Dibate, Motlhabang, Motsoseng, Phola, Ramosadi and Seweding are still controlled by tribal authorities. Urban land is controlled by the state through the municipality. Urban land covers the Imperial Reserve, Montshiwa and all Units to the west of the railway track to Botswana.

According to the Municipal Demarcation Board (1998), Northwestern Greater Mafikeng is located in Mafikeng North West 383 and it is formed by eight wards (maps 3.5 and 3.6). Table 3.1 shows the population figures and number of households within the study area. Northwestern Greater Mafikeng is about 2,526 hectares, and there are an estimated $\pm 12,487$ fixed houses within the study area, that is, 10,243 houses in title deed land and 2,244 houses in urban tribal land. These houses are occupied by 16,487 households. Lastly, the results of the 1996 population census indicated that northwestern Greater Mafikeng has a population of 63,702 (Statistics South Africa Census, 1996; Municipal Demarcation Board, 1998; Local Housing and Provincial Survey Office, 1999).

According to Moutlane (1998), northwestern greater Mafikeng experienced fast growth of small businesses (formal and informal) after 1994. This area was governed by the strict laws of Bophuthatswana Government, which was against the home based businesses (Moutlane, 1998).

1.2. Types of small businesses

TABLE 3.1: DEMARICATION OF WARDS WITHIN NORTHWESTERN GREATER MAFIKENG AND POPULATION CENSUS 1996

LOCATION	WARD	HOUSEHOLDS	POPULATION
UNIT 1 MONTSHIWA	WARD 7	2156	8934
Unit 2 Unit 5 Unit 7 Unit 8 Unit 12	WARD 8	2475	8125
DIBATE MOTLHABENG	WARD 9	2014	7633
UNIT 9 UNIT 10 UNIT 15 PHOLA	WARD 10	2471	9375
RAMOSADI SEWEDING	WARD 11	2635	9958
UNIT 13 UNIT 14	WARD 12	1662	5294
MOTSOSENG	WARD 13	1363	6441
IMPERIAL RESERVE	WARD 15	1711	7942
TOTAL	EIGHT WARDS	16487	63702

Source: *Statistics South Africa 1996 Census, Municipal Demarcation Board 1998 and Department of Local Housing & Provincial Survey Office, 1999).*

3.3. Types of small businesses

The study examined the geographical distribution and functioning of five different types of small business enterprises. These businesses were growing at a fast rate in northwestern greater Mafikeng after 1994. These businesses are:

1. Cafes and spazas or tuck-shops
2. Bottle stores, shebeens, and taverns
3. Small-scale engineering (metal industry, and backyard mechanics)
4. Small-scale soft goods products (clothing manufacturing and tailors)
5. Service activities (hair dressing, and shoe repair and shining)

3.4. Data analysis

A Global Positioning System was used to collect the geographical locations of all small businesses within the study area. The data was processed in GeoMedia Professional Version 3.0., a Geographical Information System software for maps production. Therefore, GIS was used as tool to produce maps. For the purpose of mapping and analysis, a unique small business code was assigned to every type of small business mentioned above.

Various overlays were produced related to data, for example the first overlay was a street plan, followed by formal sectors and so on.

3.4.1. Tools

Different tools were used, for example, Global Positioning System or "GPS" and GeoMedia Professional Version 3.0. For all social related data analysis the Statistical Program for Social Sciences (SPSS) was used. The hardware included a Pentium II 64 MB Ram 466 MH2 and a 34 centimetre screen.

CHAPTER FOUR

MAPS ANALYSIS: SPATIAL DISTRIBUTION OF SMALL BUSINESS

4.0 Introduction

The primary function of using a Geographical Information System as a tool is to enable the map-reader to establish the relationship between spatial features. In this case, the interest lies in the geographical distribution of small businesses (non tax registered and registered) in the urban tribal and title deed lands of northwestern Mafikeng. It combines all the capabilities of display-only, thematic, and street-based mapping systems along with an ability to analyze geographic locations.

The second function of Geographical Information System maps is to assist a map interpreter to establish the physical features of the environment and businesses locations.

A sample of eight types of business was obtained from the research area, that is, bottle stores, cafés, tuck-shops, taverns, shebeens, small-scale engineers, small-scale soft goods products and service activities.

4.1. Mapping of small businesses

For the purposes of mapping and analysis, a unique small business code was assigned to each type of small business. The traditional procedure of mapping is also used in this process such as recording the geographic coordinates. The unique small business codes were plotted on a 1:5000 scale map of the research area (northwestern greater Mafikeng) (map 4.1). The map includes a street plan of the urban tribal and title deed land of northwestern greater Mafikeng, which serves as a spatial framework for the study area.

Approximately 360 small businesses (formal and informal) were visited. All small businesses were mapped with a Global Positioning System (GPS). To determine the location of small businesses with the GPS entailed surveys involving visits to all small businesses within the geographic area to determine their exact longitude and latitude.

TABLE 4.1: TYPE OF SMALL BUSINESS URBAN TRIBAL AND TITLE DEED LAND

TYPES OF SMALL BUSINESS	RURAL	URBAN	
1. Cafes	35	13	48
2. Bottle Stores	8	9	17
3. Tuck-shops	74	95	169
4. Taverns	11	10	21
5. Shebeens	10	10	20
6. Small-scale Engineers (Backyard mechanics, Small metal industries)	18	6	24
7. Small-scale soft goods (Tailors, clothing manufactures & upholsterer)	8	3	11
8. Service Activities (Hair saloons, Shoe repairs)	16	33	49
TOTAL NUMBER	180	179	359

Source: Northwestern Greater Mafikeng. (March 2000-March 2001. Survey)

Table 4.1 displays the number of small businesses located within the urban tribal and title deed land of northwestern greater Mafikeng. According to Table 4.1, 359 small businesses are located in northwest greater Mafikeng. Map 4.1 shows the spatial distribution of all the small businesses within the study area. Of the total number of business, 180 are located in tribal land (map 4.2) and 179 in urban title deed land (map 4.3). On the tribal land (map 4.2) it can be seen that the distribution of small businesses is mostly to the east. On the western side of the map the small businesses are fairly scattered. On the title deed land (map 4.3) the small businesses are clustered on the central part of the units. The main reason for these patterns is the number of people in the area. The businesses

are scattered where there are fewer people, as their profits would not be so high. On the other hand the businesses are clustered where there are more people.

4.2. Types of small businesses

The most dominant small business in northwestern greater Mafikeng is tuck-shops. There are 169 of them. The map depicts 74 in tribal land and 95 in the title deed land. The tuck-shops are mostly located in residential urban areas (map 4.4). The southern part of the map shows fairly scattered tuck-shops. Unemployment can be one of the reasons why people operate tuck-shop as a source of income.

The second most common category of small business is cafes, of which there are 48 (map 4.5). The spatial distribution of cafes are scattered in almost all areas. The research reveals that the number of tuck-shops affects the operation of the cafes, because the tuck-shops offer similar operational services. Tuck-shops also sell items like bread, milk, newspapers, vegetables and fruits. The prices also tend to be similar; therefore the people use their nearest shop.

Service activities (hair saloons and shoe repairs shops) are 49. There are 16 in rural areas and 33 in urban areas (map 4.6). The distribution is scattered in northwestern greater Mafikeng. The southwestern area (Seweding and Motsoseng) experienced a lower number of these businesses. The map depicts similar services on the same radius. The location of these businesses (service activities) is mostly near the secondary road and the local taxi routes.

The number of service activities (49) is similar to the number of shops and cafes (48). The outlets are scattered in almost all areas (map 4.7), and businesses tend to operate in the same radius. They also tend to be further from the central business district.

Another important group of small businesses in northwestern greater Mafikeng are 24 small-scale engineers (backyard mechanics and welders). Table 4.1 shows eighteen in rural areas and six in urban areas. These businesses are most common in the tribal rural area (map 4.8). They are located close to their clients so that transport will not be required, since dealers often charge for transport as well as labour. The map shows greater distribution towards the eastern part, which is almost near the greater Mafikeng industrial site.

Another type of small business located in northwestern greater Mafikeng is taverns. Map 4.9 shows the location of 21 taverns, eleven in rural areas and ten in urban areas. On the other hand twenty shebeens are located in these areas, ten in the tribal land and ten in the title deeds land (map 4.10). Lastly, 17 bottle stores were located in this area eight in the rural areas and nine in the urban areas (map 4.11). The distributions of these businesses are widely scattered. The three businesses all sell liquor, even though some operate illegally. The distribution seems to substitute the service of others business. When one business is absent in an area it is replaced by another type.

Small-scale soft goods are the last important type of small business. In northwestern greater Mafikeng eleven small-scale soft goods were located (map 4.12). These businesses dominate in the rural areas. The map depicts eight of this type of business in the rural areas and only three in the urban areas. Personal investigation revealed that it was difficult to locate these businesses. The majority of these businesses have only small advertising boards. The locations of some of the businesses are influenced by the set up of the town. The residential area of greater Mafikeng does not have service points, as almost all the service points are located in the town and industrial site.

TABLE 4.2: TYPE OF SMALL BUSINESS IN RESIDENTIAL URBAN AREA

TYPES	CAFÉ	BOTTLE STORE	TUCK-SHOP	TAVERN	SHEBEEN	SMALL ENGINEER	SOFT-GOOD	SERVICE ACTIVITIES	Σ
URBAN									
UNIT 1	0	0	3	0	0	1	0	3	7
UNIT 2	2	1	8	1	0	0	1	4	17
UNIT 5	1	1	2	1	0	0	0	1	6
UNIT 7	0	0	3	2	1	1	0	2	9
UNIT 8	0	0	11	2	0	2	1	2	18
UNIT 9	3	2	12	1	1	0	0	2	21
UNIT 10	0	0	2	0	0	0	0	0	2
UNIT 12	0	0	7	0	0	0	0	1	8
UNIT 13	0	0	12	1	1	0	1	4	19
UNIT 14	1	1	10	0	0	0	0	0	12
UNIT 15	0	1	11	0	1	0	0	1	14
MONTSHIWA	6	3	11	1	5	3	0	14	43
IMPERIAL	0	0	2	0	1	0	0	0	3
TOTAL	13	9	95	10	10	6	3	33	179

Source: Northwestern Greater Mafikeng. (March 2000-March, 2001. Survey)

Table 4.2 displays the statistics of small businesses in the residential urban area of the Northwestern Greater Mafikeng. Almost half of the small businesses are located in title deed land (map 4.13). The most common urban small business is the tuck-shop (95) followed by service activities centers (33), cafes (13), and bottle stores (10). As shown in map 4.13, only three small-scale soft goods products businesses are located in northwestern greater Mafikeng.

With regard to Montshiwa Township and all the individual Units (Table 4.2) in the research area, Montshiwa Township dominates with 41 different small businesses. Of the units, Unit 9 leads with 21 small businesses, while Unit 10 has only two small businesses. Imperial reserve has only 3 small businesses (map 4.13). The investigation reveals that Imperial reserve is near Mafikeng Central Business District, and businesses are therefore adversely affected. They

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have to compete with the shops in Mafikeng which offer quality service. On the other hand the residents would support quality businesses.

TABLE 4.3: TYPE OF SMALL BUSINESS IN RURAL AREA

TYPES ▽	CAFÉ	BOTTLE STORE	TUCK-SHOP	TAVERN	SHEBEEN	SMALL ENGINEER	SOFT-GOOD	SERVICE ACTIVITIES	Σ
RURAL ▽									
DIBATE	4	0	5	2	4	2	0	1	18
MOTLHABENG	4	3	19	1	2	0	1	4	34
MOTSOSENG	3	0	2	1	0	0	0	0	6
RAMOSADI	9	1	22	0	3	11	4	6	54
SEWEDING	12	3	21	6	0	3	3	2	51
PHOLA	5	1	5	2	1	0	0	2	21
TOTAL	35	8	74	11	10	16	8	16	180

Source: Northwestern Greater Mafikeng. (March 2000-March, 2001. Survey)

Table 4.3 displays the statistics of small businesses in the tribal land of northwestern greater Mafikeng. Fieldwork revealed that there are 180 different small businesses located in tribal urban land (map 4.14). Ramosadi village leads with 54 different small businesses followed by Seweding village with 51 small businesses. As depicted in map 4.14, Motsoseng village has the lowest number of small businesses. The predominant small businesses is tuck-shops (74) followed by cafes (36) (Table 4.3). There are not many small-scale soft goods products businesses; only six were located in this area map (4.14).

Field work and personal investigation revealed that some of these businesses operate from residences and others operate from business sites or stands. For example, all the cafes and bottle stores operate from formal business sites while tuck-shops and backyard mechanics operate from home or residential sites.

According to the 1998 South African liquor Act, businesses selling alcohol have to be located more than 500 meters radius from institutions like schools and places of worship. For example, if a bottle store or tavern is located within this area it is located in the wrong place. Map 4.15 displays the location of the 36 churches and 23 schools in northwestern greater Mafikeng. In the same area there are 17 bottle stores, 21 taverns, and 20 shebeens (map 4.9, map 4.10, & map 4.11).

To ascertain the correct location of small businesses like bottle stores and taverns the following had to be considered. According to section 32 (2)(e) of the liquor Act (1998), a business plan must be submitted which indicates a plan of the premises where the proposed business is to be conducted. Furthermore, if the business is to be conducted from residential premises, the plan must indicate that the business is completely separated from the residential portion and there is no direct means of communication between the two areas. The premises must not be situated within a 500 meters radius of a school or place of worship. Lastly, two-thirds of residents must submit in writing that they have no objection to the location of the business (Liquor Act, 1998).

Map 4.16 shows the location of all bottle stores and churches in the urban tribal land and the 500 meters buffer zone. The map shows that only one bottle store in Tribal land (Ramosadi villages) is operating business within the unlawful area. On the other hand, most of the bottle stores are located far from the learning institutions, except three schools at Ramosadi and Seweding villages, map (4.17). Taverns operate from residential areas, and their premises are generally connected to the main house.

On title deed land, bottle stores operate in the correct or proposed business areas, but they do not comply with Section 32 (2) of the Liquor Act. Both churches and schools are located within the 500 meters from the bottle stores (map 4.18 and 4.19).

The number of shebeens is very low. They are all located in residential areas and some of them operate with permits. The help of villagers was needed in order to locate shebeens. According to some shebeen owners, the police raided unlawful liquor outlets. Unfortunately, the fieldwork took place some weeks after the police closed all the illegal liquor outlets in Greater Mafikeng, which probably accounts for the low number of shebeens. Map (4.10) shows the location of all the shebeens in northwestern greater Mafikeng. Generally, shebeens are very old and secretive or operate underground, and it was very hard to locate them.

Many taverns and shebeens in northwestern greater Mafikeng are located within the 500 meters radius of the both learning and religious institutions (map 4.20 and map 4.21). In general, the locations of most of the liquor outlets are illegal in terms of the 1998 Liquor Act.

Data reveals that some of the businesses in northwestern greater Mafikeng were established after 1994. Prior to 1994, the Bophuthatswana government did not allow the operation of any unregistered businesses. During the transitional period, people in these areas opened new businesses. When the new liquor laws were introduced most of the businesses were not affected.

CHAPTER FIVE

CONSUMER PERCEPTION

5.0. Introduction

In order to understand better the problems posed by the proliferation of home-based businesses in residential areas a survey was carried out in the twelve (12) urban units and six tribal villages in northwestern greater Mafikeng. This chapter focuses on two aspects of home-based businesses. The first aspect is the advantages and disadvantages of home-based business. The second aspect is the opinions held by home-based business operators and non-home-based business operators on the problems and nuisances caused by these activities and, lastly to ascertain whether people are for or against small businesses in their residential areas.

5.1. RESIDENTS SURVEYED

Other variables to be addressed with regard to residents include the following:

- Location
- Gender
- Marital Status
- Educational level
- Occupation

The variables addressing the residents' opinions about small businesses are:

- The residents' view about different small businesses in their neighbourhood.
- The products or items residents buy from these businesses.
- Residents' opinions about service, quality and cleanliness at these businesses.
- The residents' opinions on receiving value for money spent at these businesses.

- The neighbourhood's general opinion about the increasing number of small businesses.

TABLE 5.1: QUESTIONNAIRES ADMINISTERED IN THE UNITS AND VILLAGES OF NORTHWESTERN GREATER MAFIKENG

LOCATION ZONES	GENDER		TOTAL
	MALE	FEMALE	
UNIT 1	8	5	12
UNIT 2	12	3	15
UNIT 5	9	9	18
Unit 7	7	6	13
Unit 8	9	9	18
Unit 9	6	6	12
UNIT 10	7	5	12
UNIT 12	9	8	16
UNIT 13	5	9	14
UNIT 14	7	9	16
UNIT 15	10	5	15
MONTSHIWA	10	8	18
IMPERIAL RESERVE	6	5	11
DIBATE	5	11	16
MOTLHABENG	10	6	16
PHOLA	8	10	18
MOTSOSENG	7	11	19
RAMOSADI	10	9	18
SEWEDING	5	11	16
TOTAL	155	145	300

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

A total of 370 questionnaires were administered in the residential areas of northwestern greater Mafikeng in mid-2000. Both male and female residents answered the questionnaires. Table 5.1 shows that 155 males and 145 females managed to answer all questions sufficiently. Forty-five questionnaires were not answered and twenty-five were not well answered, for example only two to five questions were answered. An effort was made to issue a minimum of twenty questionnaires per unit and village with more questionnaires being issued in

more spatially extensive units and villages. However, the goal of twenty interviews was not always achieved, as revealed in table 5.1.

TABLE 5.2: MARITAL STATUS AND GENDER

MARITAL STATUS	GENDER		TOTAL	%
	MALE	FEMALE		
MARRIED	37	33	70	23.3
SINGLE	96	75	170	57.0
WIDOWED	18	24	42	14.0
DIVORCED	4	13	18	5.7
TOTAL	155	145	300	100

Source: Northwestern Greater Mafikeng.(March-September, 2000. Survey)

Gender and marital status are the most important items in a social survey. Table 5.2 shows the marital status of both males and females that participated in this study. It is clear that out of 300 respondents 57.0 percent were not married and 23.3 percent were married and lastly 5.7 percent were divorced. The survey revealed that 14.0 percent of the respondents were widowed. This shows that the views of the respondents are from different gender and marital status.

TABLE 5.3: EDUCATIONAL LEVEL AND GENDER

EDUCATIONAL LEVEL	GENDER		TOTAL	%
	MALE	FEMALE		
PRIMARY	10	10	20	6.7
SECONDARY	24	24	48	16.0
MATRIC	42	46	88	29.3
DIPLOMA	37	29	66	22.0
DEGREE	41	32	73	24.3
OTHER	1	4	5	1.7
TOTAL	155	145	300	100

Source: Northwestern Greater Mafikeng.(March-September, 2000. Survey)

Educational level is also an important item when conducting research. One has to understand the general educational level of the participants. This understanding assists in comparing the responses and views of both males and females. The participants in this survey have different levels of education.

The respondents with sub-matriculant qualification account for about 22.7 percent of the total. That is, 16.0 percent completed secondary school and 6.7 percent completed primary school. The remaining 1.7 percent of the participants did not indicate their educational level. Table 5.3 shows that 46.3 percent of the respondents have post-matric qualifications. This percentage is comprised of diplomats (22.0%) and graduates (24.3%).

TABLE 5.4: MARITAL STATUS AND EDUCATIONAL LEVEL

EDUCATIONAL LEVEL	MARITAL STATUS					TOTAL
	MARRIED	SINGLE	WIDOWER	WIDOW	DIVORCED	
PRIMARY	2	5	5	4	4	20
SECONDARY	9	29	5	3	2	48
MATRIC	21	54	2	8	3	88
DIPLOMA	23	32	4	5	2	66
DEGREE	14	49	2	2	6	73
OTHER	1	2	-	2	-	5
TOTAL	70	171	18	24	17	300

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.4 shows the cross tabulation of marital status and educational level. According to the table, out of 88 matriculated respondents 54 were single. For those who were married, 21 of them were matriculant. Out of 66 diplomates respondents, 32 were single and only 23 were married. Furthermore, 49 out of 73 respondents were graduates and 14 of them were married.

The number of widowers and widows differs in educational level. The number of widows with post-matric qualification was higher than that of widowers. Divorcees

were represented at all educational levels. Out of 17 divorcees respondents six have degrees.

TABLE 5.5: OCCUPATION AND GENDER

OCCUPATION	GENDER				TOTAL	%
	MALE	%	FEMALE	%		
WORKER	67	43.2	54	37.2	121	40.3
SCHOLAR/STUDENT	50	32.3	40	27.6	90	30.0
PENSIONER	4	2.6	4	2.7	8	2.7
UNEMPLOYED	29	18.7	37	25.5	66	22.0
OTHER	5	3.2	10	6.9	15	5.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.5 shows the number of respondents with reference to their gender and occupation. It is evident that the largest numbers of respondents, 40.3 percent, are workers. Second are students or scholars (30.0 percent) and third are those who identified themselves as unemployed (22.0 percent). With respect to gender, out of 66 unemployed, 37 are females and only 29 are males. Lastly, 5.0 percent of the respondents did not indicate their position with regard to their occupation. Personal observation suggests that some of them are self-employed or they are working part-time. Informal discussion with some of them revealed that they do not regard part-time (temporary) work as formal work, because there is no job security.

TABLE 5.6: FORMAL SHOPPING PLACES IN SURVEYED AREAS

SHOPPING PLACE	GENDER				TOTAL	%
	MALE	%	FEMALE	%		
MAFIKENG	19	12.2	21	14.5	40	13.3
MEGACITY	35	22.6	43	29.7	78	26.0
LOCAL SHOP	47	30.3	37	25.5	84	28.0
ALL ABOVE	51	32.9	39	26.9	90	30.0
OTHER/S	3	2.0	5	3.4	8	2.7
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000 Survey)

Table 5.6 shows the formal places where respondents generally shop. Mafikeng is a town with some shopping complexes such as Mafikeng Mall, Market Square and Game Plaza as well as many other retail outlets. The Megacity shopping complex is in Mmabatho. The local shops patronized in Montshiwa and elsewhere are general dealers such as the Starlite Restaurant.

The respondents patronizing only local formal shops are 28.0 percent. The Megacity shopping complex attracts 26 percent of the respondents while 13.3 percent of the respondents do their shopping in Mafikeng. Finally 30.0 percent of all respondents shop in all the formal local shops, Megacity, and Mafikeng.

Personal observation revealed that most of the respondents shop at the nearest shopping place. Table 5.6 shows that 2.7 percent of the respondents shop outside Mafikeng when they buy big items like furniture and clothing. They buy food locally, however. Some stated that they shop in Johannesburg, Klerksdorp or Potchefstroom. Their reasons were that large items were expensive in Mafikeng.

5.2. RESPONDENT'S VIEWS ABOUT SMALL BUSINESSES

TABLE 5.7: CAFÉS AND TUCK-SHOPS

VIEWS	GENDER				TOTAL	%
	MALE	%	FEMALE	%		
NOISY	66	42.5	73	50.0	139	46.3
SAVING TIME	43	28.0	46	32.0	89	29.7
CHEAPER & NEARER	38	24.5	22	15.2	60	20.0
OTHER	8	5.0	4	2.8	12	4.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

People were asked to indicate their views about cafes and tuck-shops. The largest group of the respondents, 31.3 percent, indicated that cafes and tuck-shops are noisy. The questionnaire revealed that 50.1 percent of females find cafes and tuck-shops noisy and only 39.3 percent of males agree. On the other hand direct observation revealed that the noisiest cafes and tuck-shops are those located next to schools. Many learners visit them during school breaks and after school.

The location of formal businesses seems to disadvantage some residents because they have to travel long distances to buy some important items. Therefore they tend to shop at local cafes and tuck-shops. The second largest group of respondents (29.7 percent) stated that cafes and tuck-shops saved them time. Small items that are mostly bought at these shops are items like candles, salt, sugar, matches and sweets.

One question was based on the cheapness and closeness of the cafes and tuck-shops to the residents. Some 18.3 percent of the respondents indicated that they use cafes and tuck-shops because they are cheaper and nearer to their homes. Some of the respondents made different points about this sector, for example one indicated that cafes and tuck-shops create jobs, even though most of them employ family members.

TABLE 5.8: SHEBEENS AND TAVERNS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
NOISY	66	42.5	100	69.0	166	55.3
SAVING TIME	37	24.0	30	21.0	67	22.3
CHEAPER & NEARER	42	27.0	9	6.0	51	17.0
OTHER	10	6.5	6	4.0	16	5.3
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.8 shows the views of the respondents with respect to shebeens and taverns. Rudman (1988) indicates that an evening at a tavern is a social, congenial gathering of few people from the immediate neighbourhood seeking company and relaxation. How true is this statement with respect to northwestern greater Mafikeng?

Nearly 55.3 percent of the general respondents indicated that shebeens and taverns were noisy. Sixty-nine percent of females fully support this view while only 42.5 percent of male respondents view shebeens and taverns as being noisy. A further 22.3 percent of the respondents said that shebeens and taverns save them time when they want some drinks because of their proximity. These responses were mostly given by respondents who were neighbours to shebeens and taverns. Furthermore 17.0 percent of respondents indicated that shebeens and taverns are cheaper than liquor wholesalers, because they are nearer to their homes, and therefore they do not need to pay for transport.

The survey revealed that 5.3 percent of the respondents indicated different views about taverns and shebeens in their areas or units. For example, some people sometimes cause violence among the customers who visit them. Other respondents indicated that they prefer to buy off sales and drink at home, rather than sitting in the shebeens and taverns.

Observations reveal that shebeens and taverns operate in two ways. Some operate as takeaway stores. In these instances, the customers only buy what they need. Many of these types of shebeens and taverns serve as both homes and business premises. Some shebeens and taverns are big and have expensive furnishing such as television sets, video machines, and comfortable chairs in their sitting rooms. The customers enjoy their drinks while watching television or listening to music.

**TABLE 5.9: SMALL-SCALE ENGINEERING
(BACKYARD MECHANICS & WELDERS ETC)**

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
NOISY	77	49.7	90	62.1	167	55.6
SAVING TIME	31	20.0	30	20.7	61	20.0
CHEAPER & NEARER	38	24.5	20	13.8	58	19.3
OTHER/S	9	5.8	5	3.4	14	4.6
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.9 shows the views of respondents about small-scale engineering businesses. This category provides services such as welding, the manufacture of burglar bars, motor vehicle repairs, the production of wooden and clay handcrafts, and building materials. A majority of the respondents (55.6 percent) indicated that small-scale engineering places are noisy. A high number of female respondents (62.1 percent) support this view while only 49.7 percent of men held a similar opinion.

It is true that these businesses are noisy. For example, some such as burglar bar manufactures produce quite a lot of noise. Some of the workers in these small industries use sound protection.

Even though some respondents indicated that they are noisy, 20 percent of respondents said that small-scale engineering businesses often save them time when small items like spades or rakes need to be fixed. In addition 19.3 percent said that small-scale engineering places are cheaper and conveniently near. Respondents also indicated that to take a broken small item to a nearby small-scale engineering place is cheaper than taking it to a repair shop located outside the residential area. However, 4.6 percent of the respondents highlighted other important points. For example, it is a source of concern that some small-scale engineering businesses use harmful substances in their work place, such as

spray paint for panel beating or re-spraying of items and cars. These products can be harmful to the resident's health. Observation reveals that these products sometimes fill the sky with dust or smoke-like substances. Observation also reveals that oil spills are common in the yards of backyard mechanics.

TABLE 5.10: SMALL-SCALE SOFT GOODS (TAILOR & DRESSMAKER ETC)

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
NOISY	-	-	-	-	-	-
SAVING TIME	61	39.4	46	31.7	107	35.7
CHEAPER & NEARER	65	41.9	77	53.1	142	47.3
OTHER/S	29	18.7	22	15.2	51	17.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.10 outlines the views of the respondents with respect to small-scale soft goods businesses. These businesses deal with knitting, the sewing of garments, and the manufacturing of toys. Nearly 50 percent of the respondents indicated that small-scale soft goods produced in the areas are cheaper and nearer. Observations reveals that the clothing most frequently purchased is traditional African attire, such as pinafores. Furthermore, according to one of the female pinafore producers, women are the best customers. Men generally visit male tailors for clothing alteration.

Time seems to be very important to many, as 35.7 percent of respondents say they save time by using locally based small businesses. Furthermore, 17 percent of respondents did not give responses with respect to small-scale soft good products. From informal discussion some of the respondents mentioned that they liked professional work. Therefore, they usually take clothing items to professional tailors.

**TABLE 5.11: SERVICE ACTIVITIES
(SHOE REPAIR & SHINING, SIDE STREET CAR WASH, HAIR SALON)**

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
NOISY	5	3.2	10	6.9	15	5.0
SAVING TIME	60	38.7	75	51.7	135	45.0
CHEAPER & NEARER	70	45.2	51	32.2	121	40.3
OTHER/S	20	12.9	9	6.2	29	9.7
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.11 shows the responses of the people with respect to their service businesses in the study area. These services include hairdressing, shoe-repair and shining, television and radio repair, and side street car-washing. Forty-five percent of the respondents indicated that the service activity businesses save time. Interviews revealed that most of the respondents highlighted side street car-washers as the ones who save them time the most, because they are easy to locate.

Hairdressers or hair saloons, which are located in the residential areas, operate differently from the regular businesses. For example, their closing times are based on the availability of clients or customers. Furthermore, they do not have standard prices for their service. Only a few respondents, (5 percent) indicated that service places like hair salons are noisy. Observation reveals that the noise is generated by the number of clients and by the loud music played. Some respondents live next to the hair salons, and these neighbours usually complained about the people who visit the saloon and park in their driveways and gardens.

While 9.7 percent did not indicate their views about the service activity places, observations reveal that some of the respondents usually provide these services

for themselves. For example, some of the respondents prefer to clean their own cars and do their own hair.

The interviews reveal that the greatest number of complaints was given in the urban units. These complaints focused on problems of noise, endangered health, and parking. In the tribal areas, the problem of noise featured, but there was a greater emphasis on the 'envy', crime and unhealthy environment and competition caused by home business.

5.3. SERVICES USED AT SMALL BUSINESSES

TABLE 5.12: ITEMS BOUGHT BY RESPONDENTS AT CAFES AND TUCK-SHOPS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
BREAD, MILK, CANDLES, CIGARETTES	43	27.7	54	37.24	97	34.7
VEGETABLE, FRUITS & NEWSPAPERS	66	42.6	38	26.21	104	33.3
ALL ABOVE	43	27.7	48	33.10	91	30.3
OTHER/S	3	2.0	5	3.45	8	2.7
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng, (March-September, 2000. Survey)

In collecting data for table 5.12 the people were asked to indicate the products or items that they generally buy at the cafes and tuck-shops. Table 3.1.12 clearly shows that 34.7 percent of the respondents mainly buy small grocery items. The respondents indicated that they buy small items such as candles, cigarettes & tobacco, matches, and bread. Similar percentages (33.3) of the respondents mainly buy vegetables, fruits, and newspapers. Only 30.3 percent indicated that they buy groceries, vegetables, fruits, and newspapers.

A minority of 2.7 percent of the respondents stated that they use cafes and tuck-shops for almost everything. One of the respondents indicated that some cafes and tuck-shops have lots of items almost identical in price to formal stores or supermarkets. Observations reveal that some tuck-shops operate from two rooms of the main house and some operate from a garage or tin house and caravan situated on the house lot.

TABLE 5.13: ITEMS BOUGHT BY RESPONDENTS AT SHEBEEN AND TAVERN

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
SOFT DRINKS	48	31.0	85	58.6	133	44.3
HARD DRINKS	41	26.4	20	13.7	61	20.3
ALL ABOVE	62	40.0	30	20.7	92	30.7
OTHER	4	2.6	10	7.0	14	4.7
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.13, indicates that 44.3 percent of the respondents buy soft drinks (any drinks without alcohol) from the shebeens and taverns. Females (58.6%) seem to dominate in this field. While 30.7 percent of the respondents indicated that they buy both soft drinks and hard drinks. Forty percent, which is dominated by males, buy hard drinks at the shebeens and taverns. It should be noted that shebeens also sell soft drinks. Only 4.6 percent of the respondents indicated that they did not visit shebeens and taverns. For example, some of the respondents indicated that their religion does not allow them to patronize places like shebeens and taverns.

Observations reveal that males are the principal clientele of shebeens and taverns. Some of the tavern owners in northwestern greater Mafikeng indicated that the regular and big spenders are men. While some females do not want to be seen in shebeens or taverns, others are take-away buyers.

TABLE 5.14: USE OF SMALL-SCALE ENGINEERING BUSINESSES

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
SPADES & RAKE	76	49.0	70	48.2	145	48.3
STEEL GATES & BURGAR DOORS	28	18.0	32	22.1	60	20.0
ALL ABOVE	46	29.2	30	20.7	76	25.3
OTHER	6	3.8	13	9.0	19	6.3
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.14 shows that nearly 50 percent of the respondents use small-scale engineering businesses for fixing items like broken rakes or spades. Observations reveal that many males (48.3 percent) service their cars at the backyard mechanics. According to some of the backyard mechanics the people will bring their car for small problems, such as exhaust repairs, spark plugs, and other minor repairs. One fifth (20.0 percent) stated that they have purchased from welders items such as burglar doors, steel gates and some building materials. In general the respondents seem to use small-scale engineers for different purposes. A quarter (25.3 percent) indicated that they patronize them for both fixing and buying items.

TABLE 5.15: USE OF SMALL-SCALE SOFT GOODS BUSINESSES

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
SEWING & EMBROIDERING	87	56.1	66	45.4	152	50.7
PINAFORE	20	13.0	36	24.8	56	18.6
ALL ABOVE	40	25.8	39	26.8	79	26.3
OTHER/S	8	5.1	4	3.0	12	4
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.15 above shows the number and total percentage of respondents with respect to products or items in the small-scale soft goods businesses. A majority (50.7 percent) of the respondents indicated that they fix items. Males (56.1 percent) seem to be the best customers for repairs. Only 18.6 percent indicated that they buy items in from these businesses. Observations reveal that the best small-scale clothing manufacturers are pinafore producers. The table indicates that 26.3 percent of male and female respondents use these centres.

TABLE 5.16: USE OF SERVICE CENTRES

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
HAIR DONE & CAR WASHED	96	61.9	77	53.1	173	57.7
HAIR PRODUCT	15	9.7	20	13.8	35	11.0
ALL ABOVE	36	23.2	36	24.8	72	24.0
OTHER	8	5.2	12	8.3	20	8.3
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Data for table 5.16 was collected from two important businesses, namely a hair salon and a side street car-wash. A majority of 56.6 percent of the respondents indicated that they do their hair at hair salons and washed their cars at car

washers. Twenty-four percent stated that they buy items from service places. According to some of the service owners, the people generally like to buy hair products and cosmetics from hair salons. Side street car-washers operate differently. They are supported by passing vehicles. They do not regularly stay at a particular spot except during the holidays.

TABLE 5.17: THE VIEWS ABOUT CAFES AND TUCK-SHOPS SERVICE, QUALITY AND CLEANLINESS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	137	88.4	100	69.0	237	79.0
DO NOT KNOW	8	5.2	28	19.3	36	12.0
POOR	10	6.4	17	11.7	27	9.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

The residents of northwestern greater Mafikeng seem to be supporters of small businesses. On the question of their views about service, quality and cleanliness at these businesses, Table 5.17 shows that 79.0 percent of the respondents' indicated that service, quality and cleanliness are good.

About 12.0 percent of the respondents indicate that they do not know about the service, quality and cleanliness in the cafes and tuck-shops. Lastly, about 9.0 percent indicate that service; quality and cleanliness are very poor. Respondents were also asked to outline the main points on which they judged the service, quality and cleanliness. Most of them highlighted the freshness of vegetables and fruits. It seems that most of the cafes and tuck-shops which were low on service, quality and cleanliness did not have fresh vegetables and fruits.

TABLE 5.18: THE VIEWS ABOUT SHEBEEN AND TAVERN SERVICE, QUALITY AND CLEANLINESS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	111	71.5	85	58.6	196	65.3
DO NOT KNOW	21	13.5	31	21.4	52	17.3
POOR	23	15.0	29	20.0	52	17.4
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.18 show the opinions of the people about the service, quality, and cleanliness of the shebeens and taverns. About 65.3 percent, dominated by males, indicated that the service, quality and cleanliness in the shebeens and taverns are good, while 17.3 percent indicate that they do not know their feeling about service, quality and cleanliness in shebeens and taverns. Observation revealed that most of the respondents who indicated that they did not know about the service, quality and cleanliness in the shebeens and taverns were people who did not usually visit them.

Nearly 20 percent of the respondents said that the service, quality and cleanliness in the shebeens and taverns were poor. Some of the clients indicated that the furniture and utensils were not clean and in some cases service was bad at peak periods such as weekends, when wrong orders could be delivered, for example.

TABLE 5.19: THE VIEWS ABOUT SMALL-SCALE ENGINEERING SERVICE

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	95	61.3	76	52.4	172	57.0
DO NOT KNOW	46	29.7	47	32.4	93	31.0
POOR	14	9.0	22	15.2	38	12.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

In table 5.19 a range of activities in small-scale engineering businesses are measured. Almost 57.2 percent of the respondents indicated that the service, quality and cleanliness in the small-scale engineers businesses were good, while 31.0 percent indicated that they do not know the service, quality and cleanliness in these businesses. Only 12.0 percent said that the service, quality and cleanliness were poor.

TABLE 5.20: THE VIEWS ABOUT SMALL-SCALE SOFT PRODUCTS SERVICE

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	102	65.8	84	57.9	186	62.0
DO NOT KNOW	35	22.6	40	27.6	75	25.0
POOR	18	11.6	21	13.5	39	13.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

The respondents were also requested to indicate their views about small-scale soft goods products businesses with respect to service, quality and cleanliness. It seems that the service, quality and cleanliness in these businesses are good indeed. Table 5.20 above indicates that 62.0 percent of the respondents said that the service, quality and cleanliness in the businesses were good, while 25.0 percent said they did not know their position about the service, quality and

cleanliness in these businesses. And lastly, 13.0 percent of respondents indicated that service, quality and cleanliness were poor.

TABLE 5.21: THE VIEWS ABOUT SERVICE ACTIVITIES

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	80	51.6	75	51.7	155	51.7
DO NOT KNOW	69	44.5	57	39.3	126	42.0
POOR	6	3.9	13	9.0	19	6.3
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.21 indicates that 51.7 percent of the respondents value the service, quality and cleanliness in the service businesses as being good. Another 42.0 percent of the respondents did not know their position with regard to service, quality and cleanliness in the businesses. And lastly, a very low percent (6.3) of respondents indicate that the service, quality and cleanliness in the businesses were poor in general.

5.4. VALUE FOR MONEY AT SMALL BUSINESSES

TABLE 5.22: CAFES AND TUCK-SHOPS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	82	53.0	88	60.7	170	56.7
DO NOT KNOW	36	23.2	20	13.8	56	18.7
POOR	37	23.8	37	25.5	74	24.6
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Service, quality and cleanliness are not the only important items to be considered by the customers. The value for money must also be considered. Table 5.22 above show the views of the respondents with regard to what they are paying for.

A total of 56.7 percent of the respondents indicated that the value for money for items at cafes and tuck-shops was good, while 18.7 percent of the respondents indicated that they did not know about value for money, and 24.6 percent indicated that the value for money was poor in general.

TABLE 5.23: SHEBEENS AND TAVERNS

VIEWS	GENDER				TOTAL	(%)
	MALE		FEMALE			
GOOD	70	45.2	52	35.9	118	39.3
DO NOT KNOW	19	12.3	39	26.9	58	19.3
POOR	66	42.5	54	37.2	124	41.3
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

There were different views on value for money in shebeens and taverns, as revealed in Table 5.23. The table shows that 39.3 percent of the respondents indicated that value for money was good, while 19.3 percent of the respondents said that they did not know. Forty one percent indicated that value for money was poor in general. People were satisfied if they got what they needed from the business. According to some of the customers, they also consider distance to these businesses when they consider value for money.

TABLE 5.24: SMALL-SCALE ENGINEERING

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	76	49.0	48	33.1	124	41.3
DO NOT KNOW	24	15.5	53	36.6	77	25.7
POOR	55	35.5	44	30.3	99	33.0
TOTAL	155	100	145	100	300	100

Source: Northwest Greater Mafikeng. (March-September, 2000. Survey)

Not everybody visits small-scale engineering businesses. Table 5.24 shows that 25.7 percent of the respondents indicated that they did not know the value for money in these businesses. Thirty three percent of the respondents indicated that the value for money is poor. And lastly, forty one percent said that value for money was good in general.

TABLE 5.25: SMALL SCALE GOODS PRODUCTS

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	67	43.2	62	43.0	129	43.0
DO NOT KNOW	38	24.5	43	29.6	81	27.0
POOR	50	32.3	40	27.4	90	30.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.25 indicates that 43.0 percent of the respondents said that value for money was good at small scale goods businesses, while 27.0 percent indicated that they did not know about value for money at these businesses. A total of 24 percent indicated that value for money was generally poor.

TABLE 5.26: SERVICE ACTIVITIES

VIEWS	GENDER				TOTAL	(%)
	MALE	%	FEMALE	%		
GOOD	73	47.1	59	40.7	132	44.0
DO NOT KNOW	24	15.4	39	26.9	63	21.0
POOR	58	37.4	47	32.4	105	35.0
TOTAL	155	100	145	100	300	100

Source: Northwestern Greater Mafikeng. (March-September, 2000. Survey)

Table 5.26 shows that 44.0 percent of the respondents indicated that value for money when they use service activities is good. The majority of people who

indicated that they receive good value for money visit hair salons. Twenty-one percent said that they do not know the value for money for the items that they buy at these businesses. Thirty five percent of the respondents indicated that value for money was poor.

5.5. OPINIONS ON HOME-BASED BUSINESSES

TABLE 5.27: OPINIONS ON HOME-BASED BUSINESSES

	RESPONDENTS	PERCENTAGE
FOR HOME BUSINESSES	260	86.7
AGAINST HOME BUSINESSES	25	8.3
DO NOT KNOW	15	5.0
TOTAL	300	100

Source: Northwestern Greater Mafikeng. March-September, 2000.

The last question the respondents were asked about was whether they were for or against home-based businesses and their general opinions about the increasing number of small businesses in their areas. The general public supports the official stances on home-based businesses. In all the surveyed areas the vast majority of the respondents support the idea of people working from home. Table 5.27 shows that a large majority (86.7 percent) of the respondents support home based businesses, while 8.3 percent of the respondents are totally against home-based businesses in their areas, and only five percent of the respondents say they do not know whether there should be business operations in residential areas.

The respondents who support the existence of small businesses in their areas indicated that they offered a cheap and convenient method of work and they also combat unemployment even though not on a large scale.

In the tribal areas there was a greater emphasis on the fact that home businesses are needed to supplement income from employed relatives. In urban areas there was greater emphasis on the fact that home-based businesses indicate the possibility of a decline in the value of the houses. The respondents (5.0 percent) who were not operating small businesses stated that they had no objection to them.

CHAPTER SIX

TRADERS' SURVEY

6. 0. Introduction

In this chapter the focus will be on four aspects of home-based business operators. The first one is based on which people are engaged in home-based business and what influences them to participate in this sector. The second is to find out what activities they undertake and the major problems they encounter in their businesses. The third is to evaluate the availability and adequacy of small business management education and training. Lastly, the number of people who are served and employed by small businesses in the areas under study will be ascertained.

6.1. SMALL BUSINESS OWNERS SURVEY

This section presents information on the areas surveyed and some parts of the questionnaires issued. Special variables to be addressed include the following:

- Location
- Gender and Marital Status
- Educational level
- Previous occupation.

Other important aspects include the following:

- Organisational characteristics (operating hours and number of employees)
- Purpose of the business and skills and training
- Marketing practices (number of customers)
- Type of business and gross income.

TABLE 6.1: INTERVIEWS/QUESTIONNAIRES ADMINISTERED TO SMALL BUSINESS OWNERS IN SURVEYED AREAS

LOCATION ZONES	GENDER		TOTAL
	MALE	FEMALE	
UNIT 1	3	2	5
UNIT 2	5	5	10
UNIT 5	2	3	5
UNIT 7	5	3	8
UNIT 8	4	4	8
UNIT 9	6	2	8
UNIT 10	2	2	4
UNIT 12	3	3	6
UNIT 13	5	3	8
UNIT 14	6	3	9
UNIT 15	3	6	9
IMPERIAL RESERVE	2	1	3
MONTSHIWA	8	6	14
DIBATE	6	4	10
MOTLHABENG	7	3	10
MOTSOSENG	6	4	10
PHOLA	6	4	10
RAMOSADI	5	5	10
SEWEDING	6	4	10
TOTAL	90	65	155

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

Table 6.1 shows the location and the number of male and female small business owners who participated in answering the interview questionnaires. The business owners answered the questionnaire under the researcher's supervision. Fortunately, all the earmarked small business owners managed to answer the questionnaires.

About fifty small business owners in tribal land or villages and 105 in title deed land were given questionnaires and interviews. The rationale for the number of interviews was informed by the number of small businesses in each area.

TABLE 6.2: MARITAL STATUS AND GENDER

MARITAL STATUS	GENDER		TOTAL	%
	MALE	FEMALE		
MARRIED	48	31	79	51.0
SINGLE	24	20	44	28.4
WIDOW	-	9	9	5.8
WIDOWER	16	-	16	10.3
DIVORCED	2	5	7	4.5
TOTAL	90	65	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

Marital status is an important factor in social studies. The respondents were asked to indicate their marital status and gender. Table 6.2 above shows the marital status of the respondents with gender. The majority (51 percent) of the respondents indicated that they were married. The table also shows that most males are married. While 28.4 percent of the respondents indicated that they were single (never married), 10.3 percent are widowers and 5.8 percent are widows. Only 4.5 percent of the respondents are divorced.

TABLE 6.3: DEPENDANTS AND GENDER

NUMBER OF DEPENDENTS	GENDER		TOTAL	%
	MALE	FEMALE		
ONE	45	33	78	50.3
TWO	25	19	44	28.4
THREE	9	4	13	8.4
FOUR	9	5	14	9.0
OTHER	2	4	6	3.9
TOTAL	90	65	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

A large number of dependants can be an incentive for a household head to increase his or her income in some way, therefore the respondents were asked

to indicate the number of dependants they have. Table 6.3 shows that about half (50.3 percent) of the respondents indicated that they have one dependent and 28.4 percent two dependants.

In general, less than 10 percent of the small business owners had a large number of dependants. The interview questionnaire revealed that males are the ones who have the greater number of dependants. Some of the male respondents indicated that not all the dependants stay with them but they had to pay maintenance as required by law.

TABLE 6.4: EDUCATIONAL LEVEL AND GENDER

EDUCATIONAL LEVEL	GENDER		TOTAL	%
	MALE	FEMALE		
PRIMARY	9	4	13	8.4
SECONDARY	22	14	36	23.2
MATRIC	28	23	51	32.9
DEPLOMA	21	16	37	23.9
DEGREE	10	8	18	11.6
TOTAL	90	65	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

Educational level is also important to this study. Table 6.4 above shows the educational level of the small business owners. Almost 33 percent of the respondents indicated that they have matriculated and 23.2 percent have a secondary education qualification. Nearly 24 percent are diplomates and 11.6 percent are graduates. Although some of the small business owners have not matriculated, the post-matriculated owners have an advantage as they are better able to operate their businesses professionally. For example, the customers place their orders and they will be delivered. They are also better able to do budgeting, balance sheets and stocktaking.

TABLE 6.5: PRESENT AND PREVIOUS OCCUPATION

PRESENT & PREVIOUS OCCUPATION	GENDER				TOTAL	%
	MALE	%	FEMALE	%		
WELDER	3	3.3	-	0.0	3	2.0
CARPENTER	4	4.4	-	0.0	4	2.5
SHOP-TELLER	26	28.9	19	29.2	45	29.0
CIVIL SERVANT	20	22.2	18	27.7	38	24.5
OTHER	37	41.1	28	43.1	65	42.0
TOTAL	90	100	65	100	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

Table 6.5 shows the present and previous occupations and gender of the owners. Almost 24.5 percent of the respondents indicated that they are or they were working as civil servants, while 29 percent indicated that they worked as shop-tellers. The interview revealed that 42 percent of the respondents have not previously worked or are not presently working, although some of these may not have indicated their present or previous work because their work was not stated on the questionnaires.

TABLE 6.6: REASONS FOR STARTING BUSINESS

REASONS FOR STARTING BUSINESS	GENDER		TOTAL	%
	MALE	FEMALE		
PRIMARY SOURCE INCOME	26	21	47	30.0
SUPPLEMENT INCOME	22	17	39	25.2
BETTER PROFIT	14	8	22	14.2
FAMILY IN BUSINESS	19	12	31	20.0
OTHER/S	9	7	16	10.3
TOTAL	90	65	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

People established businesses for different purposes. It was found that people in the informal sector established businesses to provide their primary source of income. In the study that was carried out by Mabile (1998), it was found that

about 70 percent of respondents established businesses such as tuck-shops to be their primary source of income.

Table 6.6 above shows the respondents' answers to the questions regarding what encouraged them to start their businesses. Thirty percent of the respondents indicated that they were in need of a primary income source. This means that they principally depend upon the business for their living. A quarter (25.2) percent of the respondents indicated that they started this business because they needed to supplement their incomes.

Twenty percent said that they are involved because family members are involved in the business. A lesser number (14.2 percent) indicated that they were doing it because they need additional money. And lastly only 10.3 percent highlighted the point that they want to be their own boss. This table suggests that the businesses were established to provide income for the shop owner and family.

TABLE 6.7: REASONS FOR LEAVING PREVIOUS WORK

REASON FOR LEAVING PREVIOUS WORK	GENDER		TOTAL	%
	MALE	FEMALE		
BETTER FINANCIAL	30	32	62	40.0
RETRENCHED	22	10	32	20.6
COMPANY RELOCATED	11	3	14	9.0
HEALTH RISK	16	13	29	18.7
OTHER/S	11	7	18	11.7
TOTAL	90	65	155	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

There are a variety of reasons which cause people to leave their formal employment. Table 6.7 shows some of the reasons that create unemployment. Forty percent of the respondents indicate that they left their previous work and started small businesses because they were in need of better financial support or a better salary. Discussions with some of the small business owners revealed

that some of the companies were exploiting them. For example, some of the respondents stated that they were not paid over-time and that they were overworked.

Retrenchments, reshaping and right sizing are the terms used by government and companies in South Africa. These policies are influenced by the new business strategy of growth employment and redistribution (GEAR). People are often retrenched from big employment companies and government sectors, for example, companies like TELKOM, BECOR, TRANSNET and SUN INTERNATIONAL. Almost 20.6 percent of the respondents indicated that they were retrenched. When asked why they left work, 18.7 percent indicated that they left work because their health was at risk. Some indicated that they were working under bad conditions with dangerous and harmful chemicals.

A minority (9 percent) indicated that they left work because the companies they worked for had to relocate. For example some of the companies which were based in Mafikeng during the Bophuthatswana era relocated after reincorporation into South Africa in 1994. Only 11.7 percent did not indicate their reasons for leaving work.

TABLE 6.8: CLASSIFICATION OF PREVIOUS WORK

CLASSIFICATION OF PREVIOUS WORK	GENDER		TOTAL	%
	MALE	FEMALE		
BUSINESS SERVICE	39	22	61	39.4
HOSPITALITY (Hotel/ Restaurant)	14	13	27	17.4
PARASTATAL (ESKOM/ISCOR)	7	5	12	7.7
MANUFACTURING	15	12	27	17.4
OTHER	15	13	28	18.1
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

The experience and the knowledge that the business owner acquired from previous work may determine the success of the new business. Table 6.8 above shows that 39.4 percent of the respondents indicated that they were previously involved in business services. They thus gained business experience while working formally. The responses show that 17.4 percent of respondents worked in hotels and restaurants, and a further 17.4 percent worked in manufacturing, while 7.7 percent worked for a parastatal company.

TABLE 6.9: ACQUIRED BUSINESS SKILLS AND GENDER

ACQUIRED BUSINESS SKILLS	GENDER		TOTAL	%
	MALE	FEMALE		
THROUGH PRACTICE	24	16	40	26.0
FORMAL TRAINING	29	18	47	30.3
APPRENTICESHIP	12	7	19	12.2
OBSERVING	22	23	45	29.0
OTHER/S	3	1	4	2.5
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

A lack of skills in informal business does not restrict entry into this sector. Many people learned their skills through practice. One of the objectives of this study was to check how the small business owners got their experience in business operation. Table 6.9 shows that 30.0 percent of the respondents acquired experience through formal training. On the question of experience, 29 percent indicated that they observed how things were handled and managed in their previous place of work. The interviews revealed that some of the business owners started as general workers and later were involved in the informal procedure of operating businesses.

Twenty-six percent of the respondents indicated that they learned business administration through practice. Some of them indicated that they were given some business related tasks to perform by business owners and through that

they got experience. A further 12.2 percent indicated that they acquired experience through apprenticeships. Some of the business owners did not indicate how they got experience. From the results one may conclude that skills in the informal sector are not hard to learn, and can be acquired without formal training.

TABLE 6.10: TYPES OF NEW SKILLS GAINED

NEW SKILL/S GAINED	GENDER		TOTAL	%
	MALE	FEMALE		
MANAGEMENT	33	22	55	35.5
GENERAL BUSINESS	29	24	53	34.2
BOOKKEEPING & BUDGETING	12	6	18	11.6
MARKETING	12	12	24	15.6
OTHER/S	4	1	5	3.2
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

Some of the business owners received business training. Some attended lectures at business schools, others were trained at business workshops and clinics, and others read books and pamphlets provided by business schools or talked to successful business owners.

Table 6.10 above shows the skills that the respondents acquired. Thirty-five percent of the respondents indicated that they acquired management skills from business schools and workshops. A similar number (34.2 percent) acquired general business operation skills. Almost 16 percent of the respondents indicated that they acquired marketing skills from attending business classes. Bookkeeping and budgeting are the skills that 11.6 percent of the respondents acquired. Only 3.2 percent of business owners did not reveal how they got their business skills. Some of the business owners indicated that they never attended business school to learn how to operate a business.

6.2. BUSINESS PREMISES

Respondents were asked where their business premises operate. Answers are shown in Table 6.11. below.

TABLE 6.11: BUSINESS PREMISES

HOUSE OF OPERATION	GENDER		TOTAL	%
	MALE	FEMALE		
RENTAL	16	10	26	16.8
OWN HOUSE	64	48	112	72.3
RELATIVE'S HOUSE	2	2	4	2.6
FRIEND'S HOUSE	2	4	6	3.6
OTHER	6	1	7	4.5
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

Table 6.11 shows the places where the businesses operate. Most of these businesses operate from residential areas. Observations reveal that most of the cafes operate from outer rooms, and the owner stays in the same yard. For example, the owner's house may face west and the café face east. This pattern is mostly found in tribal land. A large majority (72.3 %) of the respondents indicated that their businesses operate from their own houses. In brief, their houses are used for two purposes: accommodation and business. The owner lives with the family in the house. Others, 16.8 percent, indicated that they rent houses for business purpose.

A minority (3.6 percent) of the respondents indicated that they operate from a friend's house. Some of these houses are used strictly as business premises and others as both accommodation and business premises. Others (2.6%) use a relative's house. Some of the small business owners who operate from rented houses are Asian; that is Chinese and Indians.

TABLE 6.12: MONTHLY RENTAL PAYMENTS

RENT PAYMENT	GENDER		TOTAL	%
	MALE	FEMALE		
< R100.00	7	9	16	10.3
R101.00-R200.00	8	4	12	7.7
R201.00-R300.00	3	2	5	3.2
> R301.00	3	3	6	3.9
OTHER	69	47	116	74.8
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

Some of the houses used for this business are rented from friends and relatives. Table 6.12 above shows that 10.3 percent of the respondents renting houses for business indicate that they pay less than one hundred Rand (R100.00). Lastly, three-quarter (74.8%) operate from their own houses and thus have "rent free" premises. There are always extra costs for electricity.

TABLE 6.13: CAPITAL TO START BUSINESS

MONEY TO START BUSINESS	GENDER		TOTAL	%
	MALE	FEMALE		
OWN SAVINGS	48	32	80	51.6
BORROWED RELATIVES, FRIENDS AND SPOUSES	11	5	16	10.3
WORK PART-TIME	7	4	11	7.1
LOAN (Banks, Short Loan Scheme)	11	11	22	14.2
OTHER	13	13	26	16.8
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

One of the characteristics of informal businesses is easy entry, but in spite of this, some capital is still needed in order to start an informal business.

Table 6.13 shows where capital to start small businesses comes from. Over half the respondents (51.6%) indicated that they used their own money to start their

businesses. Interviews revealed that some business owners used their retrenchment packages to open businesses. Fourteen percent of the respondents indicated that they got money from banks and short loan schemes (*machonesa*) in the form of a loan. Some borrowed money from their relatives, friends, and spouses. Only 7.1 percent indicated that they were involved in temporary work and used their salaries to buy items to start the business. Almost 17 percent of the respondents used other ways to start their business, for example, a combination of all the strategies mentioned above.

TABLE 6.14: OWNERSHIP OF BUSINESS

BUSINESS OWNER	GENDER				TOTAL	%
	MALE	%	FEMALE	%		
SOLE PROPRIETOR	65	72.0	50	77.0	115	74.2
PARTNERSHIP	19	21.0	8	12.3	27	17.4
CORPORATION	3	3.0	3	4.6	6	3.9
OTHER/S	3	3.0	4	6.1	7	4.5
TOTAL	90	100	65	100	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

According to the International Labour Organisation (ILO), being individually owned or family owned is one of the characteristics of informal businesses. The institutional base of informal businesses is the family, though individual members may work independently. Table 6.14 shows the number of respondents who owned each business. A large majority (74.2 percent) of the respondents indicated that they were the sole proprietors of the business. About 72 percent of males and 77 percent of females were sole proprietors.

It was also found that the type of ownership in the manufacturing sector is mainly by partnership. Observation and interviews also revealed that some of the business owners are in partnership with Indians and Chinese. The study supports the ILO contention that traders usually operate as individuals or

families. In conclusion it seems that individually owned small businesses predominate.

TABLE 6.15: NUMBER OF CUSTOMER PER HOUR IN BUSINESS

TYPES OF BUSINESS	CUSTOMERS PER HOUR					TOTAL
	1	2	3	4	OTHER	
CAFES & TUCK-SHOPS	5	11	11	21	23	71
SHEBEEN & TAVERN	2	5	1	4	4	16
SMALL ENGINEERS	1	2	4	5	6	18
SOFT GOOD	1	2	3	5	6	17
SERVICE ACTIVITIES	3	2	7	12	9	33
TOTAL	12	22	26	47	48	155
PERCENT (%)	7.7	14.1	16.7	30.3	30.9	100

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

The success of businesses depends on good managerial skills, and also on the number of customers. Table 6.15 shows the number of customers per hour in different businesses that the researcher interviewed.

Table 6.15 shows that 30.9 percent of business owners have more than five customers per hour, while 30.3 percent enjoying four to five customers and 7.7 percent have one to two customers per hour. Some of the businesses experience lower numbers of customers, because several businesses operate within the same radius, selling the same products. Some businesses can only handle a small number of customers, as they need time to attend to each customer. For example, the burglar guard manufacturers cannot manufacture burglar doors or steel gates for large numbers of clients at the same time.

According to table 6.15 cafes and tuck-shops have more customers per hour than other businesses. Service activity centres seem to enjoy a large number of customers. Lastly, the interviews revealed that hair salons have a high number of customers per hour. Shebeens and taverns have a low average number of

customers per hour compared to other businesses. This is because they have peak periods such as weekends, with low numbers of customers at other times. Most of the other businesses service clients every day.

TABLE 6.16: TYPES OF BUSINESS BY BUSIEST TIME OF THE DAY

TYPES OF BUSINESS	BUSIEST TIME (HOURS)					TOTAL
	7 - 9	11 - 13	14 - 17	18 - 19	20 -TILL-LATE	
CAFÉS & TUCK-SHOPS	32	20	13	5	1	71
SHEBEENS & TAVERNS	-	2	1	9	4	16
SMALL ENGINEERS	8	4	5	1	-	18
SOFT GOOD	7	8	1	1	-	17
SERVICE ACTIVITIES	8	7	14	1	3	33
TOTAL	54	41	34	17	8	155

Source: *Home-based businesses in Northwestern Greater Mafikeng, June-August 2000.*

Normal working hours in formal businesses are eight to nine hours per day except during weekends. Some of the informal businesses work within that time framework while others operate at other time slots. There is temporal variation in the number of customers served, since peak times vary.

The respondents were asked to indicate the busiest time of the day in their businesses. According to table 6.16 above, 54 respondents indicated that their busiest time of the day is between 07h00 and 09h00. This time is the busiest at the cafés and tuck-shops. The interviews revealed that the busiest times are morning and mid-day. Generally people buy items like milk and bread in the morning for their breakfast. Furthermore learners visit the cafés and tuck-shops during their school breaks.

Thirty-four percent indicated they also have large numbers of customers between 14h00 and 17h00. People return to buy small items they forgot during the day. Shebeens and taverns have more customers late in the day. According to table 6.16 the number of customers increases as the day progresses. Small engineering and soft goods have more customers before 14h00.

TABLE 6.17: KINDS OF PROBLEMS ENCOUNTERED

PROBLEMS ENCOUNTERED	GENDER		TOTAL	%
	MALE	FEMALE		
HARASSMENT BY CUSTOMERS	8	10	18	11.6
THIEVES	18	15	33	21.3
UNFAVOURABLE WEATHER	5	4	9	5.8
CUSTOMERS CREDIT	54	34	88	56.8
OTHERS	5	2	7	4.5
TOTAL	90	65	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

Problems encountered by small business owners differ. Over half (56.8) percent of respondents suffered from extending customers credit. Over 20 percent of the respondents complained about thieves and 11.6 percent complained about harassment by customers. Only a few respondents (5.8 percent) suffered due to unfavourable weather.

The respondents indicated that in summer they need refrigerators for perishable food and drinks. Lack of refrigeration facilities reduces the amount of stock that they can hold. Some complained about other problems, such as the fact that too many similar businesses operate within the same area. Others complained that they have to use expensive transport to collect their stock.

TABLE 6.18: MARKETING CONSTRAINTS

MARKETING CONSTRAINTS	TOTAL	%
ADVERTISEMENT	39	25.2
UNFAIR COMPETITION FORMAL SECTOR	38	24.5
TOO FEW BUYERS	18	11.6
MARKETING PRODUCTS	41	26.5
OTHERS	19	12.3
TOTAL	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

The results in table 6.18 show that 26.5 percent complained about the marketing of their products, while 25.2 percent of the respondents complained about advertising their products. Some indicated that it is difficult in terms of money for them to advertise on the local radio station, magazines or local newspapers. Other indicated that they usually write the prices of special items on shop notice boards to inform the community about their sales.

Almost a quarter (24.5 percent) complained about the customer competition between the informal sector and the formal sector, while 11.6 percent complained that there were not enough customers or buyers. One can reach the conclusion that small business owners did not seem to be aware of the competition amongst themselves, caused by the sale of similar commodities.

TABLE 6.19: NUMBER OF EMPLOYEES BY BUSINESSES

TYPE OF BUSINESS	NUMBER OF EMPLOYEES					TOTAL	%
	0-1	2-4	4-6	6-8	OTHER		
CAFES & TUCK-SHOPS	46	16	3	2	4	71	45.8
SHEBEENS & TAVERNS	1	4	9	-	2	16	10.3
SMALL ENGINEERS	6	2	2	8	-	18	11.6
SOFT GOOD	6	2	3	2	4	17	11.0
SERVICE ACTIVITIES	3	1	5	15	9	33	21.3
TOTAL	62	25	22	27	19	155	100

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

It was stated in two previous chapters that informal businesses are sources of employment. Literature indicates that small businesses can decrease the high rate of unemployment. Respondents were asked to indicate the number of employees in their businesses.. Table 6.19 shows that 62 of the small business owners employed only one person in their businesses. Most of the businesses employ their relatives. Twenty-two business owners employ four to six workers.

Some of these businesses are run by the owner and one additional employee. In such case the business is probably profitable enough to employ more than one person. Lastly, the manufacturing sector appears to provide more employment. Twenty-seven small business owners had hired from six to eight employees.

TABLE 6.20: WEEKLY INCOME BY TYPE OF BUSINESS

TYPE OF BUSINESS	WEEKLY INCOME					TOTAL
	< R200	R200-R400	R400-R600	R600-R700	> R700	
CAFÉS & TUCK-SHOPS	15	25	11	15	5	71
SHEBEENS & TAVERNS	3	2	7	7	-	16
SMALL ENGINEERS	2	7	10	10	-	18
SOFT GOOD	1	7	5	5	2	17
SERVICE ACTIVITIES	2		17	17	7	33
TOTAL	23	41	30	54	7	155

Source: Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)

Respondents were asked about their weekly profit, as this tends to determine the survival of the businesses as well as growth of the economy. Table 6.20 shows that 54 percent of the respondents generate a profit of R600 to R700 weekly. Forty-one percent of the respondents reported that their businesses generate a profit of about R200 to R400 every week. Twenty-three percent of the respondents indicated that they are generating less than R200 in a week.

Some businesses generate more than R700 a week. Table 6.20 shows that no respondents with taverns or shebeens indicated that their weekly profit was more than R700, even though Moutlana (1998) indicates that taverns are small businesses which generate a lot of money.

TABLE 6.21: LICENCES AND TYPES OF BUSINESS

TYPES OF BUSINESS	LICENCE		TOTAL
	YES	NO	
BOTTLE STORE	5	0	5
CAFÉ	23	0	23
TUCK-SHOP	63	10	73
SHEBEEN	3	1	4
TAVERN	10	2	12
SMALL ENGINEER	8	2	10
SMALL-SCALE SOFT GOODS	3	1	4
SERVICE ACTIVITIES	18	6	24
TOTAL	133	22	155

Source: *Home-based businesses in Northwestern Greater Mafikeng, (June-August 2000. Survey)*

Furthermore, questionnaires revealed that some of the small businesses operate with formal licenses issued from the municipality or tribal authority. For example cafes, bottle stores, and some taverns are formally registered businesses (Table 6.21). It also revealed that almost all the home-based businesses operate with permits issued from small business unions, for example, Mafikeng Shebeens, Taverns, and Tuck-shops Union (MSTTU). These businesses are known and protected by the unions.

CHAPTER SEVEN

SUMMARY, CONCLUSION AND RECOMMENDATION

7.0. Introduction

The previous chapters dealt with the analysis of the data collected to prove the research hypotheses. Therefore, this chapter will briefly sum up a number of aspects that require attention in respect to formal and informal sectors in different communities. The conclusion covers the findings that emerge from the whole study. Recommendations are based on a survey conducted in formal and informal sectors in northwestern greater Mafikeng.

7.1. Summary of the study

The purpose of this research was to map and to create a document for small businesses in northwestern greater Mafikeng. Different formal and informal sectors were located in both urban tribal and title deed land. In chapter four the report analysed the distribution of enterprises. The results indicate that small businesses in the urban tribal land generally operate from sites selected by the owner. For example, the traders of businesses like cafes locate them at places of their own choice. On the title deed land all the cafes operate from sites reserved for businesses. Generally all cafes are located well.

Tuck-shops, which compete with cafes, are located in all areas, and the majority of them are located in urban tribal land. Observation reveals that the owners of tuck-shops do not consider geographical location of their businesses. According to the report a number of tuck-shops are located in the same area. For example, three tuck-shops operate in the same street within a 200-meter radius (map 4.4). This serves as evidence that some of the tuck-shop owners did not consider the location of their businesses.

Regarding consumer perceptions of formal and informal sectors and how they use and value them, it was found that the informal sector saves time. Informal businesses are cheaper and nearer to customers' homes. The main concern of residents was that some of them, such as small engineers, are noisy. Respondents also indicated that the services in these businesses are generally good. Furthermore, they indicated that the value for money is good.

The views of respondents about products or items in cafes and tuck-shops are that people usually support these businesses. The respondents buy different kinds of drinks at shebeens and taverns. Other important small businesses are those that fix items and buy products. The respondents indicated that they offer cheap and convenient methods of work.

On the other hand, traders have some problems on setting up and maintaining their businesses. On the issue of small business administration, education and training, business owners acquired business skills through formal training and observation methods, or through working in different businesses (companies). The problem of setting up and maintaining a business is still an issue.

The report indicates that customer credit is one of the big problems that business people (traders) encountered. This customer credit affects the management of the business. On the side of small business people, marketing strategy is their main constraint. Their goods are not well marketed in most cases.

Licensing of the businesses is also a problem for some businesses, although most of the businesses operate with licences or permits. Business owners indicate that they received these licences from the former administrations.

The findings further indicate that some of the respondents (traders) are involved in different types of businesses to serve as primary source of income. Some indicated that they are doing this because they need better financial support, and they use their own houses as business premises, to save money. Generally businesses are located in different locations and most of them are located in the residential areas. For example, all the backyard machines operate from yards. Regarding the number of employees, small businesses do create employment, even though most employees are relatives.

7.2. Major conclusions

It becomes clear from the findings that the informal sector is very important, because some of these businesses assist and improve the livelihoods of families. Traders should also be aware of the types of business that operate both in their immediate vicinity and elsewhere. If similar businesses already exist in an area, the businessperson should add services that could attract customers.

Small business should be supported because it will provide jobs for many people, including unskilled labourers, unlike big business, which only employs skilled people who are able to use machines and computers. Many casual jobs are created through small businesses, and many more could be created. If the government would give small businesses the attention they need, they could create enough jobs for all. At present most of them employ their family members or relatives in their businesses, which does not help the high unemployment rate. Many have very good ideas about businesses but there is a lot of competition, as many people wish to start them. Capital is the main obstacle for them, and those who take loans find themselves trapped in trying to pay the loans back. Lastly, it would be better to let people start enterprises rather than rely solely on government and big businesses to provide the unemployed with work. The

knowledge that people acquire from small business will develop them, because they are able to help themselves and render services to their community members while they look for better jobs.

The research hypotheses are to test location as a primary factor in the establishment of home-based businesses, to check that the majority of people who are engaged in small businesses were once formally employed and have been retrenched, and to assess whether SMMEs can improve living conditions of people. These three hypotheses according to my findings are valid since location is a primary factor in the establishment of home-based businesses.

The findings clearly show that location plays a major role on the business. The report also shows that the nature of the business is important. For instance, most of the businesses fail to generate enough income due to the number of similar businesses located in the same area. Furthermore, businesses are often located near formal business areas. Therefore, it is important to consider location for the success of the business.

On the point of whether the people who are engaged in small businesses were once formally employed and have been retrenched, most of the small business owners in northwestern greater Mafikeng proved this to be true. About 40 percent of the respondents were employed and left the work because they were looking for better financial support. On the other hand some were retrenched in the former giant companies like Sun International and Bophuthatswana Electricity Cooperation. Therefore, some of them decided to operate small businesses.

Regarding whether SMMEs can improve living conditions of people, it was found that there are different types of small businesses in the informal sector, and this determines the generation of employment. According to this study employment is generated by small scale engineers, soft goods and trade and services. This

clearly shows that the living conditions of some people improved, because they were employed.

7.3. Recommendations

There is no doubt that some small business activities, especially informal ones, cause major disturbances in an area. The main objectives of this study were to identify the location and spatial distribution of formal and informal sectors, and to demonstrate the consumer perceptions and the problems encountered by traders on the establishment and maintenance of the businesses. The majority of small businesses operate from illegal points. Therefore, small business should not be ignored in the planning, development and implementation of policies.

Appropriate town planning should be visible to residents so that they can understand land use management. For example, the entire site reserved for business should be identified, so that people can comply with business regulations. The local government or municipalities should design and implement policies which assess geographical location of businesses. Consumers welcome the businesses and support them. It is recommended that the government should encourage those who are involved in services such as catering (cafes and tuck-shop) to improve quality and cleanliness. This can be done through training and making them aware of the importance of hygiene, as they could then attract more customers. Therefore, government should inspect all catering outlets; this can be done before the annual renewal of licenses.

The last main objective demonstrates the problems encountered by traders in setting up and maintaining a business. The report indicates that small business owners acquired business skills differently. Local government should encourage lower cost formal training and it should be promoted in the most disadvantaged

communities, because most of them tend to be involved in informal sectors. The municipality should also encourage small businesspeople to attend workshops.

The report indicates that the small business people experience different problems in their businesses, and these sometimes lead to the closure or loss of their businesses. Therefore, trainers should encourage business people to bring their general business problems to training sessions or workshops. Trainers should encourage business people to discuss their problems with others who are successful.

One of the problems encountered by small business people is obtaining financial support to start the business. Therefore, government should try to make the contract policies of enterprises promotion agencies like Ntsika and Khula more conducive to the starter. The government should serve as security for some of the poor people. Rural municipalities can support rural small business, through business trust funds. Countless potentially good small businesses have failed because of not being able to manage their business finances well. Therefore, it is very important to make small business people understand general business administration.

Lastly, government programs should be directed to local people with strong monitors. The Spatial Development Initiatives should be carried over so that they can help the people. All important stakeholders including community-based organizations (CBOs), Non-governmental organizations (NGOs), business parastatals and trades unions should work together in the application of regulations.

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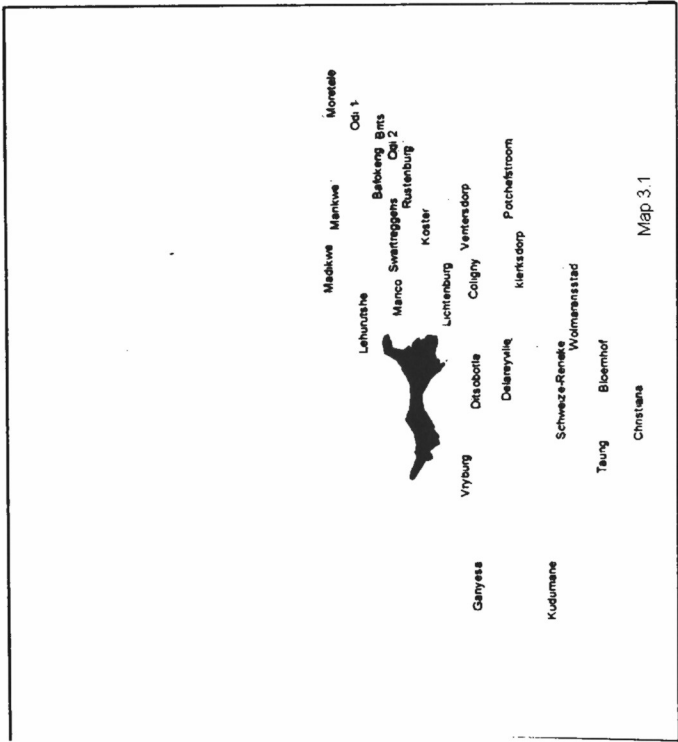
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TITLE	NORTH WEST PROVINCE
SUB TITLE	MAFREING
LOCALITY MAP	NORTH WEST PROVINCE
LEGEND	<p> Mafreing Name of Places regionalist_districts </p>
SCALE	
PROJECTION	WGS 84
PREPARED BY	PAU, WABELE
	U-NW GEO LAB
DATE	JAN-DEC 2001
DATA SOURCE	J-NW GEO LAB
LIABILITY CLAUSE	This map was compiled from a variety of data sets and U-NW GEO LAB does not accept any responsibility for the accuracy of the data.



Map 3.1

TITLE NORTH-WESTERN GREATER MAPKENG
SUB TITLE NORTH-WESTERN GREATER MAPKENG

LOCALITY MAP NORTH WEST PROVINCE



LEGEND:

UNW_1	Intervalline CBD
UNW_2	Maitshing CBD
UNW_3	Intervalline Business
UNW_4	Intervalline
UNW_5	Chobei
UNW_6	Maitshing
UNW_7	Maitshing
UNW_8	Phakalane
UNW_9	Stanning
UNW_10	Other_Links
UNW_11	Other_Links
UNW_12	Other_Links
UNW_13	Other_Links
UNW_14	Other_Links
UNW_15	Other_Links
UNW_16	Other_Links
UNW_17	Other_Links
UNW_18	Other_Links
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SCALE 1:10000

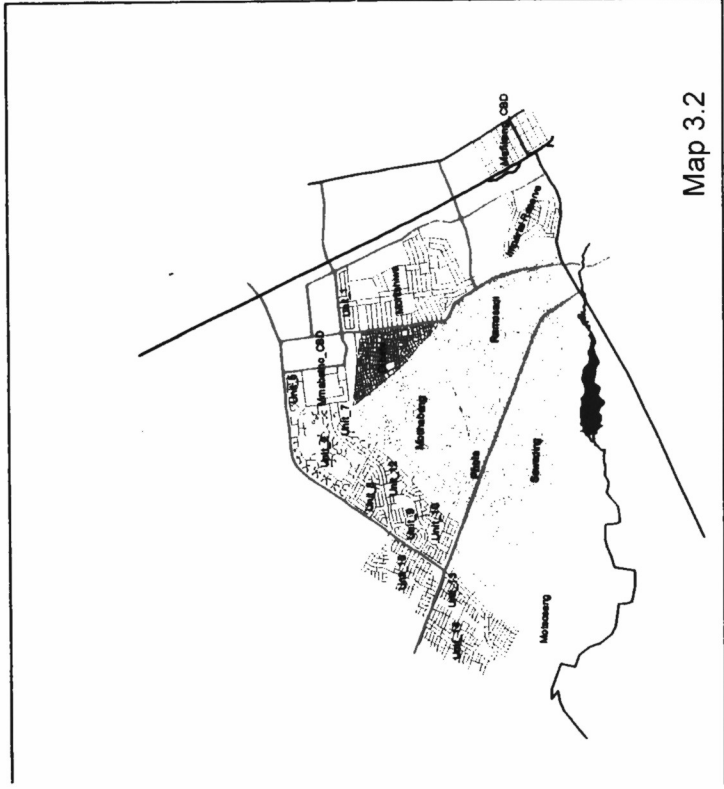
PROJECTION WGS 84

PREPARED BY PAN MABILLE

NORTH WEST UNIVERSITY
YUNIBESITHI YA BOKONE BOPHILUMA
HOORIDWES-UNIVERSITEIT

DATA SOURCE UNW GEO LAB

LIABILITY CLAUSE This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



Map 3.2

TITLE: NORTH-WESTERN GREATER MAPKENG

SUB TITLE: NORTH-WESTERN GREATER MAPKENG

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND	Symbol	Feature
UNL_1	□	Mmabatho_CBD
UNL_2	□	Mafikeng_CBD
UNL_3	□	Inyanga_Reserve
UNL_4	□	Mantlaka
UNL_5	□	Chiesan
UNL_6	□	Mafikeng
UNL_7	□	Mafikeng
UNL_8	□	Phole
UNL_9	□	Mantlaka
UNL_10	□	Phole
UNL_11	□	Phole
UNL_12	□	Phole
UNL_13	□	Phole
UNL_14	□	Phole
UNL_15	□	Phole
UNL_16	□	Phole
UNL_17	□	Phole
UNL_18	□	Phole
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UNL_32	□	Phole
UNL_33	□	Phole
UNL_34	□	Phole
UNL_35	□	Phole
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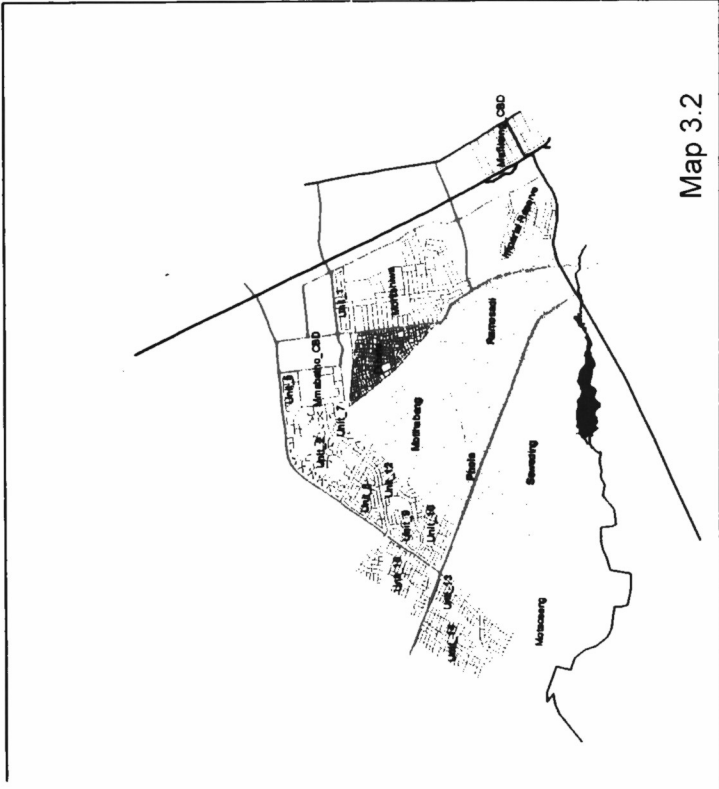
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PREPARED BY: PAN MABILLE

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HOORONES-UNIBESITHI

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



Map 3.2

TITLE: NORTH-WESTERN GREATER WAFKENG

SUB TITLE: TITLE DEED LAND

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- UNL_1 [Symbol] Imperial_Reserve
- UNL_2 [Symbol] Mafikeng_CBD
- UNL_3 [Symbol] Mmabatho_CBD
- UNL_4 [Symbol] Moshalea_CBD
- UNL_5 [Symbol] Mountains
- UNL_6 [Symbol] Luthandoing_Dam
- UNL_7 [Symbol] National_Trunk
- UNL_8 [Symbol] National_Road
- UNL_9 [Symbol] River
- UNL_10 [Symbol] Boundary_Line
- UNL_11 [Symbol] [Symbol]
- UNL_12 [Symbol] [Symbol]
- UNL_13 [Symbol] [Symbol]
- UNL_14 [Symbol] [Symbol]
- UNL_15 [Symbol] [Symbol]
- UNL_16 [Symbol] [Symbol]
- UNL_17 [Symbol] [Symbol]
- UNL_18 [Symbol] [Symbol]
- UNL_19 [Symbol] [Symbol]
- UNL_20 [Symbol] [Symbol]

SCALE: 1:50,000

PROJECTION: WGS 84

PREPARED BY: PAN MABELE

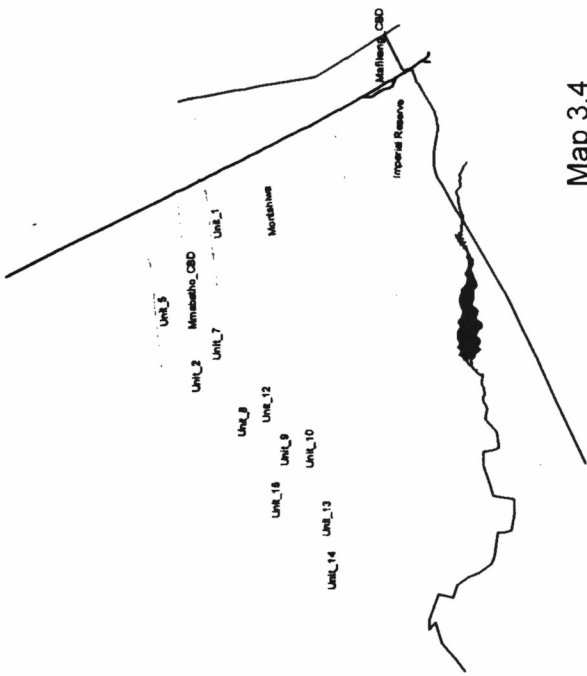


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NOORDWES-UNIVERSITEIT

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE:

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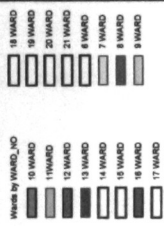
Map 3.4

TITLE NORTH-WESTERN GREATER MAPKENG
SUB TITLE NORTH WEST 363 CENTRAL WARDS

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND: 5



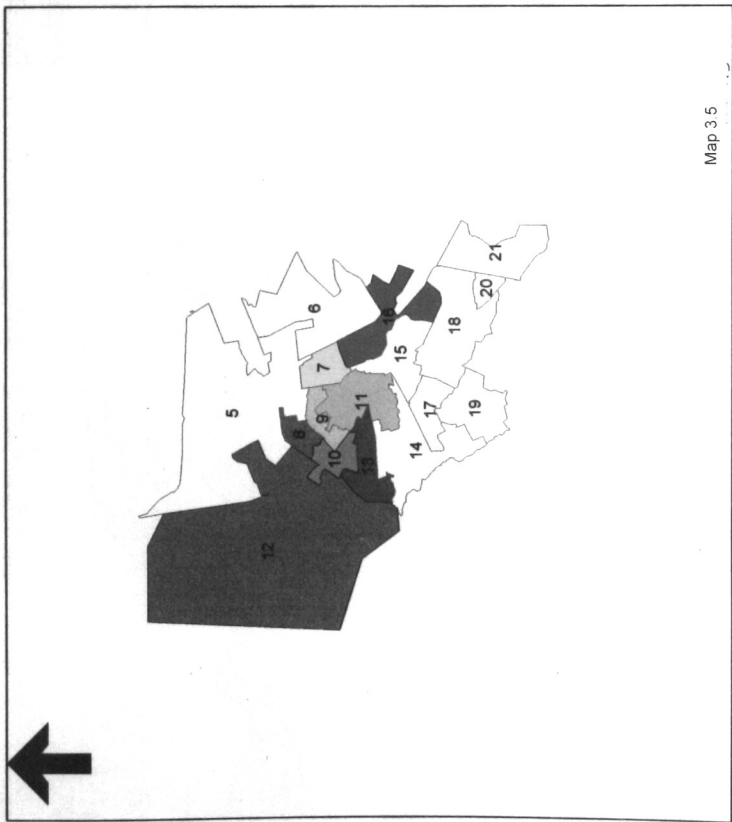
SCALE: 1:32 600
PROJECTION WGS 84
PREPARED BY PAN MABILLE





NORTH-WEST UNIVERSITY
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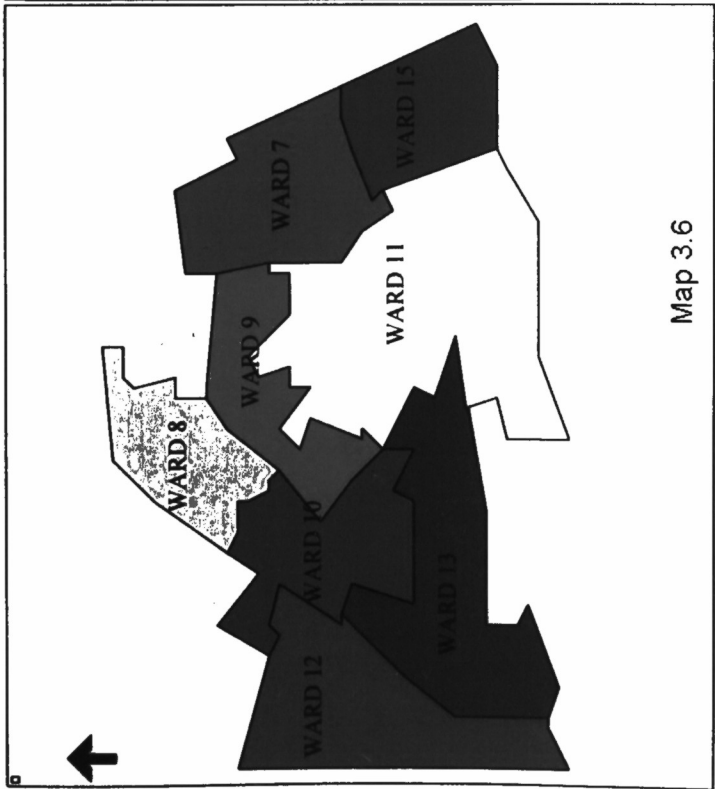
DATA SOURCE:
LIABILITY CLAUSE:

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Map 3.5

TITLE: NORTH WEST 383 MARKENG
SUB TITLE: WARDS WITHIN NORTH-WESTERN GREATER MARKENG
LOCALITY MAP: NORTH-WEST PROVINCE

LEGEND: WARD 7: [Solid black box] WARD 8: [Stippled box] WARD 9: [Solid black box] WARD 10: [Solid black box] WARD 11: [White box with black border] WARD 2: [Solid black box] WARD 3: [Solid black box] WARD 15: [Solid black box]
SCALE: 1
PROJECTION: UTM 34
PREPARED BY: PAN MABULLE
 NORTH-WEST UNIVERSITY YUNIBESITHI YA BOKONE BOPHIRIMA NOORDWES-UNIVERSITEIT
DATA SOURCE: LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW 65 LAB does not accept any responsibility for the accuracy of the data.



LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Basic_units
- Cells
- Services_Activities
- Businesses
- Small_Engineer
- Self_employed
- Taverns
- Truck_stop
- ▲ Mining_CBD
- ▲ Manufacturing_CBD
- Manufacturing_Dens
- ~ Railway_Track
- ~ National_Roads
- ~ River
- ~ Secondary_Road

SCALE: 1:100,000

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

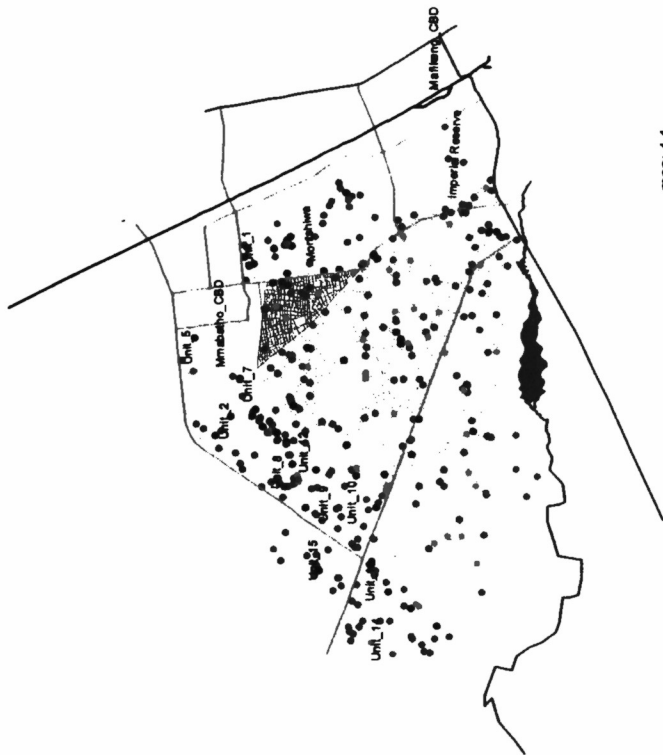
UNW GEO LAB



JAN-DEC. 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



map: 4.1

TITLE: NORTH-WESTERN GREATER MAFIKENG
 SUB TITLE: LOCATION OF SMALL BUSINESSES
 IN URBAN TRIBAL LAND

LOCALITY MAP: NORTH WEST PROVINCE

LEGEND:

- South_africa
- Cafe
- Service_Archives
- Shop
- Small_engineer
- Spst_goods_product
- Tavern
- Truck_stop
- ▲ Mafikeng_CBD
- ▲ Mmabatho_CBD
- ▲ Mmabatho_CBD
- ▲ Luthamoring_Dam
- ▲ Railway_Track
- ▲ National_Route
- ▲ River
- ▲ Secondary_Road

SCALE: 1:32,000

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

UNW GEO LAB



JAN-DEC 2001

DATA SOURCE: UNW GEO LAB


LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP: 4.2

**TITLE: NORTH-WESTERN GREATER MAFIKENG
SUB TITLES: SPATIAL DISTRIBUTION OF SMALL BUSINESSES
IN TITLE DEED LAND**

LOCALITY MAP: NORTH WEST PROVINCE



- LEGEND:**
- Small_store
 - Cafe
 - Service_Activities
 - Shopkeep
 - Small_engineer
 - Bot_green_product
 - Tavern
 - Truck_stop
 - ▲ Mafikeng_CBD
 - ▲ Mmabatho_CBD
 - Letlamong_Dam
 - ~ Railway_Track
 - ~ National_Route
 - ~ River
 - ~ Secondary_Road

SCALE: 1:32,600

PROJECTION: WGS 84


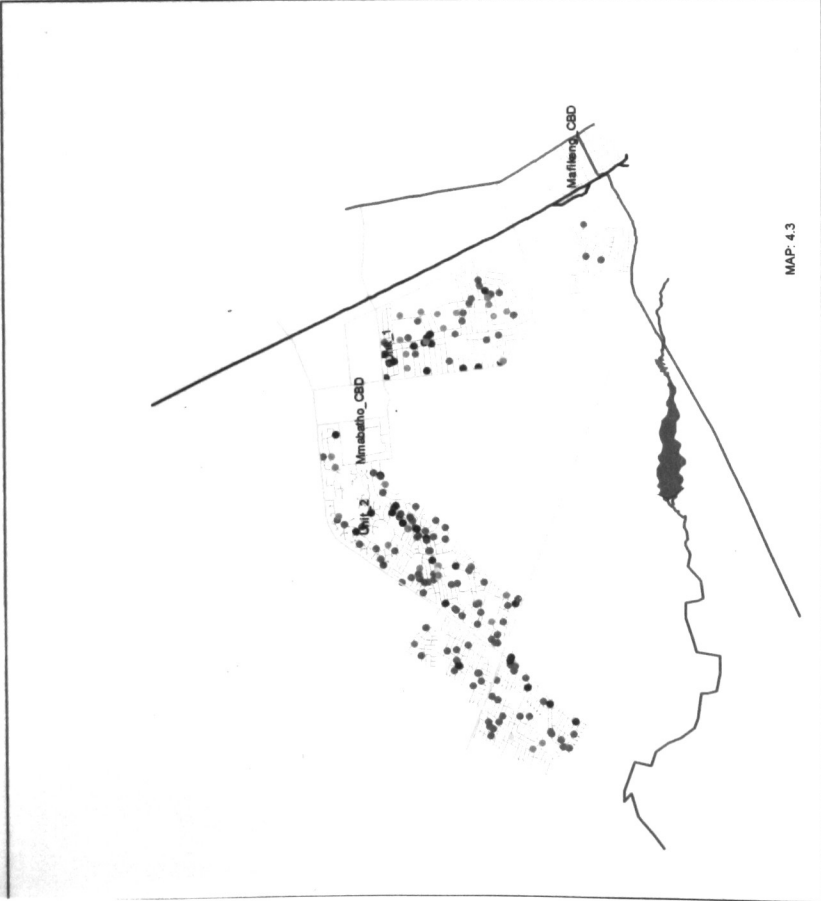
PREPARED BY: PAN MABILLE

UNW GEO LAB

JAN-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data

MAP: 4.3

TITLE NORTH-WESTERN GREATER WAKKING
 SUB TITLE SPATIAL DISTRIBUTION OF TUCK SHOES
 IN NORTH-WESTERN GREATER WAKKING

LOCALITY MAP NORTH WEST PROVINCE



LEGEND:

- Tuck_shoe
- ▣ Matleng_CBD
- ▣ Mmasiseho_CBD
- ▨ Luthandoeng_Dam
- ~ Railway_Track
- ~ National_Reserve
- ~ River
- ~ Secondary_Road

SCALE 1:50,000

PROJECTION WGS 84

PREPARED BY PAN MABILLE

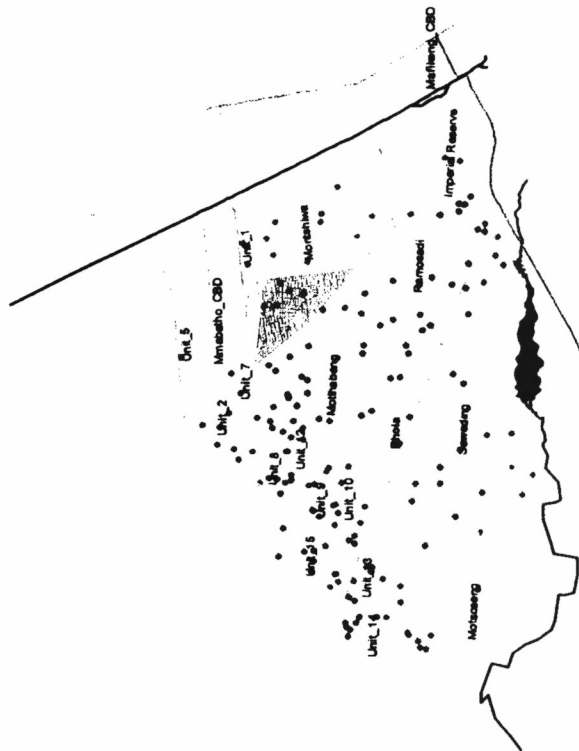
UNW GEO LAB



JAN-DEC 2001

DATA SOURCE UNW GEO LAB

LIBILITY CLAUSE: This map was compiled from a variety of data sets/and UNW GEO LAB does not accept any responsibility for the accuracy of the data



map. 4.4

TITLE: NORTH-WESTERN GREATER MAFKENG

SUB TITLE: SPATIAL DISTRIBUTION OF CASES
IN NORTH-WESTERN GREATER MAFKENG

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Case
- ▣ Mafikeng_CBD
- ▣ Mmababong_CBD
- ▣ Mmababong_Dam
- ▬ Railway_Track
- ▬ National_Road
- ▬ River
- ▬ Secondary_Road

SCALE: 1:100,000

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

UNW GEO LAB

JAN-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP: 4.5

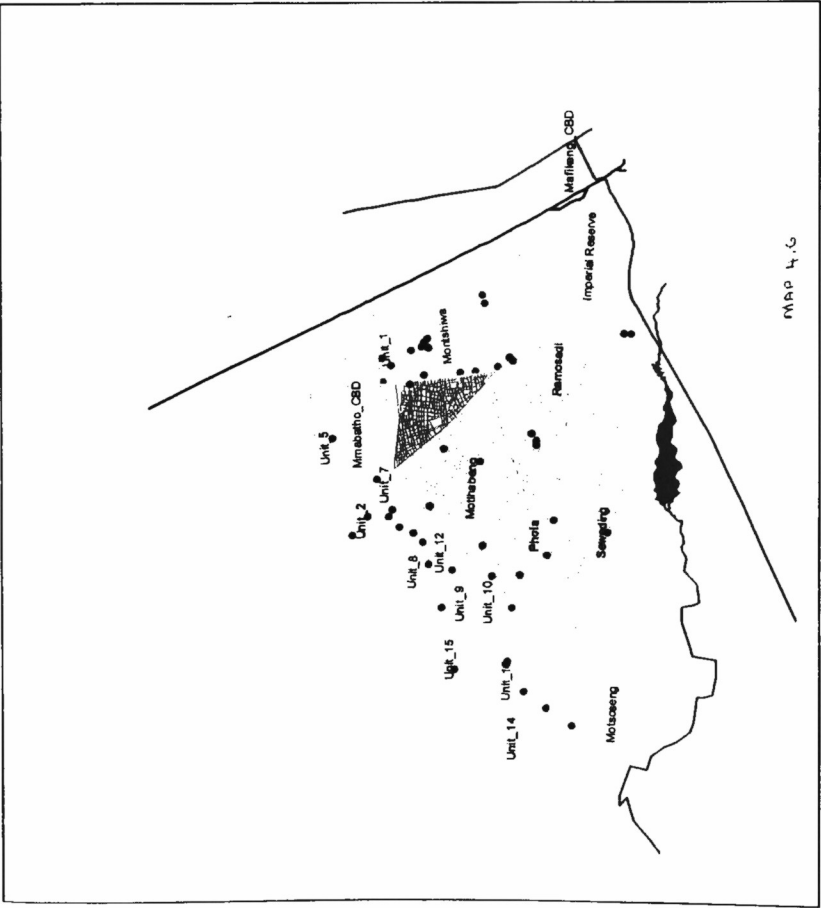
TITLE: NORTH-WESTERN GREATER MAKIKENG
 SUB-TITLE: SPATIAL DISTRIBUTION OF SERVICE ACTIVITIES
 IN NORTH-WESTERN GREATER MAKIKENG



- LEGEND:
- Service_Activities
 - ▣ Mafikeng_CBD
 - ▣ Mmabatho_CBD
 - ▨ Lepining-Dam
 - ~ Railway_Track
 - ~ National_Route
 - ~ River
 - ~ Secondary_Road

SCALE: 1:50,000
 PROJECTION: WGS 84
 PREPARED BY: PAN MABILLE
 UNW GEO LAB

JAN-DEC 2001
 DATA SOURCE: UNW GEO LAB
 LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP 4.6

TITLE NORTH-WESTERN GREATER MAPIKENG
SUB TITLE SPATIAL DISTRIBUTION OF CAFES AND
 SERVICE ACTIVITIES IN NORTH-WESTERN GREATER MAPIKENG
LOCALITY MAP NORTH WEST PROVINCE



LEGEND:

- Cafe
- Service_Activities
- Mmabatho_CBD
- Mmabatho_CBD
- Letlamoeng_Dam
- ~ Railway_Track
- ~ National_Road
- ~ River
- ~ Secondary_Road

SCALE 1:25,000

PROJECTION WGS 84

PREPARED BY PAN MABILLE

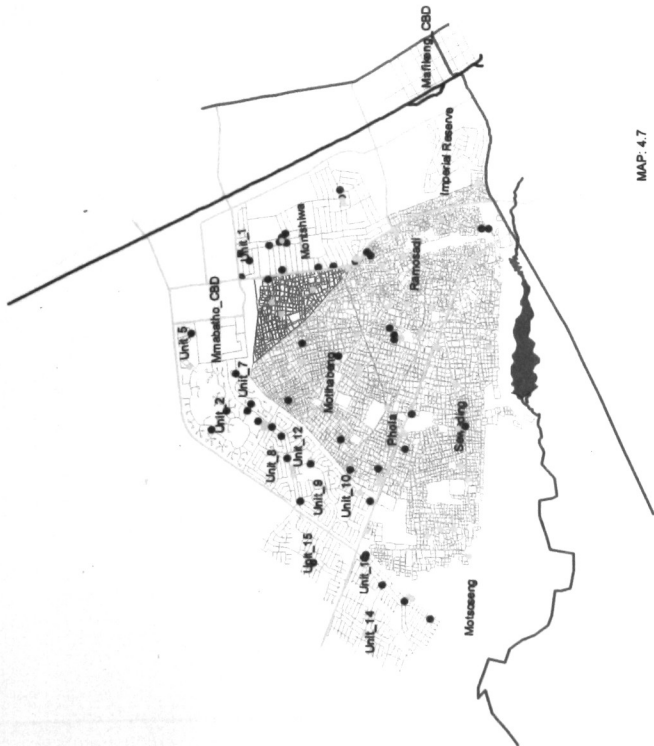
UNW GEO LAB



DATE JAN-DEC 2001

DATA SOURCE UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GEO LAB does not accept any responsibility for the accuracy of the data.



MAP: 4.7

TITLE NORTH-WESTERN GREATER MAPKING
 SUB TITLE SPATIAL DISTRIBUTION OF TAVENING
 IN NORTH-WESTERN GREATER MAPKING

LOCALITY MAP NORTH WEST PROVINCE



LEGEND:

- Town
- ▣ Matfening_CBD
- ▣ Mmabatho_CBD
- ▨ Luthandoeng_Dam
- ~ Railway_Track
- ~ National_Road
- ~ River
- ▨ Security_Fence

SCALE

PROJECTION WGS 84

PREPARED BY PAN MABILLE

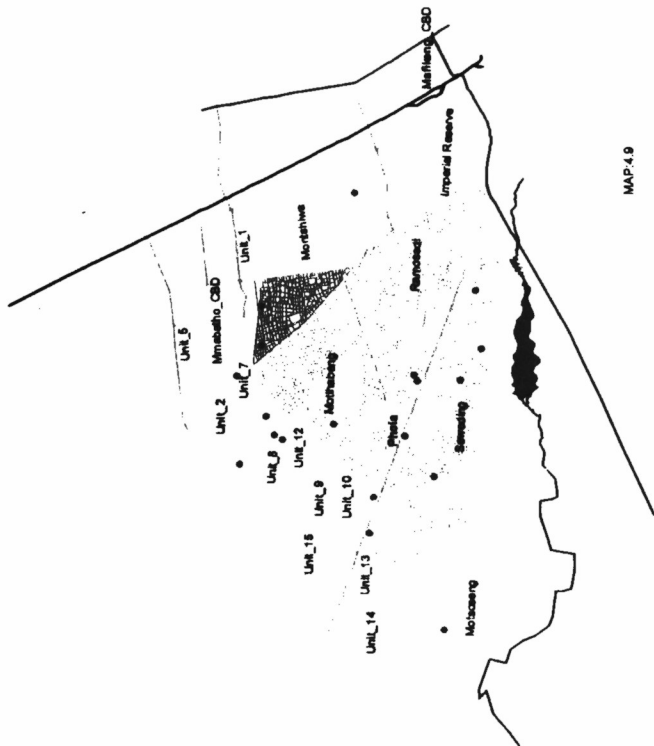
UNW GEO LAB



JAN-DEC 2001

DATA SOURCE UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GEO LAB does not accept any responsibility for the accuracy of the data



MAP-4.9

TITLE: NORTHWESTERN GREATER MAPINGENG
 SUB TITLE: SPATIAL DISTRIBUTION OF BOTTLE STORES
 IN NORTHWESTERN GREATER MAPINGENG

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Bottle_store
- ▣ Matleng_CBD
- ▣ Mmabatho_CBD
- ▬ Lethemoring_Dam
- ~ Railway_Track
- ~ National_Route
- ~ River
- ~ Secondary_Road

SCALE: 1:32,600

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

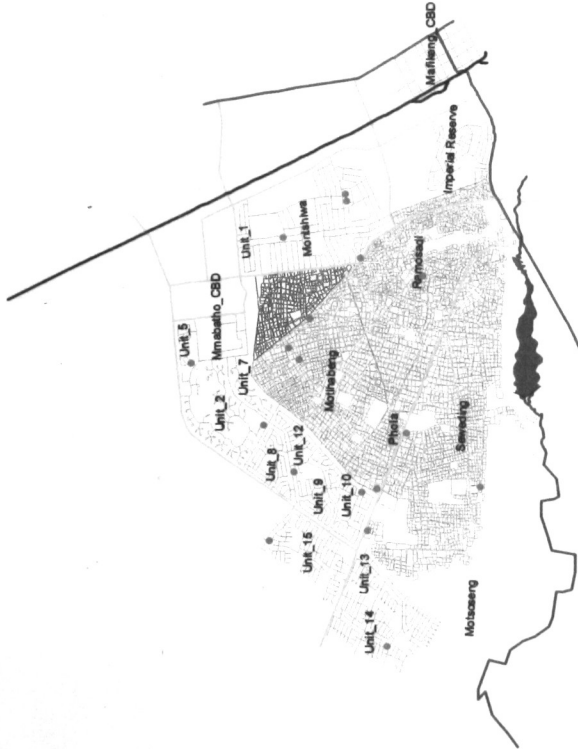
UNW GEO LAB



JAN-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP: 4.11

TITLE: NORTH-WESTERN GREATER MAFKENG
 SUB TITLE: SPATIAL DISTRIBUTION OF SMALL-SCALE GOODS
 IN NORTH-WESTERN GREATER MAFKENG

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Small_goods_location
- ▣ Mafikeng_CBD
- ▣ Mmabatho_CBD
- ▣ Lutha-moring-Dam
- ▣ Fishery_Track
- ▣ National_Road
- ▣ River
- ▣ Secondary_Road

SCALE: 1:22,500

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

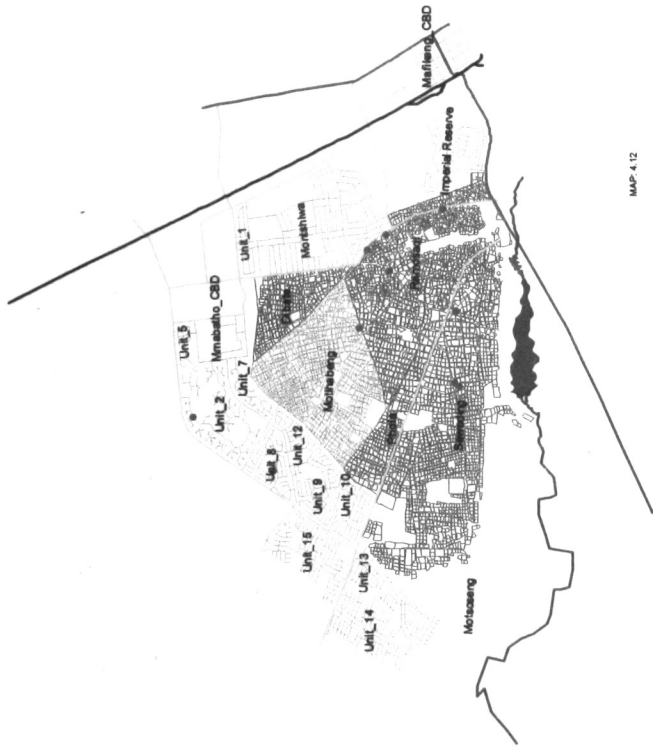
UNW GEO LAB



UNW-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP-4.12

**TITLE: NORTHWESTERN GREATER MAPKENG
SUB TITLE: SPATIAL DISTRIBUTION OF SMALL BUSINESSES
IN TITLE DEED LAND**

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Small_pans
- Cells
- Service_Authities
- Shelters
- Small_highways
- Sub_land_products
- Towns
- Tack_strip
- Holdings_CBD
- Municipal_CBD
- Landmarking_Down
- ~ Railway_Track
- ~ National_Roads
- ~ River
- Secondary_Roads

SCALE:

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

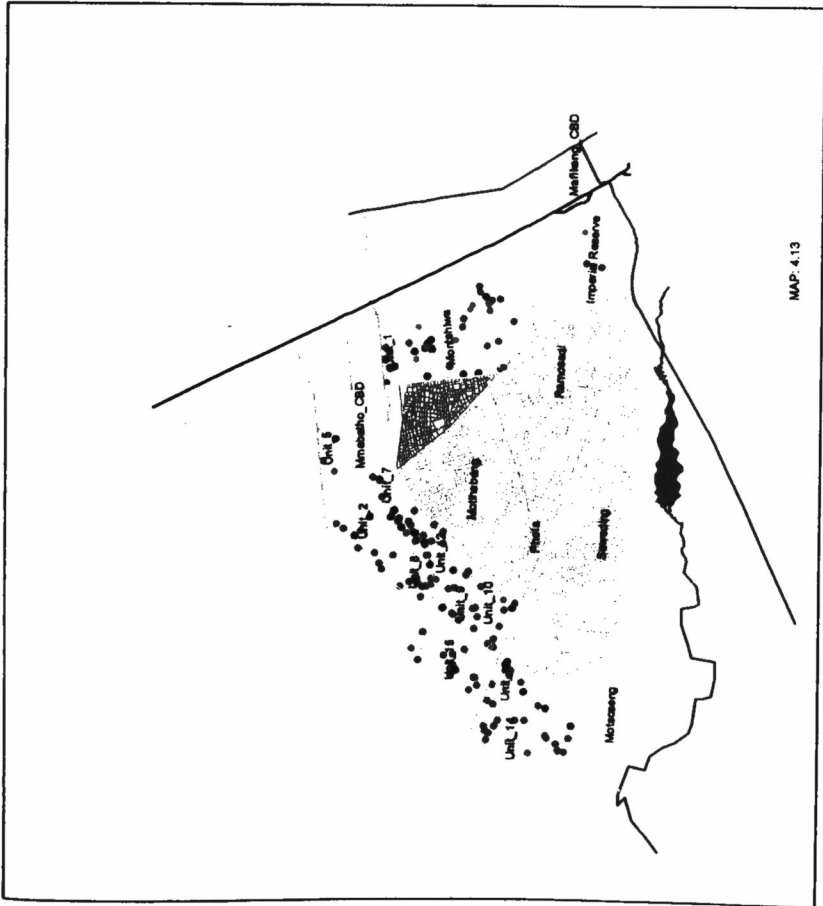
UNW GEO LAB



UNW-DEC. 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP: 4.13

TITLE: NORTH-WESTERN GREATER MAPENG
 SUB TITLE: SPATIAL DISTRIBUTION OF SMALL BUSINESSES
 IN URBAN TRIBAL LAND

LOCALITY MAP: NORTH WEST PROVINCE

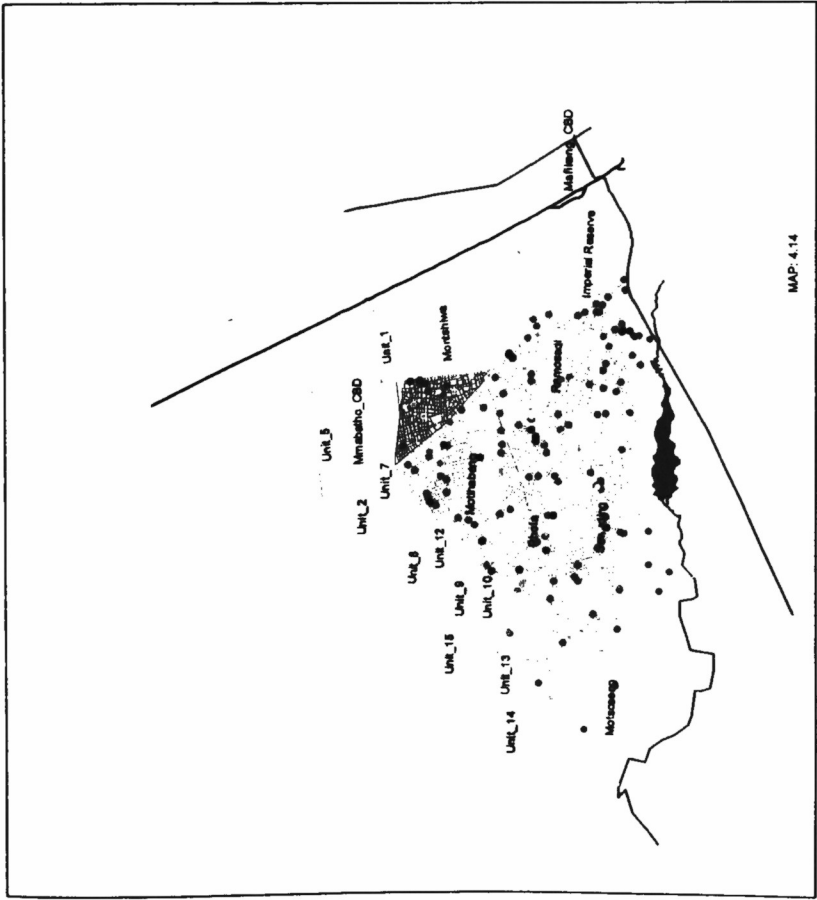


- LEGEND:
- Small_business
 - City
 - Service_addresses
 - Station
 - Small_engineer
 - Bot_Land_Product
 - Town
 - Truck_stop
 - Mafikeng_CBD
 - Mmabatho_CBD
 - Letlamoeng_Dam
 - Railway_Track
 - ~ National_Reserve
 - ~ River
 - Secondary_Road

SCALE:
 PROJECTION: WGS 84
 PREPARED BY: PAN MABILLE
 UNW GEO LAB

JAN-DEC 2001
 DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data.



MAP: 4.14

TITLE: NORTHWESTERN GREATER MAPKENG
 SUB TITLE: SPATIAL DISTRIBUTION OF CHURCHES AND
 SCHOOLS IN NORTHWESTERN GREATER MAPKENG

LOCALITY MAP: NORTH WEST PROVINCE



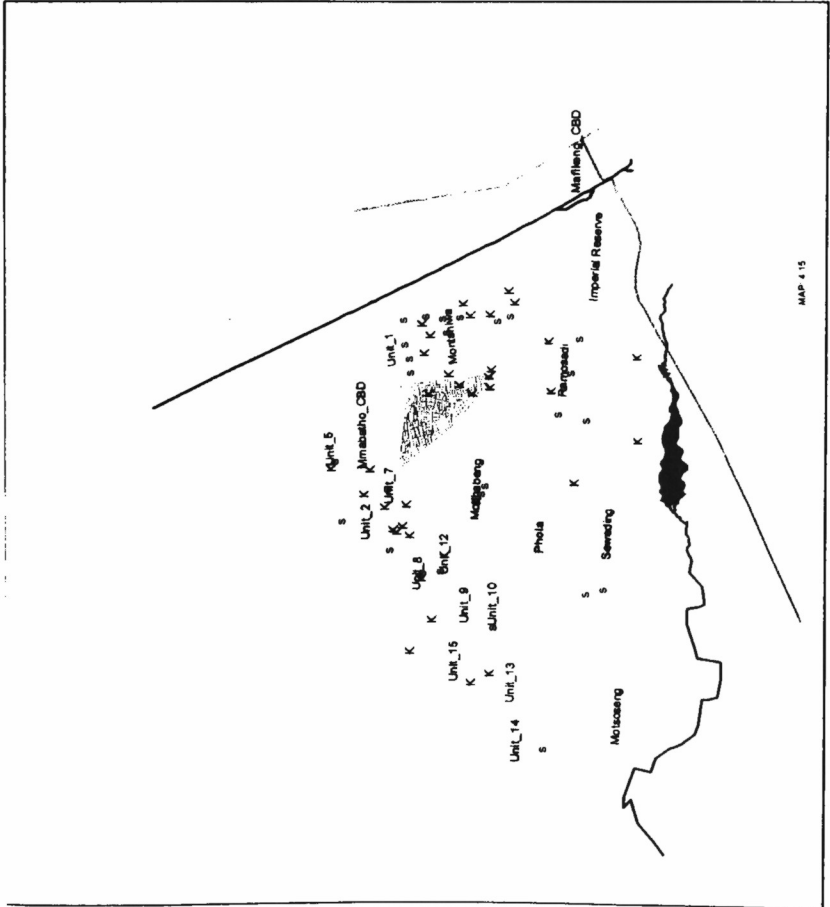
LEGEND:

- K Church
- S School
- Marikang_CBD
- Mmabatho_CBD
- Lehlagang_Dam
- Railway_Track
- National_Road
- River
- Secondary_Road

SCALE:
 PROJECTION: WGS 84
 PREPARED BY: PAN MABILLE
 UNW GEO LAB



JAN-DEC 2001
 DATA SOURCE: UNW GEO LAB
 LIABILITY CLAUSE: This map was compiled
 from a variety of data
 sets) and UNW GIS LAB does
 not accept any responsibility
 for the accuracy of the data



MAP 4.15

TITLE NORTHWESTERN GREATER MAPKENG
 SUB TITLE BUFFER ZONES AROUND BOTTLE STORES
 IN URBAN TRIBAL LAND

LOCALITY MAP: NORTH WEST PROVINCE



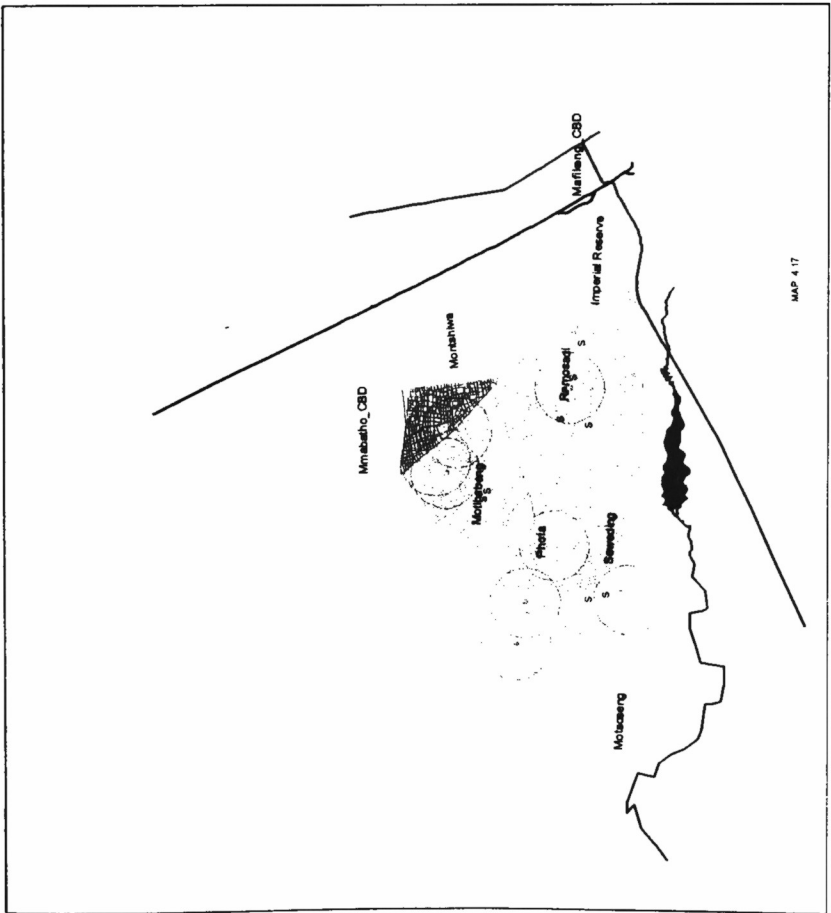
LEGEND:

- 9 Built_up_areas
- 5 School
- 5 BufferZone 1
- ▭ Mafikeng_CBD
- ▭ Mmabatho_CBD
- ▭ Lathlatheng_Dam
- ▭ Railway_Track
- ▭ National_Route
- ▭ River
- ▭ Secondary_Road

SCALE:
 PROJECTION WGS 84
 PREPARED BY PAN MABILLE
 UNW GEO LAB



JAN-DEC 2001
 DATA SOURCE: UNW GEO LAB
 LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



TITLE: NORTH-WESTERN GREATER MAFIKENG
SUB TITLE: BUFFER ZONES AROUND BOTTLE STORES
IN TITLE DEEDS LAND

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Bottle_store
- Church
- K
- ▭ BufferZone2
- ▭ Mafikeng_CBD
- ▭ Mmabatho_CBD
- ▭ Luthameng_Dam
- ▭ Railway_Track
- ▭ Historical_Roads
- ▭ River
- ▭ Secondary_Road

SCALE:

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

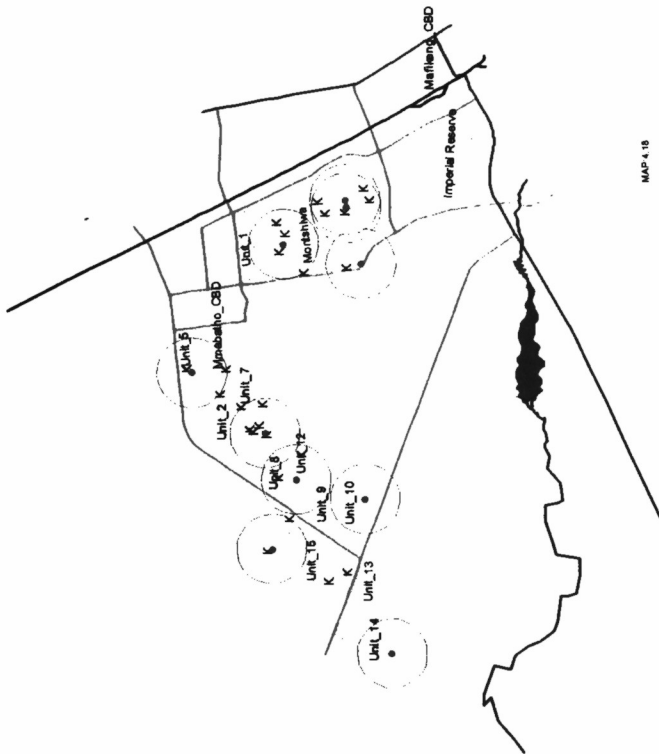
UNW GEO LAB



UNW-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data.



MAP 4.16

TITLE: NORTH-WESTERN GREATER MAPKENG
 SUB TITLE: EMPLOYER ZONES AROUND BOTTLE STORES
 IN TITLE DEED LAND

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- Bottle store
- School_Z
- BufferZone2
- ▭ Mathang_CBD
- ▭ Inmatsho_CBD
- ▭ Letha mooring Dam
- ~ Railway_Track
- ~ National_Road
- ~ River
- ~ Secondary_Road

SCALE: 1:100,000

PROJECTION WGS 84

PREPARED BY PAN MABILLE

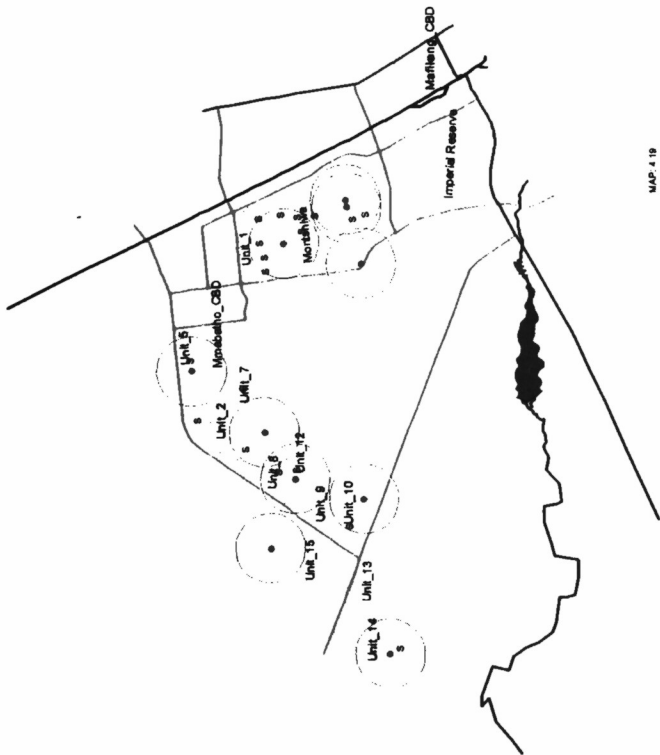
UNW GEO LAB



JAN-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



TITLE: NORTHWESTERN GREATER MARKENG
 SUB TITLE: BUFFER ZONES AROUND SHEBENS & TAVINGS
 IN TITLE DEED LAND

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- 5 Buffer
- Sheben
- Taveng
- ▭ BufferZone
- ▭ BufferZone
- ▲ Mithabeng CBD
- ▲ Mithabeng CBD
- ▬ Lufuwaning Dam
- ▬ Railway_Track
- ▬ Historical_Road
- ▬ River
- ▬ Maincity_Road

SCALE:

PROJECTION: WGS 84

PREPARED BY: PAN MABILLE

UNW GEO LAB

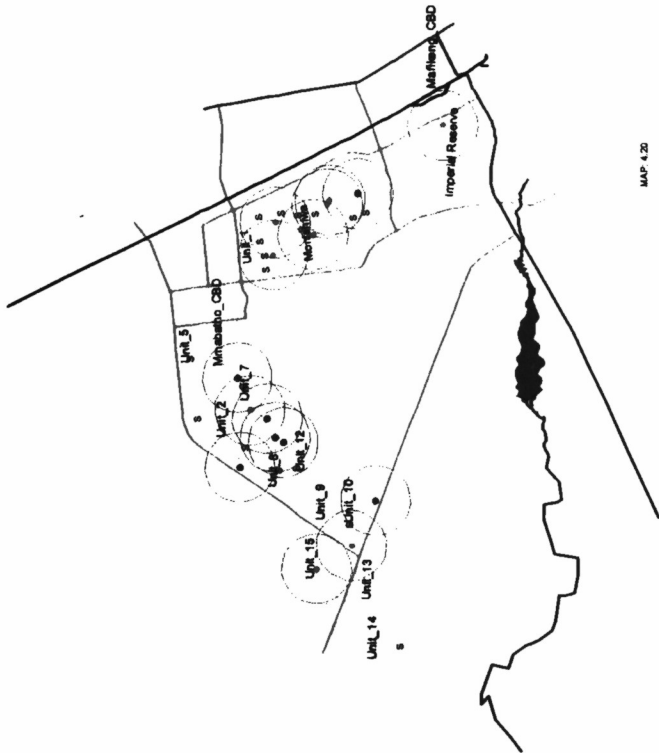


JAN-DEC 2001

DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE:

This map was compiled from a variety of data sets and UNW GIS LAB does not accept any responsibility for the accuracy of the data



MAP 4.20

TITLE: NORTH-WESTERN GREATER MAPKENG
 SUB TITLE: EMPLOYER ZONES AROUND SUBURBS & TOWNS
 IN TITLE DEED LAND

LOCALITY MAP: NORTH WEST PROVINCE



LEGEND:

- K Church
- Shop
- Tavern
- ▭ Suburb/Zone
- ▭ Suburb/Zone
- ▭ Mallong CBD
- ▭ Mankwago CBD
- ▭ Lethrusmang Dam
- ▭ Pabanyo Trench
- ▭ National Reserve
- ▭ River
- ▭ Secondary Road

SCALE: 1:75,000
 PROJECTION: WGS 84
 PREPARED BY: PAN MABILLE
 UNW GEO LAB



JAN-DEC 2001
 DATA SOURCE: UNW GEO LAB

LIABILITY CLAUSE: This map was compiled from a variety of data sets(s) and UNW GIS LAB does not accept any responsibility for the accuracy of the data

