



Exploring factors that sustain successful women-owned informal micro businesses in the Western Cape

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ABSTRACT

The study explored factors that sustain successful women-owned informal micro-businesses. This explorative qualitative study was conducted in Cape Town in the communities of Philippi and Khayelitsha. Face- to- face in-depth interviewing was carried out on a purposive sample of sixteen women-owned informal micro businesses (WBOs) and five key informants from government and NGO institutions offering small business support services.

The main findings indicated that some of the women are successful due to a variety of multifaceted and linked factors. These women have been operating their businesses successfully despite economic downturns and gender exclusion and other community related factors. A variety of behavioural and motivational factors also contribute to small business success. The WBOs are able to successfully operate businesses in economic downturns due to their adaptability, flexibility and innovation in their business practices. A resilient mindset, their strong spirituality, confidence and business aspirations enabled them to persevere in difficult economic and personal circumstances, while conducting business in often violent communities. The nature of trade and their knowledge of the market, customer care, relationships and their attitudes to competition were key to their business success. The family and institutional support however appears to be weak and barriers included sparse information about the support services from NGOs and government. The main recommendation is that these more successful informal micro-business women owners could be better documented and used as case studies and role models for best practice. Much more research is needed on a larger scale across the country since the informal sector is constantly expanding and changing.

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LIST OF ACRONYMS

DTI	Department of Trade and Industry
FS	Formal Sector
GEM	Global Entrepreneurship Monitor
IS	Informal Sector
KI	Key Informant
NGO	Non-Government Organisation
SBP	Small Business Partnerships
SEDA	Small Enterprise and Development Agency
SEFA	Small Enterprise Finance Agency
SMMEs	Small, Micro and Medium Enterprises
SME	Small Micro Enterprise
WBO	Women Business Owner
WBOs	Women Business Owners
WCED	Western Cape Economic Department

CHAPTER ONE – INTRODUCTION

1. Introduction

In South Africa, both the first and second economies – the formal (FS) and informal (IS) sectors – are prevalent. In this research the term IS will be used to refer to the second economy. There are high levels of underdevelopment resulting in poverty, unemployment and inequality. In an attempt to address poverty through self employment, the South African government has placed much emphasis on a development strategy by growing the small, medium and micro enterprises (SMME) sector in the country through its economic policies and programmes.

A means out of poverty is to enter the IS, seeking self-employment by starting informal micro businesses. The IS has high numbers of survivalist or necessity-driven enterprises, as the entrepreneurs have no other means to earn a living but there are also opportunity-driven enterprises that recognise market opportunities to start and grow a small business for profit (Chiloane & Mayhew, 2010). Women make up a large proportion of the unemployed in South Africa and many have started micro and small businesses in the IS as a means to address poverty (Aspaas, 1998; Daniels, 1994, 1998; Daniels, Mead & Musinga 1995 cited in Spring 2009). Some women business owners (WBOs) appear to be more successful at informal micro businesses than others. For the purpose of this study, the acronym WBOs will be used to represent women who own informal micro businesses in the IS. After observing various successful WBOs in the communities of Philippi and Khayelitsha providing financially for their families through operating informal micro-businesses, the researcher became interested in what contributed to their success, and the idea for this study grew.

The study will focus on these WBOs within Philippi and Khayelitsha in Cape Town to explore and understand what factors sustain them to be successful in their informal micro-businesses. To this end, WBOs, NGOs and government officials working in small business development in the community participated in the study.

This chapter will present the background to the study; rationale and significance; research objectives; research questions; main assumptions; clarification of concepts and reflexivity.

1.1. Background to the study

Globally, countries are acknowledging the importance of SMMEs in creating employment and the accompanying social development. The South African government is no exception. The government's SMMEs strategic framework, as outlined in the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (Republic of South Africa, 1995), sets out the government's measures to assist the development of this priority sector as an integral role player by establishing partnerships between government and other role players such as business, NGOs and financial institutions (Department of Trade and Industry [DTI], 2008). The White Paper 1995, suggests practical strategies in the Integrated Small Business Development Strategy for 2005 to 2014 (DTI. 2008).

According to Turok (2008) in addressing the injustices of the Apartheid past, poverty, inequality and unemployment, South Africa is aspiring towards becoming a developmental state. Due to the state's present incapacity in attaining its development goals it is a far way off from being a developmental state (Turok, 2008). The South African National Development Plan (2030) prioritises the need for a developmental state that is capable of driving the country's development goals (The Department of the Presidency, 2011). A developmental state is people centred, democratic and provides the institutions and infrastructure that enables the economy and society to flourish. It aims to bring about rapid and sustainable transformation in the country's economic and social conditions through effective interventions in the structural causes of economic and social underdevelopment (The Department of the Presidency, 2011).

Midgley (1995:4) states that in a development state, "economic development has to be accompanied by an increase in social development (human welfare) otherwise the phenomena of distorted development or underdevelopment such as poverty and unemployment are evident". In addition, the country is still struggling to overcome

numerous structural inequalities inherited from the apartheid system that contribute to this distorted development.

The problem of unemployment in South Africa remains persistently high with the official unemployment rate in the third quarter of 2013 at 24.7% (Stats SA, 2013). More women (26.7%) are unemployed than men (23.1%) and are thus more likely to be impoverished (Stats SA, 2013: 5). The unemployment rate in the Western Province was 23.4% in 2013 (Stats SA, 2013). The IS continues to provide a source of employment for the vulnerable with as many as 2.2 million of the 14 million employed persons in 2013 having jobs in the IS (Stats SA, 2013). Since it can take up to two years to find employment, the unemployed are reliant on self-employment through the IS and, often, on support from family and social networks (Maas & Herrington, 2007).

In South Africa the FS cannot absorb the rising number of entrants into the labour market every year and many South Africans turn to the IS, to create self-employment (Woodward et al., 2011). In South Africa, the FS and IS are seen as dual economies and separate but research by authors Valodia et al. (2007), and Chen, Jhabvala and Lund (2002) cited in Skinner (2006) state that this is not a clear-cut division; that the IS is largely an un-researched economy with hidden growth potential. This situation is compounded by a neo-liberal global economy and its economic downturns resulting in ongoing social and economic challenges, including poverty, unemployment, inequality and a lack of adequate and equal education.

Despite the focus on and support of SMMEs as a poverty alleviation strategy there are still problems in developing this sector. According to the Adcorp (2014:1), the economy lost 118,397 jobs during February 2014, the largest loss in three years however, the IS created 13,028 for the month. All of this is a source of great concern as a vast number of South African who are unemployed seek self employment or are employed by small businesses, in the IS. The GEM (2012) report confirms that the survival rate for start-ups in the IS is low in the first year of business with few entrepreneurship opportunities (Turton & Herrington, 2012).

Women entering the IS encounter similar barriers to their male counterparts. In addition, however, they experience further challenges due to gender discrimination.

The ways in which micro small businesses manage the challenges experienced during these economic times is crucial to their success or demise.

In South Africa, as in Zimbabwe (Osrin, 2009), despite the negative impact of globalisation and gender and economic exclusion, there are women who are able to be resilient, survive and remain committed to their enterprises. They have positive attitudes and future aspirations for the further success and expansion of their micro businesses. According to Osrin (2009), these women are assets to the economic and social development of their countries. Even though each employs only a few people, together they employ the highest proportion of workers in developing countries (Osrin, 2009).

1.2. Location of the study (Khayelitsha and Philippi in Cape Town)

The two communities in the study are part of Cape Town, South Africa. SA Census (2011) cited in Western Cape Government stats, (2012) gives the city's population as 3 740 025, the unemployment rate as 23.8% and the economic GDP as R203 581 million.

- ***Khayelitsha***

Khayelitsha, or “new home” in isiXhosa, is the second largest township in South Africa, after Soweto in Johannesburg (Ngxiza 2011). It is situated on the periphery of the city of Cape Town (25-30km from the CBD) in an area known as the Cape Flats (City of Cape Town, 2013a). Khayelitsha has the largest single concentration of informal settlements in the city, and many of these settlements are located on land that is unsuitable for housing as a result of seasonal flooding. The community has high levels of poverty, crime, unemployment and minimal economic prospects (Ngxiza 2011). The township has a small FS and growing IS, where informal trade is concentrated around transport hubs and in residential areas. The population of approximately 900 000, is predominantly Black (99%) and Xhosa-speaking, having come from the Eastern Cape in search of work and lifestyle opportunities (Ngxiza, 2011). The unemployment rate is 38.32% (City of Cape Town, 2013a). Seventy-four percent of households have a monthly income of R3 200 or less and 45% live in formal dwellings. Educational levels are low and statistics show that only 36% of

those aged 20 years and older have completed Grade 12 or higher (City of Cape Town, 2013a).

- *Philippi*

Philippi too is located on the outskirts of Cape Town on the Cape Flats and includes the Philippi Horticultural Area. The population is 191 025, showing an increase of 71% since 2001 (City of Cape Town, 2013b). The current unemployment rate is 38,81%, with 44% of the labour force in unskilled occupations (City of Cape Town, 2013b). Philippi includes residential and industrial areas. The researcher has observed that most of the residents live in poverty with high levels of unemployment and nearly half live in squatter conditions. There is a large IS with little formal small business evident.

1.3. Rationale and significance of the study

There are many entrepreneurial business success stories that should be celebrated and researched in order to create an enabling environment for a flourishing IS and to develop sound policies around them (Centre for Development and Enterprise [CDE], 2004:70). The focus of research in the past has largely been on the challenges facing micro small businesses and not enough research has been done on those enterprises that are successful. The significance of this study is that it will address a gap in knowledge about informal micro businesses successfully run by women.

Additionally, WBOs will, through the interviews, gain a deeper insight about their enterprises and how to obtain further support. A list of small business resources that will be compiled for the WBOs could be a further source of potential contact, support and development of their businesses.

The study will also benefit the participating NGOs and government services providers by enabling them to gain further knowledge and a deeper understanding of WBOs perceptions of their services, support needs and factors that enable WBOs to successfully operate and sustain their businesses. This knowledge could possibly contribute to improved policy, enhanced small business practice and the development of context-specific micro business training. This knowledge could be integrated into the micro business support and mentorship services offered by NGOs and government.

1.4. Topic, aim and scope of the study

The topic of the study is: *Exploring factors that sustain successful women- owned informal micro businesses in the Western Cape.*

The study aims to explore factors that sustain successful women-owned informal micro businesses. The study will be conducted in the township communities of Philippi and Khayelitsha in Cape Town for reasons of accessibility, feasibility and the researcher's knowledge of these communities.

The study focuses on and explores factors of behaviour and motivation; strategies to survive economic downturns, factors that drive resilience and perseverance, and the factors of the nature of trade that enable WBOs to successfully operate informal micro businesses in these communities. The experiences of WBOs of support offered to them by family, community, NGOs, business and government are explored, as the impact of these are important to the successful operating of WBOs businesses. Given this focus of the study that developed out of the researcher's interest in the topic in these communities and the supervisory guidance, the following research objectives and questions were developed.

1.5. Research objectives

1. To explore the behavioural and motivational factors that make it possible for WBOs to make a success of their businesses
2. To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs
3. To examine the reasons why some WBOs are able to survive in global and economic downturns
4. To explore what factors drive WBOs resilience and perseverance in succeeding at business
5. To ascertain the nature of trade that makes it possible for WBOs to succeed

1.6. Research questions

1. What behavioural and motivational factors play a role in WBOs making a success of their businesses?
2. What support do family, community, government, NGOs and business provide the WBOs?
3. How is it that WBOs are still surviving despite the global and economic down turns?
4. What are the factors that drive WBOs resilience and perseverance?
5. What is it about the nature of trade that makes it possible for WBOs to succeed?

1.7. Research assumptions

1. It is assumed that behavioural and motivational factors play a significant role in WBOs success or failure.
2. There may or may not be effective support from family, community, local government and NGOs for WBOs (finance, mentorship, training).
3. Globally and nationally, the economic climate is not conducive to WBOs success and thus enterprises may or may not collapse.
4. Survivalist needs may be driving the WBOs resilience and perseverance.
5. The nature of trade makes it possible for WBOs to continue, because they are providing what the community needs, thus meeting supply and demand.

1.8. Clarification of concepts

The clarification of concepts is the process of setting out what is meant by the concepts being used in the study (Babbie & Mouton, 2001). The concepts used in the study are clarified below.

- *Small, medium and micro enterprises (SMMEs)*

In the course of examining the literature, the researcher found that there is a plethora of contested definitions and descriptions of the various categories that make up the SMME sector. This is borne out by authors such as Orford and Wood (2004:2-3). The DTI also points out the difficulties that these complexities present to researchers

(DTI, 2008:1). These definitions and descriptions will be discussed in more detail in Chapter 2 section, 2.4.

This paper used the National Small Business Act's (1996) definition of SMMEs which categorises according to number of employees. The focus of this study is women who are owners of informal micro businesses, that is, they employ fewer than five people on an informal basis and their businesses are not registered with any government institution (Orford & Wood, 2004).

- ***Informal sector (IS)***

There is limited agreement on how to define the IS in South Africa or in other developing countries and there are varying definitions depending on different contexts. The most quoted definition is the one used in the International Labour Organization's Kenya Report (1972:6) cited in Devey, Skinner and Valodia, (2006:4) in which "informal activities are defined as 'a way of doing things', characterised by 'ease of entry'; reliance on indigenous resources; family ownership of enterprises; small scale of operation; labour intensive and adapted technology; skill acquired outside of the formal school system and unregulated and competitive markets".

In South Africa, the IS can be found among local markets which are heterogeneous, have varying labour relations (informal self – employment, small scale enterprises and informal wage employment) and which are usually run from homes or street pavements, are unregulated and not registered with government institutions (Stats SA, 2004 cited in Skinner, 2006, Ligthelm, 2008:371).

- ***Formal sector (FS)***

As in most countries, in South Africa, the formal economy is responsible for the bulk of economic production. It is integrated with the global economy and includes registered, taxed and regulated businesses (Spring: 2009).

- ***Business success***

Defining informal micro-business success is complex, multidimensional, contextual and dynamic. Both financial measures (such as profit) and non-financial measures (need for autonomy and pride in the business) appear to have a significant impact on perceptions of small business success (Toledo-Lopez et al., 2012; Walker & Brown, 2004). According to Woodward et al. (2011), the longevity of a business can also be

regarded as an indicator of success; with businesses, over time, appearing to have more income and sales.

- ***Resilience***

Resilience is complex, multidimensional and dynamic in nature. In people, resilience refers to the ability to “bounce back” after challenging circumstances (Southwick & Chareney, 2012). The concept of resilience is closely related with the capability and ability of an element to return to a stable state after a disruption (Bhamra, Dani & Burnard, 2011). The American Psychological Association defines it as a “process of adapting well in the face of adversity, trauma, tragedy and even significant sources of stress – such as family, business and problems” (Southwick & Chareney, 2012:7). Small businesses are able to be resilient by adapting to personal and economic challenges through their own activities and resources (Bhamra, Dani & Burnard, 2011).

- ***Behavioural and motivational factors***

The behavioural factors are multi-faceted, incorporating inter-related personality and behavioural traits or characteristics that make up a successful WBO profile. These behaviours characteristics are linked to a sense of identity, extraversion, optimism and assertiveness, work together to enhance the performance and attitude of entrepreneurs (Farrington, 2012a).

Motivational factors are factors that either pull or push WBOs into informal micro-businesses. The push factor appears to have a more negative influence in the necessity to operate a business due to financial need and responsibilities. The pull factor is to possibly seek job satisfaction, a sense of creativity, financial independence and autonomy and appears to have more of a positive influence in starting and operating a business (Walker & Brown, 2004).

1.9. Reflexivity

This research study will hopefully be of value both to the participants and to the researcher, as well as the NGO support service organisations, in understanding how women-owned informal micro businesses can be successful in the areas studied. The researcher, although inexperienced in research, in time overcame this challenge through the study process, preparation, self-evaluation and feedback with the

guidance of the supervisor. The researcher would have to be aware of personal biases, as this could have an affect on participants' responses and the assessment of them. The researcher knows the community of Khayelitsha well and is partially known in Philippi. This could assist in acceptance by the participants while doing the research. The researcher passion for this study could have a positive impact on research participants.

1.10. Structure of the report

The structure of the study report is as follows:

- Chapter One is the Introductory chapter
- Chapter Two discusses the literature review
- Chapter Three deals with the methodology and research design
- Chapter Four presents and discusses the findings of the study.
- Chapter Five presents the conclusions and main recommendations of the study.

1.11. Summary

The reader has been presented with an introductory overview of this study (background to the study, rationale and significance; topic, aim and scope; research objectives, main assumptions, clarification of concepts and reflexivity). The following chapter will present the literature review which will conceptually frame the study.

CHAPTER TWO - LITERATURE REVIEW

2. Introduction

A wide variety of resources were utilised to inform the theoretical framework of the study, including academic journals, books, government legislation, web pages and articles. Previous research studies and reports were also drawn upon. This chapter presents a review of the literature consulted, that pertains to the research topic and the study objectives. Furthermore, this chapter discusses the South African context of the IS; the theoretical models/frameworks that underpin the study; government policy and legislative context; governing bodies and institutions; the small business context; women in informal micro businesses; business success; behavioural and motivational factors; factors of resilience; economic coping strategies; the nature of trade; and the support context for micro small businesses.

2.1. The global and South African context of the informal sector

Within a global economy, during economic downturns, jobs and livelihoods are adversely affected as there is a decline in aggregate demand leading to job losses and sharp drops in spending by businesses and households (Seguino, 2009). According to Midgley, (1997) the informal micro businesses are often hardest hit by such changes as they have the least social and economic protection from government, which does not take the problems of recession and changing realities of the businesses into consideration.

In Sub-Saharan Africa, the IS constitutes a major area of economic activity for women. According to Valodia (2010) Neve and Du Toit (2012) the IS in South Africa is small due to a monopolistic, powerful FS linked to the legacy of Apartheid which specifically inhibited trade by Africans. In South Africa, the IS accounts for 22% of the total aggregate employment (Provincial Government of the Western Cape [PGWC], 2007b, Valodia, 2010). This is in contrast to other developing countries where the informal employment represents half of the total non- agricultural employment ranging from 72% in Sub Saharan Africa to 48% in North Africa (Valodia, 2010). In Ghana, nearly 90% of the labour force comes from the IS (African Union 2008 cited in Sparks & Barnett, 2010). Outside Africa, India has a

large unregulated IS especially in agriculture, creating 90% of employment and contributes to half of its Gross Domestic Product (GDP) (Chen & Vanek, 2013).

Osirim (2009:27) states that the “second economy” (IS) is the people’s response to the state’s incapacity to satisfy the basic needs of the impoverished masses and they have established their own organizations and rules to navigate around institutional barriers created by the state”. In the IS, there is a diversity of economic activities and forms of employment (Valodia et al., 2007).

South Africa’s formal business sector cannot absorb the rising number of entrants into the labour market every year (Woodward et al., 2011). Many South Africans, both male and female, turn to the IS to generate a sustainable economic livelihood. One of the reasons the IS dominates trade in poor areas of South Africa is the legacy of ‘dormitory towns’ typified as isolated and under-serviced poor townships outside major cities. Furthermore, the lack of formal retail in the townships and rural areas under apartheid led to business opportunities developing in the IS (Woodward et al., 2011:68).

2.2. Theoretical models

The study will look at various social development theories and approaches as frameworks to assess and evaluate the study. These theories and approaches include social inclusion/ exclusion theory, Sen.’s capabilities theory and social capital theory.

- ***Social exclusion/inclusion theory***

Byrne 1999, citing Madanipour et al. (1998) in Haralambos and Holborn (2007:228) states: “Social exclusion is defined as a multi-dimensional process in which various forms of exclusion are combined: participation in decision-making and political processes, access to employment and material resources and integration into common cultural processes”. Social exclusion theory states that poverty needs to be addressed because it leads to cycles of deprivation in communities and families, which are passed down through generations and reinforces social exclusion (Haralambos & Holborn, 2007:229). Employment and income enables people to avoid these cycles of deprivation and the negative impacts on health and education. Income further provides people with the resources and social networks to avoid other forms of exclusion (Haralambos & Holborn, 2007).

The WBOs experience various forms of exclusion that include gender, social and economic exclusion and some of these are barriers such as lack skill, start up capital and institutional support (Maas & Herrington, 2006).

For women, the exclusion from education and opportunities to learn is a root cause of ongoing poverty and social exclusion. Without necessary capabilities such as skills and experience, there is minimal possibility of the women entering the job market and gaining employment. (Haralambos & Holborn, 2007). From a policy perspective that focuses on social inclusion, Taylor (2011) states that policy transformation aims to ensure various inclusion such as economic inclusion of the poorest by ensuring access to human rights. Such a transformative policy should focus on reducing inequities such as lack of adequate education, through changes in policies, budgetary allocations, and redistributive measures (Taylor, 2011).

The social inclusion theory allows the researcher to explore and analyse the circumstances and levels of inclusion/exclusion experienced by the WBOs that positively or negatively influence the successful operations of their businesses.

- ***The capability approach***

In Sen's (1999) capability approach, he takes a holistic and inclusive perspective to development. According to him, people need to have access to the capabilities/freedoms that are the means of obtaining the lifestyles they choose to live and which they value. Sen (1999) sees development as a process of expanding real freedoms (opportunities) that people enjoy.

Sen (1999) cited in Kanbur and Squire (2001: 197) state that capabilities are defined as the substantive freedoms/opportunities/means that enable people to do or be (for example, to create income, to operate successful businesses) that enable them to enjoy the kind of life they have reason to value, such as good social functioning, employment and better education. Furthermore, Sen (1999) refers to what people aspire to or value as functionings – these are the choices that a person makes/has in daily life that reflect what that person hopes to do and to be (Sen, 1999 cited in Robeyns, 2005).

For the WBOs to achieve their desired social and economic lifestyles they value (functionings/doings/beings), such as confidence in themselves, a successful business

or transference of their skills, they need the availability of capabilities or opportunities as a means to achieve them (Sen, 1999; Robeyns, 2005). Central to this approach and for the WBOs, living the lifestyle they want will depend on how well the WBOs are able to function with the availability of a multiplicity of capabilities/freedoms offered to them, such as economic inclusion, small business support, effective small business policy or start up capital to achieve their valued lifestyles (Robeyns, 2005).

Sen (1999:2) states that development requires the removal of major sources of unfreedoms: poverty and poor economic opportunities. For the WBOs, when capabilities or freedoms are lacking, then, as Sen (1999) suggests, unfreedoms result. The capability barriers can be devastating: some, such as the lack of financial resources, poor government and business support, policy failure and economic protection can result in the WBOs failing in their endeavours and entrenching them in the poverty trap. The poverty trap is essentially various systems of entrapment (lack of income, poor health, vulnerability) that render the poor powerless and traps them into generations of poverty (Chambers, 1983).

From a policy perspective, “the capability approach is a broad normative framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies, and proposals about social change in society” (Robeyns, 2005:93). This approach will give the researcher a valuable lens to assess WBOs capabilities and barriers to capabilities that are, in turn, barriers to their success. Furthermore, it will act as a lens to see what policy deficits there are and what needs to be in place for the enhancement of gender inclusion and the social and economic development of WBOs.

- ***Social capital theory***

The term “social capital” can be of some value in the analysis of economic development. According to Collier (1998) cited in Meier (2001:29) “social capital is characterized as the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded”. In small business, social capital entails the actual and potential resources accessible through an entrepreneur’s networks and relationships (Nahapiet & Ghoshal, 1998 cited in Stam, Arzlanian & Elfring, 2014:154). The belief is that the

investment in social relations generates goodwill to individuals or groups that can be mobilised to achieve goals (Adler & Kwon, 2002 cited in Stam, Arzlanian & Elfring, 2014:154).

It can be argued that for WBOs to be successful, they need networks of support whether it be family, community or business networks. In small business and in the IS, social capital and networks of collective action for mutual business benefit are key for small business functioning in a competitive market. WBOs use their social capital through their networks mainly by establishing or operating *stokvels* (savings clubs) in their communities whereby people join together to save money collectively and help each other to meet credit needs (Osirim, 2009:196). Other networks are through church groups and local political organisations.

By tapping into social capital through networks of resources which exist outside of their business and which represent a wealth of knowledge, experience and privileged access to various needed resources, informal micro businesses are able to further grow their businesses resulting in mutual benefit (Anderson & Jack, 2002).

The social capital theory can act as a useful lens to study the WBOs and their businesses to gain deeper insights into the experiences they face and how they use social capital to their advantage in operating successful businesses. Furthermore, Nahapiet and Ghoshal (1998) cited in Anderson and Jack (2002) state that social capital is also a resource for social action to bring about change. In the context of this study, this perspective is valuable for ascertaining the levels of social action among the WBOs.

2.3. Government policy and legislative context

It is important to understand the legislative context and how government policies, legislation and strategies frameworks influence the social and economic impact of informal micro businesses in the two contexts under study. This section will highlight some of these policies, strategies and key government agencies supporting the informal micro small businesses sector.

The policy framework to provide an enabling environment for small business development is detailed in the White Paper on the Development and Promotion of

Small Business in South Africa (1995), establishing partnerships between government and other role players, such as the corporate sector, private financing institutions, NGOs and organised business, and integrating the support provided by various government departments and institutions (DTI, 2008). An outline of the legislation and strategy framework is given in the following table.

2.3.1. Policy and legislation framework

Table 1: Policy and legislation framework

Act/Policy/ Strategy	Main Objectives
National Small Business Act (Act No. 102 of 1996).	Creates support institutions within the DTI for finance, labour and taxation policy (DTI 2008).
National Small Business Amendment Bill (2003).	Regulates SMMEs and promotes economic and social development and gender inclusion (DTI 2008).
The South African Strategic Framework on Gender and Women's Economic empowerment 2006.	Facilitate women's equal access to economic and productive resources by strengthening their capacity and networks and abilities to benefit from policies and programmes. Work towards gender parity in all industries and enterprises (DTI, 2007).
Integrated Small Business Development Strategy for 2005 to 2014.	The strategy aims to increase financial and non-financial support and create demand for SMMEs/product services. Reducing regulatory constraints (DTI 2008).
Western Cape Micro- economic Development strategy 2007/2008.	Aims to grow and share the economy by greater spatial integrations through sustainable economic growth and sustainable employment opportunities (Western Cape Government, 2008).
City of Cape Town, Informal Trading Policy and Management Framework (2004).	A well managed IS trading sector that is fully integrated into the economic, spatial and social development of the city. Provides appropriate infrastructural support and entrepreneurial development services (City of Cape Town, 2003).

(Sources: DTI, 2007; DTI, 2008: City of Cape Town, 2003 & Western Cape Government 2008).

Although the legislation and policy framework are in place to support and grow the SMME sector, it appears that there is a gap between policy and practice. Monkman (2003:1) states that there are gaps between business needs and types of services offered, low usage of DTI agencies, red tape and a bias towards supporting small and medium enterprises rather than the micro enterprise sector (Monkman, 2003:1 cited

in Ligthelm, 2008:368). Ensuring “effective policy implementation on the part of government is critical, since creating an environment that is conducive to the flourishing of women in business, to the eradication of poverty and to gender inclusion lies at the heart of transformational policy-making in South Africa” (Chiloane & Mayhew, 2010:2591).

2.3.2. Governing bodies and institutions

The DTI co-ordinates the implementation of the government’s strategy to support SMMEs. The aim is to provide a platform for all levels of government at national, provincial and local levels to align their policies and support for SMMEs (DTI, 2008). The DTI also designs policies and programmes and establishes necessary agencies, as well as partnerships with NGOs and the business sector institutions, which are mandated to deliver a wide range of key services to small enterprises, including both financial and non-financial support services (DTI, 2008). Among these agencies is the Small Enterprise Development Agency (SEDA), whose mandate is to design and implement a delivery network that supports small enterprises throughout South Africa (DTI 2008). The agencies also develop products and services to assist small, micro and co-operative enterprises (Christiansen, 2008).

2.4. The small business context

As mentioned in Chapter 1, section 1.8, great difficulty has been experienced in describing the entities/classifications that make up the SMME sector. Orford and Wood (2004) provide a succinct summary of these:

Firstly, they point out that the official system of classifying small businesses uses the criterion of the number of employees, with small enterprises having fewer than 50 and medium employing 50-249 people. A second set of distinctions comprises: “*survivalist businesses* (no employees; low turnover and not registered); *micro businesses* (less than five employees and are registered); *very small businesses* (less than ten employees and are registered) and *small businesses* (less than 50 employees and registered)” (Orford & Wood, 2004:2). Thirdly, there are an additional three sets of distinctions that are used: the distinction between formal and informal businesses; the distinction between necessity and opportunity motivated businesses and the distinction between the stage of development of a business (Orford & Wood, 2004).

For the purpose of this study the research sample focuses on informal micro businesses owned by women (WBOs). According to SEDA, “informal micro businesses are defined as unregistered businesses not registered for VAT and employing less than four people” (Provincial Government of the Western Cape [PGWC], 2007:9). Most of the informal micro businesses fall into this description (their turnover being below the compulsory VAT registration limit) but other entities may be larger. They include *spaza* shops, mini bus taxis and home industries. *Spazas* are “small retail businesses which operate from a residential stand or home” (Ligthelm, 2005:199). Many informal enterprises operate intermittently, depending on the economic needs of their owners (PGWC, 2007).

Despite South Africa having an open market and SMME policies in place there are still concerns. Government and its partners (NGOs and business) lack the political will to make this sector grow significantly, which would result in social development impact in the form of job creation, poverty alleviation and economic growth (Clover & Darroch, 2005; Haasje, 2006). Furthermore, it has proved difficult to integrate marginalized individuals and IS enterprise (the second economy) into the formal or first economy (Turton & Herrington, 2012).

It appears that most SMMEs are micro and survival enterprises and are located in the IS, with little potential for growth or employment creation (Turton & Herrington, 2012). However, research by Liedholm (2002), Mensah et al. (2007), Rena (2009) and Toledo et al. (2010) cited in Toledo-López et al. (2012:1658) shows that, “research in emerging economies finds that subsistence businesses not only offer a standard of living and income opportunities for many families but also provide employment to their peers at the base of the pyramid and contribute significantly to national economic growth”. Social development aims to link social development with economic development and this continues to be a challenge for the South African government.

2.5. Women in informal micro businesses

Women worldwide (South Africa being no exception) are catapulted into the IS as a means of addressing poverty/deprivation. The IS in developing countries is a context for opportunities for employment, creativity, new initiatives and self-empowerment

for women. During the global economic downturn, this sector has been growing and contributing significantly to the economy of a country (Jiyane & Zawada, 2013:48). In South Africa the majority of women-owned businesses are micro and are found in the IS (Aspaas, 1998; Daniels, 1994, 1998; Daniels, Mead & Musinga 1995 cited in Spring 2009).

Social and economic research done on the primary motivation for starting entrepreneurial businesses (GEM, 2012) show the majority of women are seen as necessity-motivated business owners and as being pushed into entrepreneurship by factors such as unemployment and poverty. Opportunity-motivated entrepreneurs, on the other hand, can be seen as being pulled into entrepreneurship by the prospects of opportunity for business and growth (Kelley et al., 2013).

In South Africa, women face various barriers to economic and social inclusion. Nieman, Hough and Nieuwenhuizen (2003) cited in Maas and Herrington (2006), found that in addition to a general lack of support, women are confronted with barriers resulting from negative socio-cultural views and gender discrimination. These barriers also include a lack of institutional support, start-up capital, and the banks' negative attitudes towards funds for small businesses. Furthermore, women find financial institutions critical of their business plans without giving necessary guidance (Nieman et al., (2003), Sokabo (2002) cited in Maas & Herrington (2006).

Kebede (2002) has shown that “one in three small businesses survive their third anniversary and the likelihood of survival of informal micro businesses operated by women entrepreneurs is closely associated with the degree of support given to women in terms of access to finance, improved skills and an enabling macroeconomic environment” (Kebede 2002 cited in Bekele & Worku, 2008:4). Needless to say, unregistered small businesses are not likely to get financial support from banks or from government.

A study in Ghana found that although other factors, such as professional development and social networking contributed partially to women-owned small scale enterprises' survival, their ability to innovate, through taking risks, product development and creative marketing, stands out as the most significant factor that influences the success of their businesses (Chea, 2008).

2.6. Business success

The research studies on business success seem to confirm that the longevity of business operation is but one variable and that both financial and non-financial measures may define success.

One economic indicator for business success could be how long a business has been operating in the informal sector. If a business has been in operation for five years, then the business would possibly have more income and sales (Woodward et al., 2011). According to Ligthelm (2005) the age of a micro enterprise reflects its market experience and affects its ability to grow to the next business size. Thus, passing the first five years appears to be crucial. Another study of small retail establishments found that eighty percent failed within the first five years of operation (Strydom, 2005 cited in Woodward et al., 2011).

Studies done in Zimbabwe (Osirim, 2009) and Uganda (Kitakule & Snyder, 2011) on women-owned micro small businesses (WBOs) in the IS show that the participants defined success according to both financial and non-financial measures. Although the businesses' economic performance was important, the women in Zimbabwe did not define success solely in financial terms; they also valued their children's education and their own professional development (Osirim, 2009:174). Toledo-López et al. (2012) and Walker and Brown (2004) confirm these findings and add that non-financial measures have in some instances been a more significant impact on entrepreneurs' perception of success than financial measures. Achieving financial success for WBOs businesses enables them to make contributions to their families and in turn, to the expansion of human capital in their communities, as well as to local and national development (Osirim, 2009).

A factor that enables WBOs to continue to operate their successful businesses despite ongoing threats is their attitude and confidence in themselves and their aspirations for their businesses in the future. The Zimbabwean study (Osirim, 2009) and the Israeli-Palestinian study (Strier & Abdeen, 2009) showed that WBOs do not simply view their enterprises as survivalist but are highly confident about their abilities and have aspirations to grow their businesses into bigger ventures, formalizing them or even starting second businesses.

2.7. Behavioural and motivational factors

A research study by Farrington (2012a:382) investigates whether a relationship exists between the possession of certain personality and behavioural traits and small business success. Business owners who have high levels of the personality traits of extraversion, optimism, conscientiousness, and openness to experience are more likely to have successful small businesses (Farrington, 2012a). Openness to experience (inventive, creative and reflective), was demonstrated to be of specific importance, being shown to indicate entrepreneurial personality, have the strongest influence on success, and was found to be the only trait showing a positive influence on both financial and growth performance of the business (Farrington, 2012a).

Identity and a sense of self appear to be important as factors in successful personality traits. The Academy of Management Review by Cardon et al. (2009) cited in Kauanui et al. (2010) suggests a person's work, especially for entrepreneurs, can be deeply connected to their identity, sense of self, and sense of meaning and purpose.

In Ugandan and Zimbabwean studies, WBOs were able to be successful through their work ethic. The women work long business hours in addition to household commitments and are committed to their business growth (Kitakule & Snyder, 2011; Osirim, 2009).

Kitakule and Snyder's (2011) Ugandan study found that human capital is related to certain behavioural characteristics which appear to accompany economic success, namely, energy, self confidence, entrepreneurial aggression, adaptability to changing conditions, creativity, courage to take risks and the ambition to be successful. These authors Kitakule and Snyder (2011:11) use the term "personal autonomy to refer to independent decision-making and economic independence, bringing forth an idea or a vision and carrying it through to completion all of which appear vital to business maintenance and success". Informal micro businesswomen in the study valued and protected their independence and economic autonomy strongly.

The importance of self-empowerment through the acquisition of knowledge and learning, and the ability to change are among the most important qualities of WBOs. Unger et al. (2009:25) state that "business owners are proactive agents of their own learning". Openness to learning is a key characteristic allowing them to evaluate, learn from past success and decisions, and look ahead anticipating new development

and developing new skills to overcome barriers. In developing countries, it appears that self-directed learning is important for WBOs' success (Unger et al., 2009:26). A research study exploring small business success by CDE (2004) indicates that the best empowerment for business success is self-empowerment.

The motivation for people to go into business ownership is varied and includes financial and non-financial factors such as personal satisfaction, independence and flexibility. The expression of being either 'pulled' or 'pushed' into starting a business has been used extensively in the literature (Brodie & Stanworth, 1998; Buttner & Moore, 1997; Gray, 1994; Hamilton, 1987 cited in Walker & Brown, 2004: 578). A 'pull' motivation is associated with the individual having a reasonably strong positive internal desire to start a business venture. The opposite motivation is 'push', which is associated with a possible equally strong desire, but based on external negative reasons such as unemployment or debt. A number of 'pull' motivation factors are identified including: personal freedom, independence, flexibility and job satisfaction (Walker & Brown, 2004). Farrington (2012b) states that job satisfaction or career satisfaction is closely connected to personality traits and can act as a pull motivation to initiate a businesses. Authors such as Walker and Brown (2004) and Strier and Abdeen (2009) stated that greater job satisfaction is a motivational factor in starting and operating a small business.

Walker and Brown's (2004) study on motivation and starting small business showed that small business owners use both non-financial and financial criteria for entering business, but that non-financial criteria appeared to be more important such as improved education for their children and better housing. In contrast, Kitakule and Snyder (2011) found that women might initially be 'pushed' into starting a micro business to create income and to educate their children, but as the business becomes challenging, they develop a "pull" motivation to be successfully self-employed, be innovative and grow their businesses.

The Israeli-Palestinian study by Strier and Abdeen, (2009) indicated that 23 out of 30 Palestinian WBOs participating in micro enterprise were motivated by a 'pull' factor as a part of a process of personal collective upliftment by creating opportunities to expand their networks and to contribute to the economic and social development of women and their country by creating jobs and skills transfers.

2.8. Factors of resilience

- *Resilient mindset*

In Chapter 1, section 1.8 the concept of resilience was clarified. The WBO is subject to many challenges, such as violent contexts, family crises, crime and economic downturns that affect her livelihood and business. To deal with these situations and crises WBOs use coping strategies to remain resilient and continue to grow their businesses. Kitching et al. (2009b) cited in Bhamra, Dani and Burnard (2011) share that small businesses are able to be resilient by adapting to economic challenge through their own activities. This will however, depend upon their capability and resource availability (Bhamra, Dani & Burnard, 2011).

In viewing small businesses from a systems approach, Fiksel (2003:5333), in his study on designing resilient, sustainable systems, identified four major system characteristics that contribute to resilience: “diversity (the existence of multiple forms and behaviour), efficiency (performance with modest resource consumption), adaptability (the flexibility to change in response to new pressure) and cohesion (the existence of unifying relationships and linkages between two system variables and elements)”. According to Keong and Mei (2010) cited in Bhamra, Dani and Burnard (2011) the business cannot be separated from the people operating it and hence further traits for resilience appear to be flexibility, motivation, perseverance and optimism.

In post-apartheid South African society, the notion of continuous trauma within violent (usually low-income) communities has evolved (Kaminer & Eagle, 2010). This phenomenon has not been fully studied, but Guterman, Cameron and Staller, (2000) cited in Jenkins (2013:30) state that “consistent with current practice, community violence is defined as aggression that occurs outside the home among non-family members; it may, and often does, involve known others and even family members as victim or perpetrators”.

The exposure to ongoing community violence and crime was shown to have physical, psychological and social effects on women; including depression, anxiety, isolation and alcoholism (Jenkins, 2013). Women in business living in these environments have adopted resilient behaviours over time to protect their businesses and make sense of the loss associated with the violence. They use strategies such as prayer, community safety and support groups, and the blocking of traumatic events by using

drugs or alcohol (Jenkins, 2013). Furthermore, the women spend a great deal of energy keeping their families safe from crime and violence (Jenkins, 2013).

- ***Spirituality in the work place***

Spirituality appears to be a factor that enhances resilience in the work place. Definitions of spirituality can be diverse and controversial, ranging from worship and quiet meditation to supernatural activity (O’Grady, 2010). According to O’Grady (2010), spirituality is a personal experience and represents a transcendent movement for the person or the society experiencing it. Recent studies on spirituality and the workplace have highlighted that the business owners and employees seek divine guidance through a higher power, have a sense of calling and appear to receive divine guidance in managing and operating their businesses. Their spirituality appears to assist them in overcoming various personal and business challenges, enabling them to persevere despite the circumstances (O’Grady, 2010). Porras, Emery and Thompson (2007) cited in Kauanui et al. (2010), in a study on motivation and spirituality in small business, found that financial prosperity and recognition were by-products of meaningful work rather than outcomes linked to spirituality, although meaningful work could be an outflow of one’s spirituality.

2.9. Economic downturns and successful coping strategies

During economic downturns WBOs have to use various inter-connected business coping strategies.

- ***Adaptive strategies***

WBOs have to find creative and diverse strategies to cushion the worst effects of these economic challenges. Research studies in Zimbabwe and Uganda on WBOs indicate that they are adaptive, flexible and innovative when faced with economic downturns and challenges (Osirim, 2009; Kitakule & Snyder 2011). They are attuned to market needs and diversify business, are opportunistic and innovative, take calculated risks, and continue in their businesses despite competition. The entrepreneurial innovations of the women in this study have been a major factor that influenced their survival (Osirim, 2009; Kitakule & Snyder 2011).

According to Drucker (1994:17 cited in Chea, 2008:130), “innovation is a specific instrument of entrepreneurs, the means by which they exploit change as an

opportunity for a different business or a different service.” The successful innovation procedures can be learned and practiced to grow businesses.

- ***Location and business venues***

The factors of business location and venue are important and appear to enable small businesses to operate successfully in economic downturns. World Bank (2007) affirms this in a micro enterprise survey study that stated that business owners were concerned about infrastructure, premises and electrification needs rather than regulations and institutional support (World Bank, 2007).

Research studies on small business success and sales in Uganda and Zimbabwe, Langa (in Cape Town) and in the wider IS in South Africa found that location and accessibility are critical in determining viability and increased sales, especially around population clusters and traffic areas. Locations on streets however had challenges such as being vulnerable to the weather, crime, spoilage and unhygienic conditions (Kitakule & Snyder 2011; Osirim 2009; Kristiansen, 2009; Woodward et., 2011).

A micro business survey study in Durban (Skinner, 2006) reported that rather than business rental cost, a high percentage of need for adequate business space and premises, mainly those working in the clothing, craft and metal work sectors was shared. The findings “indicated the importance of developing and providing appropriately designed incubator spaces in areas where people were working” (Skinner, 2006:137). However, this need was not as evident for shebeens, *spaza* shops and hairdressing salons as they tend to use residential premises to operate their businesses (Skinner, 2006).

- ***Social capital through networks and support***

WBOs find it difficult to source finance through commercial banks or NGOs, so they revert to informal associations or their networks with other women, particularly during difficult economic periods (Osirim, 2009).

Social capital and women’s social networks provide an environment of generalised reciprocity, which facilitate social or economic interactions, coordination, exchange of information, sharing of contracts, financial aid, mentoring, product development and employment of women with necessary skills to complement their businesses (Osirim, 2009; Rutashobya, Allan & Nilsson 2009). Social networks foster social

trust and psycho-social support (social capital). Furthermore, social networks also enable women to advertise their quality of work (Osirim, 2009). According to Anderson and Jack (2002) social capital is a process, creating a condition of effective exchange of information and resources.

In South Africa the most common social networks are known as *stokvels*. These are savings clubs where everyone pools an agreed amount at regular intervals and the pooled amount is given to each member on a rotation basis. The *stokvels* in South Africa and rotating credit schemes in Zimbabwe are useful mechanisms for coping with the strains of economic downturns (Osirim, 2009; Woodward et al., 2011). They do not only sustain businesses financially but also contribute to national development through the expansion of human capital (Osirim, 2009).

- ***Financial and managerial skills***

The management of the business is key to successful business operations. The level of managerial skill and business knowledge are among the most important indicators of how well the WBO can perform important tasks related to the functioning of her business.

A study in South Africa on the relationship between financial management, business knowledge and success in informal micro business (PGWC, 2007) reported that ninety percent of the participants indicated that business failed due to the lack of management skills, or stated that they needed skills training including financial skills and record keeping. Seventy percent of respondents whose businesses failed in the first year of operation blamed the lack of finances. Bekele and Worku (2008) in their study on small businesses and financial management found that ability of small businesses to be able to convert their profit back into savings/ investment was crucial to small business success and for the possibility of future expansion.

The study by Radipere and Schers (2005) indicated the lack of financial skills as a significant contribution to micro-business failure and that the NGO, business and government sectors need to focus on building the capacity of small business owners in financial, management and marketing skills. Studies of WBOs in Zimbabwe and Uganda show that they have a savings mentality and are good managers, keeping their earnings in separate accounts from those of their family members and knowing the difference between capital and profit (Osirim, 2009; Kitakule & Snyder, 2011).

2.10. The nature of trade that makes for successful small business

The market environment, which determines the nature of trade, refers to all the physical and social characteristics of the consumer's external world, including products, stores, location of stores and the social behaviour of people (Peter & Olson, 2005). The environment can influence the consumer's responses and behaviour in deciding and accomplishing their shopping goals. Hence, product marketing, location and customer relations are important for trade. "The small business owner relates to their consumers at the micro social environment level [with personal contact], which can have strong influences on a customer's knowledge and feelings about products, stores and their choices of purchase" (Peter & Olson, 2005:266). The research study on micro small business women in Zimbabwe shows that they understand the micro market environment and their customers' demands, and responded accordingly with the selection and timing of products sold. The micro small business women were reflective decision makers who took well-informed risks in operating their market stalls, diversifying production according to season and profitability (Osirim, 2009).

Customer prioritization nurtures customer relationship characteristics (customer satisfaction, loyalty purchasing potential) at the micro levels, although this is carried out differently in different contexts (PGWC, 2007; Osirim, 2009). Customer care is an important factor in trading in the IS. The Zimbabwean WBOs show that customer care and service is key to operating and sustaining a micro small business (Osirim, 2009). In the Masiphumelele survey, micro small business owners have heightened knowledge and understanding of customer care at the micro market level (PGWC, 2007).

Due to unemployment and financial need, the IS has vast numbers of similar retail and service businesses operating, thus creating a saturated market with high levels of competition and with only the most successful, innovative and opportunistic micro business owners being able to be more than survivalist operators (PGWC, 2007). This attitude to competition – seeing the threat as an opportunity to learn, partner or become more innovative and strategic in operating successful businesses – is a key factor that enables the business to survive (Osirim, 2009).

2.11. The support context for small businesses

- ***Family and community support***

Support from family and community as a factor for business success varies depending on contexts. A research study in Kenya on the support by family shows that family members were the least likely to support the WBOs in operating their business. Only 29% of staff employed by WBOs were family members. The majority had more support from their employees in managing the business. Most WBOs did not discuss their business with family members due to mistrust and the fear of financial withdrawal if they knew how well the business was doing. Friends were seen to give emotional support rather than family members (Ohutso Imbaya, 2012). According to Spring, (2009) financial support from husbands varied and with an increase in income, often reduced husbands contributions.

In an Israeli-Palestinian comparative study on women in micro small business, responses showed differences in both family and social environmental attitudes. While the Israeli WBOs experienced more negative feedback, such as jealousy, threats and isolation, their Palestinian counterparts had vast extended unemployed families who provided necessary support and involvement in their businesses (Strier & Abdeen, 2009).

- ***Support by NGOs and business***

Financial support and business training are important factors in the success and growth of small and micro businesses. Technical support, training, and entrepreneurial development are offered by both NGOs and the business sector.

There are a number of NGOs in South Africa (Cape Town) that render small business development support services to micro small businesses. Provincial and local government are funding, and have outsourced their services to, NGO partners at the micro level. Such NGOs in the Western Cape are the Philippi and Khayelitsha Business Places. These centres are hubs for further state agencies and NGOs to render support services to both informal and formal small business enterprises in these communities.

The WBOs experiences of support services by NGOs and the business sector is characterised by both strengths and challenges. Studies in Zimbabwe and Langa

indicate that micro enterprises are institutionally isolated. In both South Africa and Zimbabwe, although many NGOs exist to serve small business owners, very few spend much time on advertising their services. Very few women and micro business owners in the studies had knowledge of, or knew how to access, these services; instead, most of the women owners were aided with capital and supported in their enterprises by networks and associations of their own creation (Osirim, 2009; Kristiansen, 2008)

The Zimbabwean participants also gave reasons for not utilising the development services as being too busy with their businesses or households and having little time to find out about or attend courses and programmes (Osirim, 2009). South African studies by Jiyane and Zawada (2013) and Skinner (2006) confirmed these findings, together with participants' opinion that the presence of institutional support services at their place of work would be more convenient. Osirim (2009:219) suggests NGO/government community outreach workers could provide the necessary information, advice and contextual training. In addition, Jiyane and Zawada (2013:55) point out "on-the-job educational opportunities aimed at equipping informal sector women entrepreneurs should be tailored to meet both the level of education and the marital status of informal sector women entrepreneurs". There are a number of support service opportunities for government and NGOs. Where WBOs do not have access to the media or training facilities, community outreach workers could provide the necessary information, advice and contextual training.

Banking institutions are known to give small business owners credit and business loans, yet this does not apply to the WBOs. The micro small business study in Langa mentions inaccessibility due to high banking interest rates, banking costs, difficult requirements and a lack of collateral (Kristiansen, 2008).

- ***Government support services***

Government agencies aim at providing various support services, such as access to finance, markets, training for potential entrepreneurs, and empowering them to utilize business opportunities provided by government policies. However, there appears to be a lack of knowledge of government support services in communities. Research done by Finscope (2010:30) highlighted the weakness of government support for enterprise development in that 75% of respondents indicated a lack of awareness of

support services. Rogerson and Rogerson (2010) reported that 74% of small business owners were unable to name any organisation that provided help or advice to small businesses and 94% claimed never to have accessed support. Kristiansen (2008) found that the services are not well advertised and that owners hear about them by word-of-mouth or occasionally from the media. It is evident that there is a need to restructure communication at local business service centres so that information can be more widely communicated and accessed (Chiloane & Mayhew 2010). The communications of support services need to use the mother tongue and be accessible as language barriers hamper support service access (Kristiansen, 2008). Chiloane and Mayhew (2010) state that, even though government has put policy measures in place, SEDA's lack of communication structure remains a concern for small business development.

According to Chiloane and Mayhew, (2010) SEDA offers limited training in assisting small business and potential entrepreneurs to start and grow their businesses. Furthermore, support services are often located a distance from the businesses, are often costly and the red tape involved is a barrier to the business owners' participation in support services rendered (Kristiansen, 2008).

The Small Business Project (SBP), (2013) states that, although government has eased the red tape burden, 74% of small business owners' report that their businesses had become more difficult to run. The regulations and processes were complicated and costly, the red tape overwhelming, compliance onerous and they found no benefit in formalising their businesses (SBP, 2013).

The Langa study shows that non-participation in government-led small business initiatives also indicates a lack of trust in government services due to previous negative support experiences (Kristiansen, 2008). Furthermore, Skinner (2006:145) shares that the private sector, government and non-governmental agencies under-deliver to this sector, and policy and strategy research need to be considered for the future.

In the light of all of the above, there appears to be a need for policy revision and research in government support. These facts demand that the challenges facing this group be prioritized and, in the case of legislation and policies, their specific needs targeted. Policymaking should pay attention to the diversity among women in the IS

to bring entrepreneurs' characteristics into as close a possible fit with opportunities and to supply micro small businesses with the necessary support resources to overcome these challenges (Haasje, 2006). Research is needed to understand the WBOs context within the IS. Banergee and Duflo, (2011); social researchers suggest in-depth, contextual empirical research that gives a deeper contextual understanding of issues is needed to understand poverty economics in developing countries.

GEM (2006) suggests that government could find successful models for financing the lower end of the market both by providing cheaper loans and developing a low-cost and effective mentoring system (Maas & Herrington, 2006:50). Skinner (2006:145) states that business mentoring and appropriate training are critical for small business growth. Mentors should be experienced business people with the necessary skills transfer and with the backup of appropriate institutional support (Turton & Herrington, 2012).

2.12. Summary

This chapter presented the literature review that covered the theoretical models and approaches that underpin the study, the South African context of the informal sector, government policy and legislation, small business context and small businesswomen context. Furthermore, business success, behavioural and motivational factors, resilience factors, economic downturn adaptive strategies, nature of trade and institutional support services were discussed. The next chapter will highlight and discuss the research methodology.

CHAPTER THREE – RESEARCH METHODOLOGY

3. Introduction

This chapter discusses the research design, research methodology, sampling, data collection, data analysis, data verification, limitations and ethical considerations.

3.1. Research design

A qualitative, explorative design was adopted. A qualitative study focuses on the subjective realities of the participants (Babbie & Mouton, 2001). In-depth responses may be elicited resulting in a deeper understanding of the meanings that women, informal micro business owners (WBOs) give to their realities. According to Gubrium and Holstein cited in Esterberg (2002:2), “a qualitative research is the scrutiny of social phenomena and that researchers look beyond ordinary everyday ways of seeing social life and try to understand it in a novel way”.

The research can also be categorized as explorative and descriptive as the aim was to explore and describe the experiences of the participants. According to Babbie and Mouton (2001:79) “a large proportion of social research is conducted to explore a topic, or to provide basic familiarity with the topic”. It usually leads to insights rather than accurate and replicable data (Babbie & Mouton, 2001:79). The research was aimed at expanding the knowledge base regarding factors that make WBOs successful. An explorative study was well suited to this purpose, since it would enable the researcher to look into, and gain insight and understanding of their experiences.

3.2. Methodological considerations

Other methodological considerations include the population; the sampling; study participants; data collection and data analysis.

3.2.1. Research setting and population

The research was set among informal micro businesses in Philippi and Khayelitsha. The population comprised WBOs and key informants in these communities, among

them practitioners in NGOs and government agencies providing services to small businesses.

The criteria for selection of the WBOs were developed after consultation with NGO small business experts and were as follows:

- Had to be the owner of the business
- Had been in business for no less than 3 years
- Had a business turnover of more than R2 500 per month. (This turnover criterion was suggested by four NGO practitioners in small business support services in Philippi as indicating a more successful micro business in these communities.)
- Had a business located exclusively in the Philippi and Khayelitsha communities
- Had an informal micro-business with no employees or fewer than 5 employees and was a non-registered business

The key informants were selected purposefully with the researcher visiting NGOs and government offices to make contact, explain the purpose of the study and make interview appointments. The only criterion for selection of the key informants was that they had to be working in small business support services in Philippi and Khayelitsha.

3.2.2. Sampling strategy

A non-probability sample was used in the study to identify WBO participants and key informants. According to Gravetter and Forzano (2003:118) and Salkind (2000:87) cited in Strydom (2011:231), “in non-probability sampling, the odds of selecting a particular individual are not known because the researcher does not know the population size or the members of the population”.

The researcher used a combination of sampling methods, namely, purposive and snowball sampling. Purposive sampling means that the researcher uses her discretion as to who will provide “rich information” on the topic (David & Sutton, 2004:152). A snowball method was then followed to select the further participants. The snowball method is used when the target population is difficult to identify and it involves the

researcher making contact with one appropriate person from the population who is able to put the researcher in contact with other participants (David & Sutton, 2004).

A resource list of participants was sourced from small business experts at NGOs rendering services in Philippi and Khayelitsha. The initial phase of purposive sampling was to make contact with key informants in the community which allowed the researcher to later adopt a snowball technique in getting further participants. The WBO participants and key informants were followed up telephonically or in person to assess whether they matched the sample criteria; clarify the purpose of the study; gain their consent and to set up interview appointments.

After consultations with the participants, small business experts and the supervisor, it was evident that income criteria would be a sensitive issue since the sample consisted of unregistered participants who would not be willing to divulge their earnings for fear of reprisal. Thus a minimum income of R2,500 (as advised by small business experts) was agreed upon.

The contact-making phase was initially time consuming. Some of the Philippi WBO participants had participated in research studies previously and were familiar with the process. Although the criteria focused on informal micro business owners, three of the WBO participants were more survivalist owners (beaders) and one was a chicken seller. The majority fitted the criteria, with five of them having registered in the past but then soon afterwards de-registering when they felt there were no real benefits.

3.2.3. Number of study participants

Twenty-one participants constituted the sample for the study. One sub-sample consisted of 16 informal micro-business owners (eight WBOs in Philippi and eight WBOs in Khayelitsha). Five key informants, including two government small business officials and three NGO small business experts, constituted the second sub-sample set. Of these key informants, three were women and two were men. One of the business expert key informants did not meet the selection criteria as he was not working in either Khayelitsha or Philippi but was selected due to his long history and experience in small business development.

3.3. Data collection approach

Data was collected using a face-to-face in-depth interview approach. According to Babbie and Mouton (2001:249), face-to-face in-depth interviewing is a common method used in data collection where researchers interview participants to ask questions orally and record participants' answers. Face-to-face in-depth interviews (which are time consuming) were carried out with all twenty-one participants.

- ***Data collection tool***

The data was collected using a semi-structured interview schedule allowing the researcher to be guided and not dictated by the schedule (see Appendices 1, 2, 3). This open interview process allows the participants to speak for themselves rather than to answer to numerous pre-determined hypothesis-based questions (Babbie & Mouton, 2001).

- ***Data collection apparatus***

To capture the content of the interview a digital recorder was used, with the permission of the participants, to record interviews. The researcher made use of observation and notes to capture the non-verbal cues and communication of the participants.

3.4. Data analysis process

After the interviews were transcribed from the digital recorder in-depth analysis began. The transcribed interviews formed the heart of this study and have been treated as confidential material. In the transcriptions, participant names were replaced with numbers to ensure anonymity. Names, contact details and business details that would identify WBOs and key informants were omitted in the transcriptions.

Data analysis was done using an adaptation of Tesch (1990), cited in Poggenpoel (1998:343-344). The eight steps in this data analysis method were followed, identifying themes and categories, as well as sub-categories. Comparisons and contrasts were made with other studies done in this area of research.

Data were analysed using Tesch (1990) steps as follows.

- The 21 interviews were transcribed from the digital recorder.
- The transcripts were read through to gain a more holistic understanding and to orientate the researcher once more to the data.
- One transcript was selected to gain a deeper insight into the participant's "meaning", and preliminary analysis was done on this transcript.
- Using colour coding, the initial coding sought to label the text into topics and sub-topics. This process was applied to all the interviews.
- Similar topics and sub-topics were clustered together from the transcribed data and merged into a framework of themes, categories and sub-categories.
- The themes were aligned with the objectives of the study and this working framework was used as a structure for writing up the analysis.
- During the writing up process, quotes of the participants were used to illustrate themes and categories. The findings were discussed, and comparisons and contrasts made and linked to other research studies and the literature review.

3.5. Data verification

One approach to verifying the quality of qualitative research is to assess data trustworthiness as suggested by Lincoln and Guba (1985) cited in Babbie and Mouton (2001). Key criteria that are used to assess the trustworthiness of the findings are credibility, transferability, dependability and confirmability (Babbie & Mouton, 2001:276). Some strategies to attain trustworthiness include peer debriefing, prolonged engagement, persistent observation and member checks (Lincoln & Guba, 1985 cited in Schurink, Fouché & De Vos, 2011).

- ***Credibility***

Credibility is about establishing the truth value of the research, i.e. whether the researcher has established confidence in the truth of the findings as gained from the subjects, as well as confidence in the context in which the research was undertaken (De Vos, 2005). The researcher set out to establish a trusting relationship with all the participants and clarified expectations so as to limit any biased responses. Verbatim

responses were recorded. Besides careful supervision with regard to the selection of illustrative quotations, some of the actual participants were allowed to assess the accuracy of their perceptions that were recorded.

The findings of this study were compared and contrasted with work done by other authors in the field which further enhanced the credibility of the study.

- ***Transferability***

Babbie and Mouton (2011:276) state that transferability is to what extent the findings can be applied to other participants in other contexts. All of these WBOs are operating in challenging contexts and therefore these findings may have some relevance to other challenging contexts where women are running informal micro businesses. If one conducted a study in a comparable context where women were also running informal micro businesses successfully then one could assume that similar findings would emanate from that study.

- ***Dependability***

According to Babbie and Mouton (2011) a research study's dependability is tested when it is open to an inquiry; when there is evidence that if it were to be repeated with the same or similar participants (subjects) in the same (or similar) context, its findings would be similar. Despite the limited scope of this research, the depth in which key issues were explored yielded rich results and crucially in keeping with the notion of dependability the methodology was clearly recorded and set out in a manner that could be duplicated. The interview schedule is appended with all the questions that were asked.

- ***Confirmability***

Lincoln and Guba (1999) cited in Schurink, Fouché and De Vos (2011:420) state that confirmability "stresses the need to ask whether the findings of the study could be confirmed by another". Babbie and Mouton (2011) state that confirmability is the degree to which the findings are the product of the focus of the inquiry and not the views of the researcher. This is a strategy used to ensure neutrality, which is about ensuring that the findings are directly linked to what the participants said in relation to the objectives of the research, without any biases (De Vos, 2005). The confirmability of the study findings and the unbiased view of the researcher can be

further tracked through the detailed verbatim transcriptions and the unbiased selection of a range of accurate quotes. Lincoln and Guba (1985) cited in Babbie and Mouton (2011:278) state that the confirmability of the study is “ensured by an adequate trail left to ensure that the conclusions, interpretations and recommendations can be traced back to their sources and if they are supported by the research inquiry”. This study ensured that such a trail can be audited.

3.6. Limitations

There are limitations and constraints in any research study, such as the research tools, language, time and previously held assumptions. This section discusses these main limitations to this specific study.

- ***The sample size***

The size of the sample is small, thus limiting the scope of ‘transferability’. The sample does not represent all WBOs in Philippi or Khayelitsha, but focused predominantly on what appeared to be successful WBOs. However, this study could be seen as a pilot study opening up the way to further large scale studies in this area.

- ***Data collection apparatus***

Collecting data using a recording device can often act as a barrier, making participants uncomfortable and suspicious in sharing information. The researcher took time to explain the importance of capturing accurate information. The recording device does not, however, capture the non-verbal behaviour of participants. For this, the researcher took notes unobtrusively during interviews.

- ***Data collection approach and tool***

Most interviews took 90 minutes, with many interruptions. The length of the interviews could have a negative influence, as the WBO participants were very conscious of their time taken away from their trading, and key informants had tight schedules.

- ***The data analysis***

The volume of data may have been a barrier to generating all the necessary themes, sub-themes and categories, and this may have been overlooked.

- *Language*

The research was conducted in English. The researcher is not an isiXhosa speaker and this could be a limitation in participants being unable to express themselves with ease in their mother tongue. The researcher would have to take this limitation into consideration. However, when weighing up the use of a translation versus using English it became clear that with patient probing the English medium yielded relatively good data.

- *The researcher*

The researcher is a novice researcher in qualitative interview methods of data collection and this lack of experience could affect the quality of the data collection process. The well constructed interview schedules proved very helpful. Some WBOs may have had unrealistic expectations of the researcher in that they may have thought she could provide financial support. These issues had to be sensitively negotiated and taken into consideration in the initial contacting phase. The backgrounds of the WBOs were sometimes traumatic and the researcher had to ensure that she dealt with her emotions so as not to impact on the study. According to Kleinman (1991), the emotional experience of the researcher in the study is important and if a researcher does not pay attention to his/her emotions it could bias the outcome (Kleinman, 1991 cited in Esterberg, 2002:72).

- *Research venue*

The interviews often took place at the WBO participants' business premises, with noise and constant interruptions from customers or employees. The researcher had to be accommodating and adaptive to this reality.

3.7. Ethical considerations

'Ethical' is defined in the Webster New Worlds Dictionary as "conforming to the standards of conduct of a given profession or group" (Babbie & Mouton, 2001:520). Neuman (1994:428) states that "ethics define what is or is not legitimate to do, or what 'moral' research procedure involves". The following considerations were taken into account:

- ***Informed consent***

Participation in studies is sought through informed consent in the form of a written consent letter giving the purpose of the study, interview process and often pertinent details. After reading it and seeking clarification, the participants may sign this letter of consent. This procedure was followed in the study and all participants consent obtained. (See Appendix 5: Letter of informed consent).

- ***Voluntary participation***

Participants are made aware that they are voluntarily participating in the interview process, that there is no remuneration for participation and that they may withdraw from the process at any time (Babbie & Mouton, 2001). In this study this was made very clear to all the participants.

- ***No harm to participants***

Social research has the potential to do psychological harm to participants due to the nature of issues shared by the participants that are personal and sensitive psychologically. In social research participants often share vulnerable and personal information that may be unknown to peers or family. According to Neuman (1994:431), it is unethical to cause discomfort, and researchers need be aware of the possible harm to participants' self esteem and feelings. In this study the researcher needed to be aware of this and be sensitive in this regard.

- ***Confidentiality***

All the information shared by participants in this research study – the interviews and documentation – were kept confidential. There are numerous techniques to ensure that this occurs. The names and addresses of participants were omitted from all interviews and replaced with identity numbers. Participants were made aware from the outset that all information would remain confidential.

- ***The release of findings***

Participants were made aware that findings of the research would be presented in an academic document and could be published in academic journals in the future. The researcher will provide documents of the findings to the participating organizations and participants.

3.8. Summary

This chapter has discussed the research methodology and design of the study including the sampling, data collection, data analysis, data verification, limitations and ethical considerations of the study. The following chapter will discuss the research findings.

CHAPTER 4: PRESENTATION AND DISCUSSION OF FINDINGS

4. Introduction

The aim of this research study was to explore factors that sustain successful informal micro-businesses owned by women. This chapter presents profiles of the sample groups (WBOs and key informants), the framework table for discussing the findings and a discussion of these findings based on the logical sequence outlined in the table. A critical commentary of findings is presented by linking these findings to the literature discussed in Chapter Two.

4.1. Profiles of participants in the study

The profiles of the WBOs and key informants interviewed in the study will be discussed and are represented by the two tables listed below.

4.1.1. Profile of women business owners (WBOs)

The profiles of women participants interviewed are represented in Table 2 and briefly discussed afterwards.

Table 2: Profile of women business owners

No.	Business Type	Area	Home language	Age	Years in business	Age business started	Occupation before starting a business	Highest level of education
WBO 1	Uniforms	P	Xhosa	60's	27	39	House wife	Grade 12
WBO 2	Fast food	P	Xhosa	40's	4	37	House wife	Grade 5
WBO 3	Material/ upholstery	P	Xhosa	40's	10	38	Domestic worker	Grade 11
WBO 4	Seamstress /curtains	K	Xhosa	40's	15	30	Trainer, seamstress	Grade 12
WBO 5	Chickens	P	Xhosa	50's	4	48	Cashier	Grade 11
WBO 6	<i>Spaza</i>	K	Xhosa	60's	16	16	Domestic worker	Grade 10
WBO 7	Comforter making	P	Zulu	50's	32	20	Fashion designer	Grade 12
WBO 8	Beads	K	Xhosa	40's	16	25	House wife	Grade 5
WBO 9	<i>Spaza</i>	K	Xhosa	40's	13	36	Domestic worker	Grade 10
WBO 10	Beads	K	Xhosa	60's	14	47	Sold food	Grade 9
WBO 11	<i>Spaza</i> / Seamstres	P	Xhosa	30's	6	25	Domestic worker	Grade 9
WBO 12	<i>Spaza</i>	K	Xhosa	20's	6	18	At school	Grade 12
WBO 13	Dress making	P	Xhosa	40's	13	27	House wife	Grade 11
WBO14	Butchery, Fast food, chickens	K	Xhosa	60's	22	30	Domestic worker	Grade 7
WBO 15	Uniforms	P	Sesotho	50's	15	34	Child care worker	Grade 12
WBO 16	<i>Spaza</i>	K	Xhosa	40's	15	25	Nanny	Grade 8

* K- Khayelitsha P- Philippi

Sixteen informal WBOs were interviewed; eight each in Khayelitsha and Philippi. The interviews took place at their business premises, homes or at NGO small business centres in their respective communities. Fourteen of the participants were Xhosa speakers, one a Sesotho and one a Zulu speaker. Eleven of the WBO participants were single parents and five were married. The majority of the participants were over the age of forty years with two under that age. The average number of years in business for WBOs was 14,25 years. Three WBOs have been in business for twenty years or more and nine between ten and twenty years. Four have been in business for between four and ten years. The highest educational level was grade 12 and the lowest level, Grade 5. Five of the participants achieved Grade 12. Despite the majority having a lower education, the participants were able to make a success of their businesses with a viable income. The lower education level is probably one of the reasons for these woman having to make a living in the IS rather than in the FS. What is interesting is the fact that that they are able to establish successful businesses and make a better living despite their lower educational levels.

The following two figures represent the types of businesses that the WBOs owned and the years they were in business.

Figure 1: Profile of business types

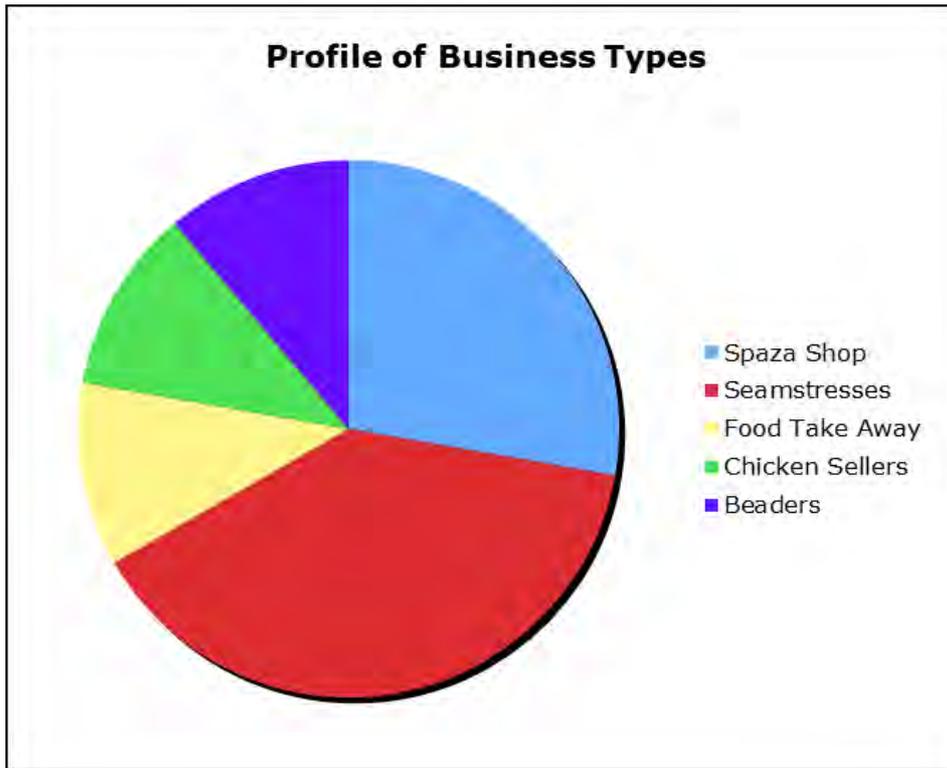
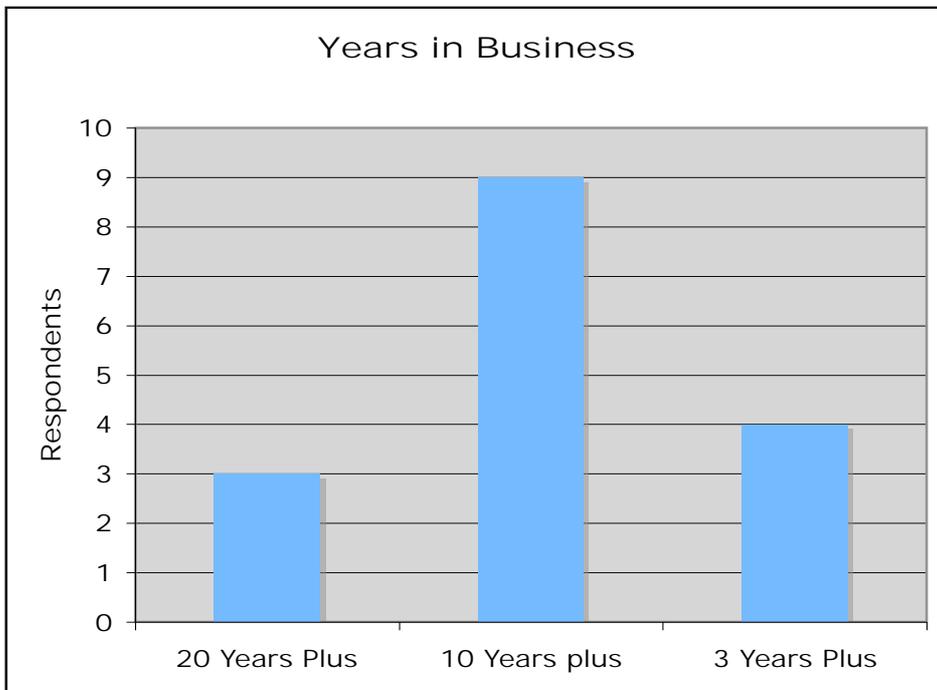


Figure 2: Years in business



4.1.2. Profile of key informants (NGO personnel and local government officials)

Table 3: Profile of key informants (NGO and local government officials)

No.	Age	Educational background	Role in organisation	Length of time in position	Time spent on small business	Small business services rendered
KI.A NGO	30s	B.A. in Consumer Science	Advisor Trainer Consultant Mentor	6 years	5 days per week	Business training, Mentoring Marketing Financial support
KI.B NGO	50s	B.Soc.Sci	Advisor Value chain strategist	6 years	5 days per week	Consultant Job creation development Business change processes
KI.C NGO	40s	B.Com. Management	CEO Strategy and operational oversight	5 years	5 days per week	Business management Consultation Mentoring Training
KI.D GOV	40s	B.A. degree in Education.	Advisor Mentor Trainer Manager Consultant	11 years	5 days per week	Business training Consultation Business plans Mentorship Referrals
KI.E GOV	30s	IT and Business studies	Advisor Mentor Trainer	7 years	5 days per week	Business development Business plans Branding Marketing

*** GOV- Government * NGO - Non- Governmental Organisation**

The key informants included three small business experts employed by NGO's each with more than five years experience in small business development. Two key informants were local government officials working with small business with more than seven years of business development experience. The research interviews were conducted at the NGO offices and the government offices in the two areas of Khayelitsha and Philippi.

4.2. Framework for discussion of findings

The following table is a presentation of a framework developed to guide the analysis process. The themes are linked to the objectives and the categories are sub-themes.

Table 4: Framework for discussion of findings

Themes	Categories
1. Behavioural and motivational factors for success	<p>Behavioural Factors</p> <ul style="list-style-type: none"> • Sense of self /accomplishment • Self empowerment • Work ethic <p>Motivational Factors</p> <ul style="list-style-type: none"> • Improved lifestyle, autonomy independence • Job satisfaction • Community upliftment • Personal challenges.
2. Support from family, community, NGOs, business and government	<p>Small business support experience</p> <ul style="list-style-type: none"> • Family & community • NGOs and business • Government support • Support services needs
3. Factors that contribute to survival during economic downturns	<p>Economic survival strategies</p> <ul style="list-style-type: none"> • Adaptability and diversification of business • Risk –taking and innovation • Business premises, location and accessibility • Financial management • Networking and women’s agency
4. Factors that drive resilience and perseverance	<p>Resilience Strategies</p> <ul style="list-style-type: none"> • The resilient mindset • Spirituality/Faith • Confidence and future aspirations
5. The nature of trade that makes informal micro businesses successful	<p>Trade factors</p> <ul style="list-style-type: none"> • Knowledge of the market • Customer service/ relationships • Attitude to competition

4.3. Presentation of findings

This section presents the research findings according to the main themes listed in the table above. Furthermore, each category (listed in the Table) will be discussed in relation to the actual quotes of the sample participants. These findings will be compared and contrasted with other studies discussed in the literature review.

4.3.1. Behavioural and motivational factors

This section discusses some behavioural factors that contribute to business success. Motivational factors will be dealt with afterwards.

4.3.1.1. Behavioural factors

Factors identified by participants included the following: sense of self and accomplishment, self-empowerment and a strong work ethic.

- *Sense of self and accomplishment*

The extent to which the WBOs sense of self is tied to their business and their perceived success is an important factor for the success of the business. This was reflected in the comments of the WBOs and the key informants. One key informant came to this same conclusion through her experiences with WBOs:

“I think a sense of ownership and a sense of identity; I’m working with two ladies who are possibly taking over another business and they want to change the name because they want their own identity. I think identity is important for them and also a sense of I can do this on my own, I can do this I’m making ends meet, I do not have to rely on someone else having that independence” (KI-A: NGO).

One WBO expressed her pride in her achievement through her business:

“I go to Grabouw to buy chickens and sell them here. The chickens in Grabouw are cheaper. I have a Condor (van) and am able to get around to drop all my stock. I am getting famous. (Laughs). So it grew and now I have a butchery and a restaurant. I have a low education but look at me now. I did this. I have worked very hard for this night and day” (WBO-7).

Kauanui et al. (2010) and Osirim (2009) confirm that a sense of self, identity, purpose and achievement are important constituents in running a successful business.

It would appear that this sense of self and the need to achieve is also accompanied by attitudes of optimism and assertiveness. One WBO who designs clothes expressed her

attitude of optimism and creative drive in marketing her business product in public places.

“When I dress up, go out or go to church I do not want anyone to look like me. I always wear something new and different. I am my own advertising. So albums, they keep on showing me the same designs and the same dresses. I get bored. So I never have an album of my designs. I like to be different” (WBO-14).

Being assertive appears to be another key trait displayed by successful business people.

“They have tenacity they have a good self - concept about who they are, they need to stand up to other people and say no, they need to be able to draw firm boundaries to protect their businesses” (KI-B:NGO).

“I get a lot of pressure. Some people come and ask me for money. They think I have lots of money. They come and ask us for money with toy guns here. They shocked us. I am soft inside but have had to learn to be tough and say no even to credit” (WBO-14).

Those business owners who display personality traits such as assertiveness, optimism, extraversion, ambition and openness to experience are more likely to be successful (Farrington, 2012a; Kitakule & Snyder, 2011).

The WBOs reflected strong traits of assertiveness in protecting their businesses from internal and external threats such as non- payment of credit, competition and family financial pressure. They appear to have learnt this from personal experience in having to safeguard their businesses from these threats. These findings on assertiveness traits as factors are closely linked to the factors of resilience discussed in Chapter 4, section 4.3.4:70-73.

- ***Self empowerment***

The WBOs appeared to have empowered themselves through their own initiatives and innovative thinking. WBOs and a key informant said:

“I had no formal education to run a business. I have learnt by myself. I have learnt from my mistakes” (WBO-13).

I think I learned as I went. I listened to the radio and so learnt to bank and save in the post office. So my capital is building. I then have money when it is summer and can buy more in bulk. I ask myself questions all the time to guide me in my business” (WBO-14).

“New design and being innovative and creative. I learnt this when I was volunteering at a curtaining shop. I learnt so much from just watching and asking questions in that shop in town” (WBO-4).

They taught themselves, they saw other people or by watching an aunt or granny and thought this is something I can do as well... so they go buy some stuff, sell it make a bit of profit... and really built themselves up on that. I don't think any of them really have or had any formal training not even what L (NGO) offer which is very basic, it is just something they taught themselves” (KI-A:NGO).

A study by Unger et al. (2009) on small business practice and learning found that owners take responsibility for their own learning and may look back, observing the consequences of past decisions, they also look ahead, anticipate developments, gather information, and develop necessary new skills.

According to the CDE (2004), Kitakule and Snyder (2011) and Farrington (2012a), aspects of self-empowerment such as being open to new experiences, taking risks, embracing opportunities and learning from the past will all have a positive influence on financial and business growth. Having a strong work ethic is another crucial factor for success.

- **Work ethic**

The WBOs and key informants all shared that a strong work ethic was an important factor for business success. The WBOs shared that the businesses demanded hard work with long hours. It also meant that they have a certain pride in the goods sold:

“Some women do business while working. They work very hard to make the family survive... They wake up at three in the morning, making vetkoekies (cakes) and get into the train and go and sell and come home and still do their house work” (KI- D:GOV).

“They work very long hours, are conscientious and take great pride in their brand of business, their homes and quality of their products” (KI-A:NGO).

“I love what I do. If my order is to be ready, I come at 5: 45am. I come early because I do not want to disappoint or to lose my customers because of the weather. I work on Saturday and Sunday” (WBO-5).

Other studies reveal the importance of a strong work ethic for a business to be a success (Kitakule & Snyder, 2011; Osirim, 2009).

4.3.1.2. Motivational factors

Motives for starting a business are linked to push / pull factors. The push / necessity factors are largely based on alleviation of poverty and the need for an income due to unemployment. The pull or opportunity factors are associated with strong internal desires to start a business, such as wanting financial independence, autonomy, job satisfaction, creative expression and flexible lifestyles (Walker & Brown, 2004; Kitakule & Snyder, 2011:10; Kelley et al., 2013).

The WBOs motives for having successful businesses represented a combination of both *push* (necessity) and *pull* (opportunity) factors.

- ***Improved lifestyle, autonomy and independence***

The WBOs and key informants described being motivated by the need for money both as negative pressure (financial need) and as a positive pull of attaining an improved lifestyle for their children and for themselves. One WBO shared her dependence on her business income:

“I am very dependent on my business for my living. I am the sole breadwinner. My husband passed two years ago” (WBO-4).

A key informant expressed that WBOs are motivated by a better lifestyle for their children and better education.

“Most of the women having informal small business operations are respected as they have taken children to school and even university. This is another motivation to take their kids through school” (KI –E:GOV).

This was similar to the findings of Kitakule and Snyder (2011), who state that for the participants in their study in Uganda better education, housing and improved lifestyle for their families were “pull” factors for starting a business.

Personal autonomy and independence to improve their earnings were key factors for these WBOs:

“I wanted to improve myself and not to depend on anyone. Have my own businesses ... When I worked for other people I only earned R50 a day, but when I started counting my profit for my own business it was much more and that was rewarding and satisfying. It motivated me that I can do things on my own and for myself. It makes me feel better and prove that I can do things better for myself. People ... copy this house design now. I thought I could never have a home. Now look!” (WBO-6).

The PGWC (2007), Kitakule and Snyder, (2011), Osirim, (2009), Walker and Brown (2004) and Toledo-López et al. (2012), studies on motivation for starting a business all confirm that financial need, personal autonomy, improved lifestyles and independence are key motivators for starting small businesses.

- ***Job satisfaction***

The key informants and eleven of the WBOs all referred to job satisfaction as another key motivator in their businesses. A WBO who sews and sells her work said:

“When I am standing in the persons lounge and you see the curtains and furniture and then you feel proud inside. It is very nice and beautiful and when you go to the friend’s house and you see your things. I know I can go forth and grow this business” (WBO-3).

“It makes me feel proud. When I count my money I cannot believe this is me now. When I look back and see where I was, then I am so happy. It is a very big difference. My family feels very proud that I have this. My young daughter helps me count my money and she is amazed. Today my children see me as a mother and a caring parent. It was not always so in the past” (WBO-2).

One key informant shared that providing for the families financial needs brings job satisfaction.

“I think to be able to provide for family and be an owner of the business. One of the things that bring satisfaction to the owner Is generating income” (KI-E:GOV).

Job satisfaction is one of a number of pull motivation factors in starting and operating a small business that are identified by various authors namely, Walker and Brown (2004), Strier and Abdeen (2009), and Farrington (2012b).

- ***Community upliftment***

Eleven WBOs did not seek to enter into small business solely to create personal financial gain, but were also motivated to enhance job creation, transfer capabilities (Sen, 1999) and participate in community work. In doing so, they would be expanding their capabilities and their social networks, contributing to gender inclusion and social and economic development. The WBOs have varied capabilities, technical and business skills that can be a transfer of capabilities and so benefit the upliftment of the community and nation.

One WBO described her community upliftment involvement as giving women dignity and financial autonomy through skills training:

“Training is one of my passions. One of my dreams is to see women, making their own livings. One woman I trained came to me in January and said. ‘I have gained my dignity this December. I made those dresses for women and sold them. My husband when he got his bonus, he was stingy. I bought clothes, dishes and presents from my dresses money.’ ... She met her husband half way. I got her dignity back” (WBO-4).

One key informant termed this social development investment as “social *ubuntu*”.

“The women train and employ vulnerable women in similar circumstances to themselves, feed disadvantaged families and give freely of their time and expertise without remuneration” (KI-D:GOV).

According to Kauanui et al. (2010) business owners also connect their sense of self to the purpose derived from their businesses. This was reflected in the comments of the WBOs and the key informants. Strier and Abdeen, (2009) in a study on Palestinian WBOs recorded that these women were motivated by factors such as personal and women’s collective emancipation and opportunities to expand social networks, and to contribute to the development women and of their country by generating the transfer of skills. One WBO said:

“She is sewing and beading and runs a co-operative in the Eastern Cape now. I get such pleasure from hearing from her. They always come here for sewing advice and support. It is still the same reason that I am doing this today as it was twenty five years ago” (WBO-1).

These findings resonate with Sen’s (1999) capabilities approach as well as the social inclusion framework (Haralambos & Holborn, 2007). These WBOs have developed capabilities to be and to do what they would want to do (to earn their own money, enjoy the lifestyle they wish to have, to be able to send their children to school and to be empower others to do the same). In this way the ‘marginalized’ are brought from the periphery into ‘inclusivity’ by their own endeavours. These WBOs clearly show this movement from the margins to a position of gender leverage.

- ***Personal challenges.***

In the study five WBOs indicated that they were motivated by the pull factor of personal issues. One WBO was HIV positive and wanted through her business, to prove that she could break the stigma and be a success in her community. She has achieved this in that she owns a take – away food business that the local community supports and she is now a part of community leadership. The WBO explains:

“I am HIV positive and my husband left me with three children. The community did not see me but now they buy from my take out. I have shown them that I can be up even when I am down. I was there and now I am here as you can see. My boyfriend is not allowed to be a part of my business. I keep him far away” (WBO-2).

A further three WBOs shared that they had acrimonious divorces or separations and wanted to prove to their non- supportive ex husbands that they are independent and that they have made a success of their lives.

“My problem is that I do not want to be dependent on someone. I am a woman, I must work for my children. I do not want them to suffer. I want to stand alone. The father of the children ran away, so I did not want support from him. I wanted to show him that I do not need him. When my daughter hung herself... I did it all myself” (WBO-3).

One WBO had a physical disability and wanted to prove to her family that she does not need to be dependent on them for support. All five WBOs showed visible emotions of anger, defiance and pride when sharing these motivations for making a success of their businesses and appeared to take pride in attaining their goal.

In concluding this section, it is clear that behavioural traits and motivational push and pull factors are important considerations when assessing what makes for successful small businesses. The next section will discuss various support systems and WBOs experiences thereof.

4.3.2. Support from family, community, NGOs, business and government

Some assumptions that underpin this study include that there is some level of support from family and the community; that there are support strategies in place from the NGO sector and government and that WBOs know of these support strategies. The following findings will address these assumptions and also highlight some support gaps.

The government acknowledges the need for support services in the IS with its legislation of the National Small Business Amendment Act of 2003 to provide these services. The government, in partnership with NGOs and the business sector put in place various support agencies that support the SMME sector (Ligthelm, 2008, DTI 2008). The WBOs experiences of family, community and NGO, business and government sectors will be analysed.

4.3.2.1. Experience of small business support

- *Family support*

Eight out of sixteen WBOs shared that family support varied with the main support from husbands, then children and other family members. The family members employed in the business appear to understand the financial value of the business. One WBO shared her experiences of family support:

“Just to give me a break away... My extended family is poor; they help me with their hands. They encourage me and take work off my shoulders...they really do help me. They come and give money. They tell people to come and buy“ (WBO-14).

Strier and Abdeen (2009) in their study of micro WBOs in Israel reported that Israeli family members could often be unsupportive and jealous of the WBOs success.

The six out of eleven single mother WBOs shared that they had little family support and experienced isolation, jealousy, lack of business understanding and pressure to financially support extended family members. Two WBOs indicated:

“My husband is supportive and not my extended family “ (WBO-15).

“People do not know what business is. My mother thinks I have so much money..... she just takes from the shelves. She does not understand that I have to go back and buy stock for the shop. I try and teach them (family) all the time” (WBO-11).

The studies done by Ohutso Imbaya, (2012), Spring (2009) and Strier and Abdeen (2009) all confirm the importance of family support. However, Strier and Abdeen (2009) report that such support is dependent on a number of variables. If the business appears to be of economic value to the family and enhances employment then support is more readily given.

- *Community support*

Community support for the seamstresses was good compared to the *spaza* owners and beaders. They had regular community customers and their brand worked in their favor. The *spaza* shop owners stated that women customers were often jealous of their success and would support businesses elsewhere rather than in the local neighbourhood. One WBO shares her experience.

“Some business people do want to help you and encourage. Some do not want to tell you because they are afraid you are going to get rich... they are jealous. Others will say go forward” (WBO-3).

The WBOs all had some support from friends or were a part of a community church or *stokvels* that gave support in running their businesses. One WBO shared her experiences of community support.

“The community supports me... because they do buy a lot from us. The school and church is very supportive, they tell people to come to us to buy their uniforms. That is how the community supports us” (WBO-15).

One key informant felt that community support of micro businesses could combat crime and unemployment in the long term.

“You will find the community members taking, on credit... once they get paid they go to the nearest Shoprite...instead of settling their debts and so supporting the small businesses in their community. Forgetting that by supporting the small businesses around them they will be combating crime, unemployment as if these businesses grow there will be jobs“ (KI-D:GOV).

Similar studies done by Ohutso Imbaya (2012), Strier and Abdeen (2009) suggest that small businesses run by women were in fact supported by friends, community church groups or support networks and *stokvels* that gave them financial and emotional support in running their businesses.

- ***NGOs and the business sector support***

Nine out of the sixteen WBOs mentioned that NGOs rendered support services to them in the distant past. The reasons for not still using these services varied from not knowing what these NGOs could still do for them or where they were located. Two WBOs explained:

“No I do not know any. I really do not know NGOs. I do not know what they do or where they are” (WBO-3).

“I only know of Business Bridge and Triple Trust. I do not know of any others. I do not think Triple Trust is there anymore” (WBO-14).

Some WBOs gave reasons for not using NGO support services. The WBOs shared that they had heard of courses offered but these were too long, a far distance from their businesses, expensive and they could not afford to take time off from the business to attend. Two WBOs explained:

“The Red Door. I do not know of any others... I have not tried to follow up. I am so busy” (WBO-9).

“They do bookkeeping courses but I’m too busy to attend. The courses are long” (WBO-12).

The NGO small business key informants in contrast indicated that they have good client relationship with those WBOs who use their services but a problem remains with those who have had bad experiences in the past or do not have the time to attend the courses due to business demands. One business key informant explained:

“Some of the training courses are very expensive and so they do not go. They also have gone to some very bad courses out there and are sceptical to continue with any other training” (KI-B:NGO).

Four of the WBOs mainly the seamstresses benefited from their involvement with NGOs and used their experiences to start their own businesses. One WBO shared her positive experience of support in receiving mentorship and marketing.

“Marketing comes from the NGO that supports me in bringing customers and doing my books... I had a mentor who helped me so much.... The Wheat Trust, they support older women who are trying to help themselves. The Warehouse and Self Help in Manenberg. I have heard about the Philippi business place but have not been there” (WBO-2).

The NGO and business sector do provide valuable small business support services to WBOs. However, as indicated in these findings and confirmed by the research carried out by Osirim (2009) and Kristiansen (2008), very few women know where these NGOs are and what they offer or how to access them and rely on their own support networks instead. The locations of support services are often a distance from their businesses, are often costly and the red tape involved is a barrier to the micro business owner (Kristiansen, 2008; SBP, 2013; Chiloane & Mayhew, 2010). According to Jiyane and Zawada (2013) and Skinner (2006), WBOs indicated that the presence of institutional support services at their place of work would be more convenient, as leaving their businesses to do banking, attend training workshops, would result in a business loss. Osirim (2009), Jiyane and Zawada (2013:55) suggests that NGO outreach workers should render services at WBOs places of work.

The WBOs all shared negative experiences with banking institutions as their interest rates were high. WBOs did not qualify for loans and felt undermined by the banking staff.

One WBO expressed that she had learnt not to take loans as interest rates were too high and the attitudes of the banks were undermining.

“We do not take loans from people. We have learnt that this is not good for business and the interest rates are so high. Banks look for too many things that we cannot get. Banks do undermine us really.... you feel very small when you go in there... they look down on us” (WBO-7).

Nieman et al. (2003) and Sokabo (2002) cited in Maas and Herrington (2006:29) stated that banks had negative attitudes towards funding WBOs enterprises and were often dismissive and critical of women’s business plans without giving necessary guidance to them. Furthermore, WBOs were treated unfairly due to their social and financial status.

According to the social exclusion approach WBOs are excluded from educational and skills opportunities and services due to their gender and social status. This further renders them powerless and vulnerable to poverty (Haralambos, Holborn (2007). Kanbur and Squire (2001) and Robeyns, (2005) referring to Sen.’s (1999) capabilities approach suggests that in order for people to change their lives they need to be provided with opportunities or freedoms and the means to be able to do so. Thus the NGO sector could play an important role in enhancing capabilities of the WBOs.

Generally, the WBOs view of NGOs support services appears to be more positive than that of government services. The exclusion from education and opportunities to learn is a cause of entrenched poverty and social exclusion. Without appropriate skills there is minimal possibility of entry into the job market (Haralambos & Holborn, 2007).

- ***Government support***

The government’s commitment to eradicating poverty amongst women and to promote equality and gender balance is evident in the Small business National Small Business Amendment Act of 2003. A strategic framework was implemented in 2005 to review progress and make adjustments as needed to ensure SMME policy and support measures (DTI, 2008, Ligthelm, 2008).

Nevertheless, the WBOs and key informants spoke about barriers to government support services. A local government key informant shared the lack of confidence and hope in government interventions and services.

“When you go and do presentations. You get the feeling that what difference is this going to make? They have been promised things in the past and they see none of that. So corruption unfortunately killed the spirit of the people and then they lose faith in government” (KI-D:GOV).

Twelve out of the sixteen WBOs were unaware of government support services to informal micro businesses. The few government support agencies that were known to some WBOs were not perceived positively. The reasons given were mistrust of government, corruption, bad customer service, red tape and high administration costs when wanting to register their businesses. WBOs did not see the value of registration as they had negative experiences in the process and did not see any benefits. These findings could be inconclusive since WBOs could have spoken about the experiences of others rather than their own. Three WBOs shared their frustrations at the lack of government understanding and support.

“The paper work is too difficult and they are difficult with all the coding. We do not understand and so we leave what do they care. It all takes time. At N, I had to pay R1300 for a business plan for nothing” (WBO-4).

“No I do not know any government organisations. Only when they come when you sell in the street you must have a permit. They always want to correct us without supporting us and giving us our permits. We want to be legal. We have done the paper work. They say next month you will get your permits. You do not see them again and so it goes on all the time” (WBO-5).

“It is a problem when we go to the offices in town. We go to town and then we cannot speak English and the person is not nice to us because we cannot speak English. So we do not go. They look down on us because of this” (WBO-10).

Various authors such as Chiloane and Mayhew, (2010), Woodward et al. (2011), SBP (2013) and Kristiansen (2008) state that there are many barriers to small businesses accessing institutional support, such as: lack of start up funds, red tape, cumbersome administration, unskilled staff, mistrust of government, corruption and high administration costs. The researcher noted that there were two government small business consultants to serve Khayelitsha with a large population of approximately nine hundred thousand.

The support services appear to be poorly communicated and advertised contributing to a lack of knowledge of services. The seamstresses tended to have more knowledge as they had considered registering or had registered their businesses at some time in the past, while the beaders, *spaza* shop and eatery owners had no knowledge. A government official key informant explains:

“But how many people come in here? The ladies standing outside this business centre trading do not know that they can come here for help... Others know of this place mainly through word of mouth or through the information Imbizos of NGOs that are organized... Reading about support would be the least source of hearing about it” (KI-E:GOV).

A WBO shares:

“I cannot say I know of any... I just read from papers... People have had bad experiences.... I have never been to them” (WBO-11).

Kristiansen (2008) confirms this by stating that the support services are generally poorly advertised and usually communicated through word of mouth or advertising in the media or radio. The lack of communication in the mother tongue appears to be a barrier to accessing necessary services (Kristiansen 2008). The dissemination of information by government support services appears to be dismal. This finding appears to confirm Rogerson and Rogerson (2010), Finscope (2010) and Osirim’s (2009) studies in that government support services exist to assist the WBOs but few know about them. Further research is needed in exploring this disconnect between lack of knowledge and use of government support services (Chiloane & Mayhew, 2010).

Key informants also pointed out policy and implementation barriers. Five WBOs were angry at the government and business partnership’s role in the closure of the Philippi New Eisleben business centre where their businesses were economically and strategically located. A WBO shared her anger at an injustice caused by the closure of this economic resource:

“I lost business when I left the centre. I had more than 10 clients a week. Losing that shop space was a huge disaster. No one understands how bad it was for us. I think the government must learn more from women like us. When we lost the business centre more than 200 people lost their jobs as they were working for us. This country will be better but we need help. Maybe they can build a small centre and make sure that the place is run well. Many more people will then be able to do business and employ more people. There was no one managing well at that centre. If there were good people there at the time, some of us will be flying today”(WBO-11).

Midgley (1995:4) states in Chapter 1, section 1.1:2 that in a development state, “economic development has to be accompanied by an increase in social development (human welfare) otherwise the phenomena of distorted development such as poverty and unemployment is evident”. Taylor (2011:9), states transformative policy focuses

on reducing inequities through changes in policies, laws, budgetary allocations that aim to ensure social and economic inclusion of the marginalized by removing barriers and reinforcing access to their human rights.

The Philippi New Eisleben business centre closure appears to show a blatant lack of understanding of transformative policy implementation as Taylor (2011) has proposed. Policy implementation at the micro level appears to be constrained by lack of access, lack of local government and business integration and lack of institutional and management capacity.

This finding resonates with the reports of Clover and Darroch, (2005), Haasje, (2006) and Kristiansen, (2008) who reveal policy deficits that do not align with what is needed at the micro level. There appears to be a lack of understanding of the WBOs context and the specialized educational and institutional support needed (Jiyane & Zawada, 2013). Furthermore, Kebede 2002 cited in Bekele and Worku (2008:4) state the likelihood of survival of WBOs is closely linked to the degree of support they are given such as access to finance and an enabling macroeconomic environment.

The researcher argues that small business support services need to get down to the level of where the informal micro enterprises operate to engage and appreciate the diverse contexts they operate in. Banergee and Duflo (2011), social researchers in developing countries state that in-depth contextual research is needed to understand these barriers.

- ***Support services needs***

The WBOs and key informants all shared that the support service needed includes marketing of businesses, small business loans, mentorship, small business development training, market connections, promoting role model, community support and government support. WBOs focussed on the following:

- ***Role models and success stories***

The WBOs revealed many micro-business success stories. The key informants also mentioned role models as motivators for successful business development. Some of the WBOs saw themselves as role models. One government key informant said:

“One thing that I think is missing from NGOs and government support is to showcase the ones that are doing well... like people from the local community

that they can relate to. So that they can see that this person from my community has done it” (KI-E: GOV).

“It is changing my life. Since I started business even the community see the changed person I now am. The community come and asks me how did I get to where I am now? They see me as a role model. I was sick with Aids and was dying and here I am now” (WBO-2).

The CDE (2004) study on small business success confirms that there is a need to learn from these success stories and craft policies around them. Furthermore these success stories could inspire and multiply in an expanding sector resulting in human capital development and nation building. The research findings give credibility to the importance of exploring successful small businesses rather than focusing their failures.

- Mentorship

Three key informants and two WBOs (who had the more successful businesses) shared that mentorship was an important factor for business development as it assists WBOs in acquiring skills and business guidance over the long term. A WBO and a key informant explained:

“B from the W (NGO) was a guide for me. I miss her too much. She was a great help to me with how to run this business. I learnt so much from her. She has gone now. I miss her a lot “ (WBO-2).

“What is needed...where you have a structured mentorship programme where you have someone with experience and with the right approach and cultural bridge and walk with someone to acquire the skills, and the programmes that they need. A business guide is what people need over a long time. It is a felt need that is not being met” (KI- C:NGO).

This finding resonates with the views of Skinner (2006) and Maas and Herrington, (2006) for the need for mentorship in small business development. Government could find successful models for developing a low cost and effective mentoring system with experienced business people with the necessary skills transfer and appropriate institutional backup (Turton, & Herrington, 2012). Experienced business mentors could be sourced by NGOs from within the WBOs themselves in the IS or from the business sector.

- Marketing

The WBOs and three key informants shared that market creation was an important need to develop businesses and that government and the private sector could assist in creating infrastructure and market entry points. A key informant and WBO explained:

“For me it is mentorship and market creation. It can be through infrastructure and linkages between corporates... hereby opening the door and giving incentives for it. Creating spaces and training that it aimed at it. A lot of what government offers is not always with that in mind. I think government could do more with access and facilitation to markets. I think they can do, even more for sector development” (KI-C:NGO).

“Training constantly is needed. We need to run our businesses well and so need to know about costing and getting markets to sell” (WBO-11).

This finding shows that the lack of markets remain a concern for small businesses as they seek to expand their informal trade and may even want to formalize their businesses.

- Government presence

The WBOs shared that government should learn from them and that they were disappointed at the lack of government presence and support. Two WBOs reported:

“Maybe it is in my stupidity what I am doing this. I am doing what the government needs to be doing. Because some of the ladies they had never seen a tape measure. I am training them. The government is supposed to employ someone to do this. I need to start my own NGO! (laughs). Government should come in here to see us. We knocked at so many doors in so many sectors when the Philippi business centre closed down. They never helped us. We felt desolate” (WBO-1).

“I think they must come and see for themselves what we are doing and learn from us” (WBO-14).

The researcher argues that an aggressive government presence at the micro level through fieldworkers, business incubators and small business participation could enhance contextual business capacity development and mentorship that could go a long way in growing a competent and skilled small business sector in the IS.

In conclusion of this section on support systems it appears that family and community support was available in varying degrees. Institutional support from NGOs, the business sector and government appears to be weak. There appears to be a disconnect between policy guidelines, implementation and institutional support services.

The following section explores and discusses the factors that enable WBOs to survive global and national economic downturns.

4.3.3. Factors that contribute to survival during economic downturns

4.3.3.1. Economic downturn survival strategies

The WBOs use various survival strategies during economic downturns such as being adaptable and flexible, opportunistic and innovative in diversifying their businesses and products. They ensure they are accessible to their customers and use their social networks and their financial management skills to their advantage to ensure their businesses remain viable and sustainable.

- *Adaptability and diversification of business*

The study findings reveal that WBOs are flexible in adapting and diversifying their businesses during economic downturns as survival strategies.

The *spaza* shop owners and some seamstress WBOs would sell new products, adapt prices, sell in other communities, change products slightly or add to a service.

One WBO diversified her products according to seasonal needs. Another was able to add a product that enhanced her original business.

“So I tried this shweshwe material. Then it sold very quickly, people want the shweshwe. So I thought I must move quickly and get a container. Now I have the container and have got the material there, and so it is growing.... I still have the upholstery business but now I have the material as well. The one is helping the other” (WBO-3).

“I’m confident about my business as some of the other businesses don’t stock what we have. The Somalian’s don’t have the GR (medicine for babies) medicines that we sell. We sell cement and they do not. We have to be ahead all the time and make changes” (WBO-12).

One key informant stated that flexibility was important in being able to adapt to market demands.

“It is about flexibility. People are incredibly resourceful and in the way they contract and expand due to circumstances. It is due to necessity and out of a resilience and part of their knowledge and they have learnt how to deal with economic downturns... beyond their control” (KI-C:NGO).

The research done on WBOs by Osirim (2009) in Zimbabwe and Kitakule and Snyder (2011) in Uganda also point out the importance of being able to adapt and

diversify businesses during economic recessions and in the face of competition. In these studies, WBOs would continue to evaluate the market and see where they could diversify or add value to their products or business services.

- ***Risk –taking and innovation***

During economic downturns eight of the WBOs responded by taking more risks and becoming innovative, (mainly the seamstresses and a few *spaza* shop owners). By comparison the beaders and some other *spaza* owners would diversify their businesses or adjust their prices slightly but not take as many risks to try some other business innovation.

One key informant shared that WBOs have learnt to be creative and inventive in overcoming barriers during market downturns.

“Also people have learnt to be opportunistic, creative and inventive. A creative element is if this does not work then they try something else and go around the barriers and go forward” (KI-C:NGO).

One WBO expressed how she saw a market gap in her community and now has two businesses.

“I sat down and saw that there was no spaza shop in my area. So then I took a R1000 and bought stock and make it look nice and then I started. I have my sewing business and spaza now” (WBO-11).

Another WBO showed entrepreneurial enterprise through developing another business alongside her curtaining business. She realized that the small bathrooms in the Reconstruction and Development Programme (RDP) houses were not tiled and so employed men to do the tiling.

“So I saw this gap in the market. RDP houses (government sponsored housing) are been built. When I get money from these curtains I go and make pamphlets and business cards. I put up curtain railings and tile bathrooms in theses RDP houses. When school closes I will talk to people in Site C where they are building at the moment. I will see what will happen” (WBO-4).

A key informant shared how women exploit opportunities:

“When she does catering or hire and supply there were other competitors with the tents. She struck a bargain with the only burial service and now if they use the burial service you have to take her tents...” (KI-A:NGO).

According to Chea (2008) and Osirim (2009), WBOs were able to seize opportunities, take risks and become innovative during economic downturns. These

findings show how in economic downturns respondents who take risks, are entrepreneurial and are adaptive using innovative strategies appeared to be more successful in their businesses compared to their counterparts who were reluctant to take risks. Other factors that impact on success in small business are the business premise, location and its accessibility.

- ***Business premises, location and accessibility***

The location and business venue appears to be an important factor for WBOs in operating successful businesses. Business location and accessibility to customers varied. *Spaza* shop and take-away owners indicated that businesses located within residential areas had less of an advantage location wise as they were reliant on neighbourhood customers compared to those who were close to public transport and foot traffic. As a key informant explains:

“It’s two ways. If they are operating from home, it saves them rental, they can be present at home to play their roles. The other side of the story is that they ... do not get to do much business at home. It would be better if it was somewhere else...to market... where people can access you” (KI-E:GOV).

In contrast the seamstresses responded that location and accessibility was not an important factor. Customers know where they are and marketing was via word of mouth or mobile phones. As a WBO explains:

“Our business is not that much about marketing because there are many schools. The demand is there. I cannot keep up with the orders. Our product is excellent. People come to us... people from Guguletu come as well” (WBO-15).

Kitakule and Snyder (2011), Osirim (2009), Kristiansen (2008) and the World Bank (2007) state that business venues, geographical location and accessibility to customers seem to be an important factor in operating a successful business. The businesses located near major transport routes and having greater volumes of human traffic have greater opportunities for selling their products.

Some WBOs shared the lack of adequate business premises to facilitate business and saw this as a barrier to the growth of their business. The *spaza* shop owners and chicken seller shared the lack of appropriate public space to sell at stations and terminuses in the Philippi community. As one WBO explained:

“In Guguletu they have nice places (outdoors business venue) and they are registered and they are able to close their stalls at night and have to keep it

clean... they also help each other.... We need this too... but government gives us a hard time here in Philippi... (WBO-5).

The researcher believes that local governments lack of provision of suitable business space for the IS is linked to administrative issues (registration, by-laws, use of public space) and a general curtailing of a burgeoning (IS) rather than its promotion.

The studies done by Kitakule and Snyder (2011), Osirim (2009) and Skinner (2006) with women-owned micro businesses in the (IS) illuminates this lack of provision by local government of providing adequate business space. The researcher observed the lack of adequate retail space in Philippi that contributed to unhygienic practices and unsafe business spaces in comparison to protected and resourced business areas in Khayelitsha, which seems to have been better planned.

Besides all the factors referred to in the aforementioned section, proper financial management was also a key issue in determining business success.

- ***Financial management***

Bekele and Worku (2008) in their study on small businesses and financial management found that ability of small businesses to be able to convert their profit back into savings/ investment was crucial to small business success and for the possibility of future expansion.

According to the PGWC (2007) the relationship between financial management and success in micro small business was made clear when participants in the survey indicated that business failed due to the lack of management skills and financial skills.

Key informants in this study indicated that WBOs were particularly disadvantaged with regards to access to finance, shortage of managerial and technical skills and inability to convert profit back into investment. One key government informant shared that they had an inability to separate business finance from monies needed for maintaining their families.

“This has been their downfall for a lot of them... The planning of separating business from personal finances is necessary. Family pressure eats into the business. This needs special attention. If I eat up all my seeds then what is going to happen?” (KI-E:GOV).

Studies done by Chea (2008), Kitakule and Snyder (2011), on the other hand, demonstrated that WBOs showed adequate financial management acumen, had no

debt, were good at saving and had an innovative ability to acquire material and had new ideas for product development and marketing. Radipere and Schers, (2005) state that NGOs and the government need to focus on building the capacity of small business owners in financial and management skills, and marketing, as the small business sector was the ideal sector for employment creation and rejuvenating the economy. Contrary to what the key informant thought, most of the WBOs in the study appeared to have sound financial management acumen. One WBO in this study said:

“I think I learned as I went. I listened to the radio and so learnt to bank and save in the post office. I save my profit after I have paid myself and covered the business costs. So my capital is building. I then have money when it is summer and can buy more in bulk and so sell more and make more profit. I write everything down. I can see when I am making a loss. I ask myself questions all the time to guide me in my business. I think I would like more training in this administration of my books” (WBO-14).

Unger et al. (2006) in their study on small business practice highlighted the link between critical thinking, learning and applying appropriately for business growth.

- ***Networking and women’s agency***

Twelve WBOs indicated that they use their social capital through networks by sharing contracts, buying for one another, giving advice and sharing premises. The WBOs used their social networks in schools, churches and would get business contracts from children’s homes and church women’s organizations. One WBO explained:

“We are bonding as a group. The ladies know which suppliers I will deal with at the farms. They will buy for me and so we help each other. They will phone me when the chickens have arrived. I will just walk over and sell” (WBO-5).

One key informant and WBO explained how they share contracts and learn together.

“There are pockets of them that learn together, work together and learn to trust one another. Especially the L group, they help one another. The seamstresses if they get a big contract, they, outsource to one another. They share in the riches. That is huge for all of them and quite rare” (KI-C:NGO).

“If we get a big contract then I share the work with V and all my ladies. It was a very big contract from the Waterfront” (WBO- 1).

Social networks help WBOs with the acquisition of knowledge, product development, outsourced work, marketing their work and providing emotional support (Osirim, 2009, Rutashobya, Allan & Nilsson, 2009). They are able to build their social capital

in this way and contribute to their and other women's capabilities. In this study all the key informants mentioned the use of *stokvels* as an informal association and social networks that helped to grow their businesses. Four WBOs indicated that *stokvels* could be risky as some would run off with the money. Thus opinions about the use of *stokvels* varied. One key informant explained:

“The majority of them belong to a stokvels. The value of it is an incentive to save and it brings a group commitment and accountability. People use it to great effect” (KI- C: NGO).

One WBO did not trust the *stokvels*:

“I didn't get any financial support from any group or other business. Jealousy is a real problem. I have never been a part of a group or stokvel. The money, people go off with the money” (WBO-6).

One WBO expressed that she uses her social network and *stokvel* for capital savings.

“I did once take a loan. Whooo... it was so difficult but now I will never do it. My gooi gooi (stokvel), it helps me when it is my time to get. They are a very good saving thing. I can make R20 000 when it is my turn” (WBO- 4).

According to Anderson and Jack, (2010), Nahapiet and Ghoshal, (1998) cited in Stam, Arzlanian and Elfring, (2014:154) norms and networks that facilitate social capital through business co-operation and relationships, collective participation for mutual benefit are important for business growth.

However, the findings from this study indicates that opinions are somewhat divided about the accountability of some of these money-lending collectives such as *stokvels*. The researcher argues that the WBOs in the study have strong agency and social networks in place and could mobilize and organize themselves into local civic business forums, action groups or movements advocating for increased and improved institutional support from government and the partners. This would develop their capabilities and freedoms.

The findings show that the WBOs are adaptive and innovative, use their financial management acumen, social networks effectively during economic downturns. The business venue and location is important factors and the lack of adequate small business spaces and venues is a challenge in the informal sector. The next section discusses factors that drive resilience.

4.3.4. Factors that drive resilience

The factors that drive resilience include a resilient mindset, spirituality, confidence and future aspirations.

4.3.4.1. Resilience strategies

Some WBOs are still able to operate their businesses when faced with various threats (personal, community, economic).

- *The resilient mindset*

According to Bhamra, Dani and Burnard (2011) a resilient mindset is learnt over time and includes the ability to adapt to adverse circumstances through their own capabilities thereby averting the worst impact of the threats.

A WBO shares her adaptability through optimism and a persevering attitude to economic downturns.

“Sweetie what economic downturn are you talking about now?(laughs) Can I tell you something; I take things as they come. I am a funny person. I do not worry myself. I have learnt to just keep on going” (WBO-1).

During the field research, five of the Philippi WBOs showed resilience when under personal and business threat due to the recent closure of the Philippi New Eisleben business centre. A follow up visit of these WBOs showed they had used their resilience and continued with their businesses activities through being flexible, finding better locations and premises, adapting to the new constraints and by using their networks in sharing business space and knowledge. One WBO explained:

“I lost business when I left the centre. I had more than 10 clients a week. Losing that shop space was a huge disaster. No one understands how bad it was for us. But what can you do you have to go on and now just five months since then I have this spaza shop and my sewing business is still going. It has been very hard but what else must I do” (WBO-11).

According to Fiksel (2003), resilience depends on the ability of systems to diversify, be adaptable and be efficient. Keong and Mei (2010) cited in Bhamra, Dani and Burnard (2011) suggest that important traits for resilience are: flexibility, motivation, perseverance and optimism.

One key informant confirmed the importance of a resilient mindset over time:

“Definitely a positive mindset and perspective on life that says I can. When you look into their lives and circumstances, often it is around, perseverance and I cannot give up. They have learnt how to deal with economic downturns... how

to respond to economic circumstances beyond their control. So they have an ability that comes from experience over time... an innate, resilience how to do that. I think there is no other option. L and her sewing group are an example of this, how they have learnt over time that they cannot give up and so mobilized themselves when the Philippi Eisleben centre closed down” (KI-C:NGO).

A gangster physically threatened and verbally attacked a WBO during the field interview as her son who had been in prison continued to steal from the community. After the attack the distressed researcher offered to postpone the interview; the WBO responded calmly:

“No... We must continue. This is not the first time. They must just not kill him here in my house. He will die; just not here, that’s all I pray. I am used to this. We can go on now” (WBO-5).

A WBO shared her response to violence and crime in her community:

“When they stole my airtime, I just knew that I had to take a thousand rand and buy some more. It was my birthday. I did the stokvel and so when I got my money I got a big security door. No matter what happens... the crime can happen but I will not give up” (WBO-9).

Kaminer and Eagle (2010) and Jenkins (2013) in their studies on women and continuous trauma in violent communities report various coping and resilience strategies (suppressing emotions, praying to make sense of the loss, participation in community policing and using neighbourhood support).

The researcher would argue that there is a need for psycho-social support and counselling for WBOs who experience various traumas and threats in the course of running their businesses.

- ***Spirituality and faith***

In the study all the WBOs and key informants mentioned spirituality or faith as a key factor in enabling the WBOs to be resilient and successful. Their spirituality appeared to assist them in making sense of their life and work and enabled them to find comfort and calling in what they were doing, enabling them to be resilient when needed. It would appear that faith and spirituality was a major finding. One key informant and two WBOs explain:

“To see these ladies faces smiling who work for me you know. They come to me with their problems. We pray together and I do some social work with them” (WBO-1).

“I think people take a lot of courage from their faith. It is a pillar of strength for them. It is a strength they can depend on. Faith plays a huge role” (KI-C: NGO).

“I do not want this business to fail. I go to church and my church people look out for me. Without my faith I do not know what I would do. I believe too much in God. As I am I could never do this. I am uneducated, but see I can drive a car and I know how to work with money” (WBO-14).

O’Grady (2011), Jenkins (2013) and Kauanui et al. (2010), argue that spirituality in the work place appears to be a factor that assists people to be resilient and to make sense of various challenges and threats in their personal and business lives, giving them wisdom, meaning and a sense of calling in what they are doing.

- ***Confidence and future aspirations***

Osirim (2009), Strier and Abdeen (2009) and Kitakule and Snyder (2011) state that success is linked to the level of confidence that people have about themselves and in realizing their business aspirations for their future.

Fourteen WBOs mentioned that they perceived themselves as successful in businesses and were highly confident that their businesses could grow. The reasons varied from improved lifestyles for their children, business success aspirations and contributions to human capital enhancement and job creation.

Walker and Brown (2004) and Toledo-López et al. (2012) identified both non-financial and financial indicators were indicator of business success and that non-financial indicators seemed more prevalent. WBOs were keener to share non-financial rather than financial successes as is evident in the following quotes.

“My kids are now working. My kids depended on me while they were still at school now they all working. My son is a police officer. My last daughter is in Spain for music. She helps me to look after her son, my grandson” (WBO-6).

An important factor in assessing business success is linked to how long these businesses were in operation.

As a government key informant explains:

“The period that they have been running the business. That is the factor to me. This lady has been doing this for many years and to me that means she is a success. The years will define the success.... The longevity is success” (KI-E: GOV).

Most of the WBO's have operated their businesses for longer than five years and so the longevity of their business could indicate their success and so increase their confidence for future business growth. According to Woodward et al. (2011:73), Ligthelm (2005) if a business has been in operation over a long period of time then it can be deemed to have more market experience, sales and has potential to grow.

All the WBOs appeared to have future aspirations for their businesses that would grow their businesses significantly. Three WBOs were actively planning and working towards these future business goals. By contrast some key informants placed these WBOs in 'survivalist' mode rather than into future strategic planning mode.

A key informant said:

"I think most of the women have very reasonable expectations. They got into business due to need. It is usually I want to put my children through school... It is rarely for the profit and business achievement is not the goal they put up front" (KI-C:NGO).

In contrast one WBO shares that she has a business goal of a having her own shop and "brand".

"I know that one day I am going to own my own fashion design shop and that I will have my own brand and my own label. This is going to happen very soon. I have given myself five years from now" (WBO-11).

These findings show that resilience comprises of various interlocking factors such as mindset, faith, confidence and future aspirations.

4.3.5. The nature of trade that makes informal micro business successful

A factor to be considered when assessing what contributes to small business success is the nature of the trade. Various trading factors play a role in business success.

4.3.5.1. Trading factors

Trading factors such as knowledge of the market, customer service and relations and attitudes to competition will now be discussed.

- ***Knowledge of the market***

The WBOs and the key informants shared that WBOs had a strong knowledge of their micro physical and social (customer care) markets. The *spaza* shop owners and seamstresses understood the 'felt needs' of their customers and adapted their

businesses as the need arose due to competition, seasonal needs and current fashion designs. One key informant shared the WBOs market understanding:

“They are able to continue because they are at the grassroots level. They are in tune. You will see, that they are adjusting their products and services all the time. They adjust to fit the income of the clients that it why they are able to make it. It is in them; they are go-getters. They adapt and diversify. They are entrepreneurial but do not see themselves as that” (KI-D:GOV).

Osirim (2009), PGWC, 2007 state that WBOs have a strong knowledge of the market needs, make rationale decisions about what they sell and diversify their products according to such criteria as season and profitability.

- ***Customer service and relationships***

The key informants and WBOs stated that customer care was a major strength among the WBOs. They appeared to have strong customer care acumen and creativity when working with their customers and take pride in their customer relationships. It appears that most of their knowledge of customer care in learnt from experience. They realize the importance of customers - personal and group needs - and relate to them strategically. None of them mentioned attending any courses on customer care.

One key informant shared that creativity and customer relationships were important.

“Creative people are important. At Look Out Hill in Khayelitsha they will create something for you... you will buy because of the creativity and personal interest in you. If you do not want to buy it they will sell it to someone else. If you design and be creative then they can retain and make new customers” (KI-E:GOV).

One WBO expressed the importance of quality products, communication with customers and being friendly in offering customer care and service.

“Talking with people, be friendly, be clean and have lots of special. You must like and understand people and communicate with them when you change your prices. I sell a wide variety. People can buy anything from me. I think it is because my food is fresh and I am a nice person who sells quality” (WBO-14).

Peter and Olson, (2005) state that small business owners need to relate to their consumers at the micro- environment level with interpersonal contact. These personal contacts can enhance and deepen awareness about which products to sell and increase sales.

- *Attitude to competition*

The WBOs attitude to competition appears to be important in operating a successful business. In this study none of the WBOs had any problems with competition especially with the Somalian traders. They claim to have a positive attitude despite, knowing that their businesses might have been impacted upon by the Somalians presence. Instead there is co- operation in bulk deliveries, giving advice and selling products that Somalian traders are not offering. This appears to be in contrast to the general negative view of Somalian traders by local South African small business owners. Two WBOs share their experiences:

“The Somalians have made me struggle a bit but I have learnt to drop my prices. I learn from the Somalians. They use their business friends and buy in bulk in a big bakkie (truck) together. They get big discounts and are able to sell cheaply. We need to get together as women to do this too. We are just lazy” (WBO-9).

“I give people advice that sell the same things as I do. I have no problem in having competition. I just get on with the business. I do not hide my ideas. It really depends on how you make something. People know when something is good and tasty” (WBO-2).

The seamstresses felt that cheaper Chinese clothes were competition but it acted as a push factor for them to produce better, more quality products that the local customers had come to value above cheaper inferior quality products. These findings resonate with studies by the CDE (2004), Osirim (2009) and Farrington (2012a) where business owners were able to view threats as opportunity to learn and to adapt and be flexible.

Concluding this section, the importance of customer care, the knowledge of the market and attitudes to competition were important factors that impacted on success.

4.4. Summary

This chapter presented the findings of the study. It introduced the profiles of the WBOs and key informants. The findings were explored and discussed according to the framework that was linked to the objectives of the study. Various quotes were used to ‘flesh out’ the key themes and categories. The analysis was further supplemented by linking various authors and their findings to this study. The following chapter will present the conclusions and recommendations of the study.

CHAPTER FIVE – CONCLUSION AND RECOMMENDATIONS

5. Conclusion and Recommendations

This chapter presents the main conclusions in relation to the research objectives and offers recommendations arising from the study as well as suggestions for further research.

5.1. Main Conclusions

Objective 1: *To explore the behaviour and motivational factors that make it possible for WBOs to make a success of their businesses*

❖ Behavioural factors

- Most of the WBOs showed a strong sense of self, assertiveness, and work ethic in operating their businesses (see Ch. 4, section 4.3.1.1:47-49). These important behavioural factors are fuelled by attitudes of openness to new ideas and optimism.
- Some of the WBOs exhibited self-empowerment, taking responsibility for their personal and business change through critical thinking and self directed learning. They showed the ability to assimilate experience and the resultant application of this appears to be of significant importance in these WBOs (see Ch. 4, section 4.3.1.1:48-49).

❖ Motivational factors

- Motivational push-and-pull factors for starting and maintaining a small business appear to be both financial and non-financial with the seamstresses and some spaza owners showing a more pull factor to take opportunities to grow their businesses (see Ch. 4, section 4.3.1.2:50-52). Independence, autonomy, the freedom to be creative, job satisfaction, community upliftment and personal issues ‘to prove a point’ appear to be factors that motivate these WBOs to succeed (see Ch. 4, section 4.3.1.2:50-53). Furthermore, community upliftment was a strong

motivational factor that contributes to skills transfer and gender capabilities' development which in turn enhances social and economic development and nation building (see Ch. 4, section, 4.3.1.2:51-52).

- Thus it would appear that WBOs display a particular personality type that makes it possible for them to be successful in their businesses despite the odds or it seems that because of the odds they are determined to succeed.

Objective 2: *To ascertain the nature of support that family, community, government, NGOs and the business sector provide for the WBOs*

❖ Family and community support

- The WBOs' experiences of support from family and community appeared to vary, with some support from family but more support in the form of finance and business support forthcoming from their employees, friends and networks. There, however, appears to be a lack of community and family understanding of how business operates that creates economic demands and threatens the survival of the business (see Ch. 4, section 4.3.2.1:53-55).

❖ Institutional support experience

- All the WBOs in the study indicated barriers to obtaining institutional support. The reasons for these barriers vary from lack of awareness of services offered, to advertising, location, cumbersome administration and a lack of institutional capacity to provide the needed services. There appears to be a shortage of manpower in the government offices having to render services in Khayelitsha and Philippi.
- The majority of the WBOs are not utilising the support services offered by NGOs and government. The reasons for this are not clear and further research is needed to identify possible causes (see Ch. 4, section 4.3.2.1:55-60).
- A few WBOs have had positive experiences with NGOs that have resulted in their business growth. They appeared to be motivated and empowered to find this support themselves, while others rely on their own learning

and experience which appears to inhibit the development of their further capability (see Ch. 4, section 4.3.2.1:56).

- The majority of WBOs appear to feel excluded, have had negative experiences with banking institutions and are not able to access or qualify for business loans (see Ch. 4, section 4.3.2.1:56-57).
- There appears to be a lack of knowledge, communication and advertising of support services. The reason for this barrier is not fully known (see Ch. 4, section 4.3.2.1:58-59).
- In the Philippi community, some of the WBOs expressed the closure of the Philippi New Eisleben business centre venue as an economic and social development loss. This closure by government and the private sector appears to be economic exclusion, a capabilities “unfreedom” and a violation of WBOs’ human rights (see Ch. 4, section 4.3.2.1: 59-60).
- There is a need for policy re-evaluation and in-depth contextual social research to understand the business context of the WBOs and their specialised needs (Clover, Darroch, 2005; Haasje, 2006 & Kristiansen, 2008). It appears that accurate information on the IS, which represents two thirds of the SMME population, is much needed (see Ch. 4, section 4.3.2.1:59-60).

❖ **Support needs of WBOs**

- The expressed business needs of the WBOs included government intervention at the micro level, contextual small business role models, access to markets and business mentorship. All the WBOs appear to be contextual role models in managing their businesses. The study found that the few WBOs receiving mentorship showed higher levels of success than those who did not (see Ch. 4, section 4.3.2.1: 60-61).
- A key finding was the need for government and NGO services to be visible and to connect with the WBOs at the micro level, to learn from them and use these findings for policy and support development (see Ch. 4, section 4.3.2.1:62).

- The formalisation of micro/small businesses is essential for growth, gender inclusion, job creation and social development, but the WBOs find little benefit from this process having had negative experiences in the past when attempting to register. This excludes them from the FS (see Ch. 4, section 4.3.2.1:58).
- Whereas WBOs may get some family support, they lack institutional support for various reasons that is not clear from the findings. However, it may well be that not being registered precludes them from good support

Objective 3: *To examine the reasons why some WBOs are able to survive in global and economic downturns*

The WBOs use various survival strategies during economic downturns, such as being adaptable and flexible, opportunistic and innovative in diversifying their businesses and products.

❖ **Adaptation, flexibility and innovation strategies**

- Most of the WBOs were able to see market opportunities/gaps and by taking important calculated risks were able to grow their businesses (see Ch. 4, section 4.3.3.1:63-64). This adaptability is linked to a resilient mindset in the face of threatening situations which enabled them to find personal and business resources to survive and grow their businesses (see Ch. 4, section 4.3.4.1: 69-70).
- Some of the WBOs (seamstresses, spaza owners) show heightened entrepreneurship characteristics and abilities and have used this acumen to grow their businesses. Some, such as the beaders, showed fewer of these characteristics and appeared to be motivated by necessity (see Ch. 4, section 4.3.3.1:64-65).

❖ **Location, venue and accessibility**

- Half of the WBOs stated that the location and type of business venue appears to be an important factor for success as they are located near major routes of passing human traffic and travel hubs (see Ch. 4, section 4.3.3.1:65).

- The WBOs further share the lack of, and the need for, increased and adequate business premises. There appears to be a need for local government to provide venues in strategic locations with good infrastructure for small business operations (see Ch. 4, section 4.3.3.1:65-66).

❖ **Financial management**

- The study found that the WBOs are not a homogenous group, that they display a wide range of competencies, have adequate basic financial management acumen, a savings mentality, little debt and invest back into their businesses (see Ch. 4, section 4.3.3.1:66-67).
- The WBOs financial management skill was gained through some informal training but mainly through personal experience. This skill could have developed due to the longevity of their business practice. (see Ch. 4, section 4.3.3.1:66-67).

❖ **Networks and women's agency**

- The WBOs in the study have strong agency and social networks in place. The WBOs ensure they are accessible to their customers and use their social networks to their advantage to remain viable and sustainable. The use of the WBOs social capital and networks of *stokvels* helped to grow their businesses although the responses were mixed in that some of them were corrupt and did not operate effectively (see Ch. 4, section 4.3.3.1:67-68).
- Once again much of the WBOs ability to survive economic downturns is linked to their sense of personal agency (adaptability and innovation and using their networks).

Objective 4: *To explore what factors drive WBOs resilience and perseverance in succeeding at business*

❖ **Resilient mindset**

- The WBOs reside and operate in competitive and often-violent communities. They are able to adapt, be flexible and overcome

competition, crime, violence and various adverse situations through their own resilient mindset, capabilities and resources, thus averting the worst threat (see Ch. 4, section,4.3.4.1:69) However, the findings also indicated the need for psycho-social support of the WBOs in violent communities and identified this as a gap in current institutional support for WBOs (see Ch. 4, section 4.3.4.1:70).

❖ **Spirituality and faith**

- All WBOs and key informants mentioned spirituality and faith that enabled them to persevere and be resilient when they needed to be (see Ch. 4, section 4.3.4.1:70-71).

❖ **Confidence and future aspirations**

- All the WBOs have confidence and positive attitudes to their business success, and future aspirations appear to be a major factor in perseverance and resilience (see Ch. 4, section 4.3.4.1:71-72). These attitudes of confidence and aspirations are linked to behavioural factors such as identity, optimism and self-empowerment (See Ch. 4, section 4.3.1.1:48-49). They could be realistic or unrealistic but they appear to give the women hope and dreams for the future.

Objective 5: *To ascertain the nature of trade that makes it possible WBOs to succeed*

The research study highlighted various trading factors that play a role in business success.

❖ **Knowledge of the market**

- All the WBOs have sound knowledge of the markets they serve and are attuned to the felt needs of customers. They were able to use their capabilities to adapt and to diversify their businesses as the market needs arose due to current trends and seasonal and personal needs (see Ch. 4, section 4.3.5.1:72).

❖ **Customer care and relationships**

- A strong finding was that WBOs exhibit well-developed customer care acumen and pride in these relationships. They keep contact with their customers through personal contact. Most of their knowledge acquisition appears to be fuelled by behavioural factors such as self-empowerment, optimism and extraversion (see Ch. 4, section 4.3.5.1:73-74).

❖ **Positive attitude to competition**

- Although competition is a major threat, most of the WBOs showed a positive attitude towards competition by assisting, learning from and using their competitors to promote excellent customer service and care (see Ch. 4, section 4.3.5.1:74).

To conclude, these findings seem to give a clear picture of the profile of the WBOs as people with a set of innate entrepreneurial skills.

5.2. Recommendations

5.2.1. The WBOs, government, NGO and the business sector

From a capability, social inclusion and social capital perspective, it is recommended that the WBOs, government, NGOs and the business sector consider some issues that need to be addressed:

5.2.1.1. Recommendations following from WBOs experiences

- ❖ The importance of WBO self-empowerment, critical thinking and reflection on business practice needs to be recognised as they lead to a more successful enterprise. This knowledge could be explored and integrated into government/NGO training programmes.
- ❖ Draw from the WBOs ability to understand the IS. Their business acumen and skill (capabilities) can be harnessed by government/business sector as contextual role models for local business development.
- ❖ The WBOs positive attitude to competition creates social capital and social inclusion and could be used by NGOs and the WBOs for small business

support, co-operation, learning and reconciliation between rival competitors, such as Somalian traders.

- ❖ The positive attitude, aspirations and entrepreneurial skills of the WBOs to develop their businesses can be maximised if formalising (registration) of micro businesses is perceived as bringing real benefits. More education about registration is needed.
- ❖ The WBOs strong emphasis on customer care and relationships can be explored and included in business training of new small businesses owners by NGOs.
- ❖ The WBOs in the study could be encouraged to empower themselves by using their existing capabilities through their social capital networks and through forming and organising local business forums and civil society business movements. These could connect with informal and global women business networks, thereby organising and advocating for their small business needs and institutional support.
- ❖ The human capital of these local WBOs is underestimated. Their ability to create opportunities for capabilities/skills transfer and further small business growth can be harnessed in the communities and in NGOs' small business skills training.

5.2.1.2. Recommendations for NGOs/business sector and government

- ❖ The WBOs shared about challenges of the lack of family and community understanding of small business development. NGO and government could implement public awareness programmes in local communities through the media or local newspapers on the importance of small business support and survival. This could increase family and community understanding and support of WBOs.
- ❖ NGOs, government and academic institutions could use some of the WBOs as case studies for best practice in informal micro business and incorporate this knowledge in their training programmes.
- ❖ NGOs and government support programmes can harness the capabilities of the more successful WBOs in mentoring emerging WBOs and offer business

incentives to do this. Furthermore, the business sector could encourage the implementation of small business mentorship programmes through corporate responsibility programmes, co-ordinated by NGOs and small business associations.

- ❖ The WBOs strong role model capabilities can be used by NGOs in small business training and in local government publications as contextual role models to celebrate local small business initiatives.
- ❖ It appears that business/institutional support is needed closer to the WBOs places of work. Access to business incubators, capital, training and localised field support with experienced small business field workers engaging the WBO in their workplaces appear to be what is needed.
- ❖ Although red tape has been decreased by government, it still appears to be a problem for WBOs. The streamlining of administrative processes and enhancing institutional capacity of staff to render necessary services could address barriers to adequate institutional support.
- ❖ The Philippi local government representatives could invest in and investigate the need for business incubators and adequate business premises in their area by observing and learning from these services which appear effective in Langa and Khayelitsha.
- ❖ A priority is to create enabling entrepreneurial ecosystems that have an environment of holistic resources devoted to the entrepreneurial support of WBOs through collaborative partnerships between government, public and private sectors. From a social inclusion approach, small business policy formulation could include WBOs participation to ensure that local context and needs are understood and met.

5.2.2. Further research

The study recommends that further research be done on the following:

- ❖ In-depth, contextual and cross country research is needed on why existing NGO and government support institutions are not utilised or known by WBOs.

- ❖ The need for psycho-social support for the WBOs is a gap that can be researched and can benefit NGOs and government services by empowering WBOs capabilities to further support themselves in the often violent communities in which they reside. The result would be more supported and empowered WBOs and heads of households.
- ❖ Spirituality/faith issues and their impact on resilience amongst WBOs could be further researched.
- ❖ At a policy level, good policies are in place but there is a need to review these in the light of changing macro and micro-environments. Banerjee and Duflo's (2011) approach of the need for social research that is contextual and empirical is relevant.

5.3. Concluding statement

These findings address a gap in the emerging entrepreneurial discourse in South Africa. Not much has been written about WBOs. Furthermore, this study highlights how some of these WBOs, with their personal, successful business strategies are able to thrive and grow their businesses, contributing to the social inclusion, social capital and socio-economic development of their communities through job creation and skills transfer is discussed. The entrepreneurial potential of all the WBOs should be affirmed and supported by government and partners. The success stories of some of these WBOs are worth celebrating and they could provide learning and leadership for other women to start up small businesses within the informal sector. The study has given a deeper understanding of factors that enhance and sustain successful WBOs although it is a rather limited study. Further research is needed as the informal sector is continually expanding.

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Appendix 1 – Interview schedule for women participants

University of Cape Town

Department of Social Development

SWK5001W Masters Research Dissertation

INDIVIDUAL INTERVIEW SCHEDULE FOR WOMEN PARTICIPANTS

Section A. Research background and purpose of the study.

1. Study Topic: *Exploring factors that sustain successful women- owned informal micro businesses in the Western Cape*

2. Study Objectives

- To explore the behavioural and motivational factors that make it possible for WBOs to make a success of their businesses
- To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs
- To examine the reasons why some WBOs are able to survive in global and economic downturns
- To explore what factors drive WBOs resilience and perseverance in succeeding at business
- To ascertain the nature of trade that makes it possible WBOs to succeed

3. Introduction

- The researcher introduces herself to the participants and reminds the participant of the research topic. She states that the research is conducted under the supervision of the Department of Social Development at UCT. The researcher discusses ethical considerations, voluntary participation, audio recording of the interview, anonymity and confidentiality. She asks the participants to sign the consent form and the biographical form. The researcher asks if she can proceed with the interview and switch on the recorder.

Section B. Interview schedule

Objective 1

To explore the behavioural and motivational factors that make it possible for WBOs to make a success of their businesses

1. Participant background (Motivational factors)

- How old were you when you started your business? (Explore)
- What motivated you to start your business? (Explore)
- What is it about your business that you enjoy most? (Explore)
- Describe the ways in which you depend on your business? (Explore)
- How responsible do you feel for bringing in money for the family?
- What kind of support do you receive from your husband, partner or family in your business?

2. Business background (Behavioural factors)

- Why do you choose to sell the products you sell?
- Where do you source the products you sell and what trouble do you go to, to get these products? (Explore)
- Who works with you in your business and why have you employed them?
- What value do these employees bring to your business?
- Where do you see your business in the future? (Explore)
- How did you learn to run a business? (Explore business training, family business)
- What kind of training did you receive?
- What satisfaction does your business bring to you? (Explore)
- Describe how successful you think your business is?
- What pressures do you receive from your family and community as a business owner?
- Are you able to make a profit each month and if you are, does this profit help your family expenses and business?
- How would you like this situation to change?
- Describe how you set about planning your business? (kind of trade, locality, start-up money/resources)

Objective 2

To ascertain the nature of support that family, community, government, NGOs and business provide for WBOs.

- Who supports you in your business? Probe: Who in your family and community is more likely to support you in your business?
- What kind of support do you get? (Explore kinds of support such as financial, loans, business advice or marketing assistance)
- What other kinds of support do you need? (Probe)
- Which NGOs and business sectors provide support to small businesses? (Explore the various NGOs and various business sector services in depth in the community such as the Khayelitsha Business Forum, Learn to Earn, The Philippi Business Place)
- What kind of support have you received? (Probe)
- What kind of support would you still need? (Probe)
- What kind of support does government give small businesses? (Explore government agencies services such as SEDA, Khula)
- How have you heard of government support services? (Probe)
- What kind of support services did you receive from these agencies and departments? (Probe)
- What other kind of support would you still like government departments and agencies to offer your business? (Probe)
- What are some of the reasons why you have not considered registering your business? (Explore reasons such as not knowing about registration, fear of registration process, too small a business)
- Would there be any advantages to registering your business? (Explore bigger markets, tax rebates, partnerships)

Objective 3

To examine the reasons why some WBOs are able to survive in global and economic downturns

- During difficult times when money is hard to come by (Explore food prices going up, taxi fares are increased and people are careful with spending) why is it that you are still able to carry on trading despite this? (Explore possible reasons put forward)
- Can you share an example when this has happened and how you were able to survive in your business?
- How have your family, friends and community supported you during these difficult economic times? (Explore financial support, advice, advertising business in networks)
- What is it about what you are offering that brings people to your stall?
- What are the variety of goods and the nature of those goods? (Probe)
- How does the location of your business make a difference to how much you are selling each day? (Explore the locations, near to stations)

Objective 4

To explore what factors drive WBOs resilience and perseverance in succeeding at business

- What are the main issues that threaten your trade? (Explore money, access to buying goods in bulk, the crime, competition traders)
- Can you explain how you deal with such threats? Give an example of something that happened that made it difficult for you but you continued to carry on with your small business? (Explore in detail)
- Describe how you dealt with these challenges and how you managed to continue with your business trade? (Probe)
- Can you explain why you have never given up despite all these challenges? (Explore support, tenacity, family financial need)

Objective 5

To ascertain the nature of trade that makes it possible for WBOs to succeed

- What attracts your customers to your business to buy your goods?
- How do you keep your customers interested in buying your goods?
(Probe)
- What kind of trade opposition have you experienced? (Explore competition, rival traders, threats)
- What do you do when there is competition in the area such as shopping malls and new, bigger businesses? Can you give an example of how you have managed to survive with your trade despite this happening?
- What are the challenges you have faced as a woman operating a business in the community? (Explore: discrimination, isolation)
- How have you managed to overcome these challenges? Can you give an example of how you did this?

Closing:

- Thank you for spending this time with me and for sharing your experiences of your business. Is there anything else you would like to share regarding the topic before we close?

Debriefing:

- How has this interview been for you?
- The researcher shares how she has experienced the interview with affirmation and encouragement.
- The researcher reassures the participant of the confidentiality of the data collected.

Feedback session:

- The researcher asks the participant if she would like to attend a feedback meeting with the other women participating in the study at a date set when the research is completed.

Appendix 2 – Interview schedule for small business ‘experts’

University of Cape Town

Department of Social Development

SWK5001W Masters Research Dissertation

INTERVIEW SCHEDULE FOR SMALL BUSINESS ‘EXPERTS’

Section A. Research background and purpose of the study.

1. Study Topic: *Exploring factors that sustain successful women- owned informal micro businesses in the Western Cape*

2. Study Objectives:

- To explore the behavioural and motivational factors that make it possible for WBOs to make a success of their businesses
- To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs
- To examine the reasons why some WBOs are able to survive in global and economic downturns
- To explore what factors drive WBOs resilience and perseverance in succeeding at business
- To ascertain the nature of trade that makes it possible for WBOs to succeed

3. Introducing the researcher and the study

- The researcher introduces herself to the key informant. Reminds the key informant of the research topic. States that the research is conducted under the supervision of the Department of Social Development at UCT. Discusses ethical considerations, voluntary participation, audio recording of the interview, anonymity and confidentiality. Asks the key informant to sign the consent form and to fill in the biographical details form. The researcher asks if she can proceed with the interview and if she can switch on the recorder.

Section B: The interview schedule

Objective 1

To explore the behavioural and motivational factors that make it possible for WBOs to make a success of their businesses

1. Participant background (Motivational factors)

- In your opinion in general how old are women when they start their own businesses? (Explore)
- What do you think motivates women to start their own business? (Explore personal aspirations, survival needs)
- Who do you think is responsible for bringing money into the family?
- How responsible do you think women feel about bringing money into the family?
- What kind of support do you think women receive from their husband, partner or family in running their business? (Explore, advice, assisting with customer service)

2. Business background (Behavioural factors)

- Why do you think they choose to sell the products they sell?
- Where do you think they source these products they sell? (Explore challenges in sourcing these products)
- Who do you think they tend to employ and what value do they offer the business? (Explore family, community members, creating employment)
- What value do these employees bring to the business?
- In your opinion where do you they see their business in the future? (Explore)
- Where do you think they have learnt to run a business? (Explore business training, family business)
- What kind of training do you think they received?
- In your opinion, what kind of satisfaction does the business bring to the owner? (Explore)
- How would you define their ‘success’ in informal micro- business? (Explore)

- In your opinion, what kind of challenges would their families and communities place on them as business owners?
- What characteristics do women need to be able to continue to run their business successfully despite these pressures and demands? (Probe)
- In your opinion would the business owner be able to make a profit that could sustain the family and business?

Objective 2

To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs

- Who do you think provides support for business owners? Who in the family and community is more likely to support the women in their business? (Probe)
- What kind of support do you think they need? (Explore, financial, loans, business advice or marketing assistance of their business? What other kinds of support do they need? (Probe)
- Which NGO's and business sectors provide support services to small businesses? (Explore the various NGOs and various business sector services in depth in the community such as the Khayelitsha Business forum, Learn to Earn, The Philippi Business Place)
- What kinds of support services are offered? (Probe) What other kind of support do they need from these NGOs and business sectors? (Probe)
- What kind of support services do government agencies offer small businesses? (Explore government agencies services such as SEDA, Khula). How have they heard of government support services? (Probe)
- What kinds of services have these departments and agencies offered the business owner? (Probe) What other kind of support do you think these government departments and agencies need to offer businesses? (Probe)
- What are some of the reasons why some businesses have not considered registering their businesses? (Explore the reasons such as not knowing about registration, fear of the registration process, too small a business, red tape)

- Would there be any advantages to registering their businesses? (Explore: bigger markets, partnerships)

Objective 3

To examine the reasons why some WBOs are able to survive in global and economic downturns

- Why is it that business owners are able to carry on trading during difficult economic times? (Explore financial survival, debt, family support, non interest loans)
- What is it about what they are offering that brings people to their stalls?
- What are the variety of goods and the nature of these goods that sell well? (Probe)
- How does the location of the business make a difference to how much the owners are able to sell each day? (Explore is the location near to stations, taxi ranks, in the home)

Objective 4

To explore what factors drive WBOs resilience and perseverance in succeeding at business

- What are the main issues that threaten the informal micro- business trade? (Explore)
- Have you an example of women in business who have shown resilience despite major challenges? (Explore)
- What other factors do you think enable the business owner to continue to manage these challenges? (Explore)

Objective 5

To ascertain the nature of trade that makes it possible for WBOs to succeed.

- What do you think keeps customers coming to the business to buy the businesswomen's goods? How do they keep their customers interested in buying their goods? (Probe)
- What do they do when there is competition in the area such as shopping malls and new and bigger businesses?

- Can you give an example of how they managed to survive with their trade when this happens?
- What are the challenges they face as women operating a business in the community? (Explore)

Closing:

- Thank you for spending this time with me and for sharing your experiences. Is there anything else you would like to share regarding the topic before we close?

Debriefing:

- How has this interview been for you?
- The researcher shares how she has experienced the interview with affirmative enquiry
- The researcher reassures the key informant of the confidentiality of the data collected.

Feedback session:

The researcher asks the key informant if he/she would like to attend a feedback meeting and receive a copy of the chapter on the research findings.

Appendix 3 – Interview schedule for government officials

University of Cape Town

Department of Social Development

SWK5001W Masters Research Dissertation

INTERVIEW SCHEDULE FOR GOVERNMENT OFFICIALS INVOLVED IN SMALL BUSINESS DEVELOPMENT

Section A. Research background and purpose of the study.

1. Study Topic: *Exploring factors that sustain successful women-owned informal micro businesses in the Western Cape*

2. Study Objectives:

- To explore the behaviour and motivational factors that make it possible for WBOs to make a success of their businesses.
- To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs.
- To examine the reasons why some WBOs are able to survive in global and economic downturns.
- To explore what factors drive WBOs resilience and perseverance in succeeding at business.

To ascertain the nature of trade that makes it possible for WBOs to succeed.

3. Introducing the researcher and the study

- The researcher introduces herself to the key informant. Reminds the key informant of the research topic. States that the research is conducted under the supervision of the Department of Social Development at UCT. Discusses ethical considerations, voluntary participation, audio recording of the interview, anonymity and confidentiality. Asks the key informant to sign the consent form and to fill in the biographical details form. The researcher asks if she can proceed with the interview and if she switch on the recorder.

Section B: The interview schedule

Objective 1

To explore the behaviour and motivational factors that make it possible for WBOS to make a success of their businesses

1. Participants background (Motivational factors)

- In your opinion in general how old are women when they start their own businesses? (Explore)
- What do you think motivates women to start their own business? (Explore personal aspirations, survival needs)
- Who do you think is responsible for bringing money into the family?
- How responsible do you think women feel about bringing money into the family?
- What kind of support do you think women receive from their husband, partner or family in running their business? (Explore, advice, assisting with customer service)

2. Business Background (Behavioural factors)

- Why do you think they choose to sell the products they sell?
- Where do you think they source these products they sell? (Explore challenges in sourcing these products)
- Who do you think they tend to employ and what value do they offer the business? (Explore family, community members, creating employment)
- What value do these employees bring to the business?
- In your opinion where do you they see their business in the future? (Explore)
- Where do you think they have learnt to run a business? (Explore business training, family business)
- What kind of training do you think they received?
- In your opinion, what kind of satisfaction does the business bring to the owner? (Explore)

- How would you define their ‘success in informal micro- business? (Explore)
- In your opinion, what kind of challenges would their families and communities place on them as business owners?
- What characteristics do women need to be able to continue to run their business successfully despite these pressures and demands? (Probe)
- In your opinion would the business owner be able to make a profit that could sustain the family and business?

Objective 2

To ascertain the nature of support that family, community, government, NGOs and business provide for the WBOs

- Who do you think provides support for business owners? Who in the family and community is more likely to support the women in their business? (Probe)
- What kind of support do you think they need? (Explore, financial, loans, stockvels, business advice or marketing assistance of their business? What other kinds of support do they need? (Probe)
- Which NGOs and business sectors provide support services to small businesses? (Explore the various NGOs and various business sector services in depth in the community such as the Khayelitsha Business forum, Learn to Earn, The Philippi Business Place).
- What kinds of support services are offered? (Probe) What other kind of support do they need from these NGOs and business sectors? (Probe)
- What kind of support services do government agencies offer small businesses? (Explore government agencies services such as SEDA, Khula). How have they heard of government support services? (Probe)
- What kinds of services have these departments and agencies offered the business owner? (Probe) What other kind of support do you think these government departments and agencies need to offer businesses? (Probe)
- What are some of the reasons why some businesses have not considered registering their businesses? (Explore the reasons such as not knowing about registration, fear of the registration process, too small a business, red tape)
- Would there be any advantages to registering their businesses? (Explore: bigger markets, partnerships)

Objective 3

To examine the reasons why some WBOs are able to survive in global and economic downturns

- Why is it that business owners are able to carry on trading during difficult economic times? (Explore financial survival, debt, family support, non interest loans).
- What is it about what they are offering that brings people to their stalls?
- What are the variety of goods and the nature of these goods that sell well? (Probe)
- How does the location of the business make a difference to how much the owners are able to sell each day? (Explore is the location near to stations, taxi ranks, in the home)
- How does the location of the business make a difference to how much the owners are able to sell each day? (Explore, location near to stations, taxi ranks, in the home)

Objective 4

To explore what factors drive WBOs resilience and perseverance in succeeding at business

- What are the main issues that threaten the informal micro- business trade? (Explore)
- Have you an example of women in business who have shown resilience despite major challenges (Explore)
- What other factors do you think enable the business owner to continue to manage these challenges (Explore)

Objective 5

To ascertain the nature of trade that makes it possible for WBOs to succeed

- What do you think keeps customers coming to the business to buy the small businesswomen's goods? How do they keep their customers interested in buying their goods? (Probe)
- What do they do when there is competition in the area such as shopping malls and new and bigger businesses?

- Can you give an example of how they managed to survive with their trade when this happens?
- What are the challenges they face as women operating a business in the community? (Explore)

Closing:

- Thank you for spending this time with me and for sharing your experiences. Is there anything else you would like to share regarding the topic before we close?

Debriefing:

- How has this interview been for you?
- The researcher shares how she has experienced the interview with affirmative enquiry
- The researcher reassures the key informant of the confidentiality of the data collected.

Feedback session:

The researcher asks the key informant if he/she would like to attend a feedback meeting and receive a copy of the chapter on the research findings.

Appendix 4 – Samples of biographical details of the study participants

Biographical details: Women-owned informal micro business participants

Please fill in the following form with your personal details. Please feel free to not share details you are not comfortable to share.

Name/Pseudonym	
Home location	
Home language	
Age bracket	
How long have you had your business	
How old were you when you started your business	
What did you do before you started your business	
Highest level of education	

Biographical details: Small business ‘experts’ and government officials key informants

Please fill in the following form with your personal details. Please feel free to not share details you are not comfortable to share.

Name/Pseudonym	
Gender	
Age bracket	
Educational background	
Small business services offered	
Current position and responsibilities	
Length of employment in current position	
Time spent on small development per week	

Appendix 5 – Sample of research study consent form



UNIVERSITY OF CAPE TOWN

FACULTY OF HUMANITIES

DEPARTMENT OF SOCIAL DEVELOPMENT

INFORMED CONSENT FORM FOR WOMEN PARTICIPANTS

Title of Study: Exploring factors that sustain successful women owned small businesses

Objectives of the Study:

1. To explore the behaviour and motivational factors that make it possible for women- owned informal micro businesses to make a success of their businesses
2. To ascertain the nature of support that family, community, government, NGOs and business provide for the women-owned informal micro businesses.
3. To examine the reasons why women-owned informal micro businesses are able to survive in the global and economic downturns.
4. To explore what factors drive the women-owned informal micro businesses resilience and perseverance in succeeding at business.
5. To ascertain the nature of trade that makes it possible for women-owned informal micro businesses to succeed.

This project forms part of the qualification of Master of Social Science (MSocSc) degree in Social Development.

Dr Connie O' Brien is supervising the student and can be contacted on the contact details below, should you have any questions:

Tel: 021 650-3481

Fax: 021 689-2739

Email: Constances.OBrien@uct.ac.za

Name of Participant:

Name of Researcher: Ms Elizabeth Clack

Research Procedures: I understand that I will be participating in an *interview process* to explore factors that sustain successful women-owned informal micro businesses. The interview will last approximately 1h: 45min. During the interview, I understand that notes will be taken and a digital recorder will be used. The notes, the information held on the recorder and the transcripts will be kept in a secure place. Once the research has been completed, this material will be destroyed.

Risks and Anxiety: I have been assured that there will be no risks or expected anxieties experience involved in participating in this research study.

Benefits/Incentives: I understand that the researcher will not offer any benefits or incentives for my participation in this study. However, through my participation, this study will increase my understanding of factors that sustain successful women-owned informal micro businesses.

Participant's Rights: I understand that I am free to withdraw from participating in this study at any time, without giving any reason or being disadvantaged in any way.

Confidentiality: I understand that the interview process will be kept strictly confidential and that it will be available only to the researcher. Extracts from the interviews may be included in the final research report. A copy of the report will be kept in the UCT Libraries. Under no circumstances will my name, organization or any identifying characteristics be included in the report or any other publications related to this research.

I understand that if at any time I would like any additional information about this project, I can contact the researcher at the following contact details:

Cell: 0722977964

Email: elizabeth@warehouse.org.za

By signing this informed consent form, I confirm that I have read it and that the study has been explained to me. I voluntarily participate in this study and I do not give up any legal right by signing this consent form. I understand that I will receive a signed copy of this consent form.

Signature of Participant
(dd/mm/yyyy)

Date

Signature of Researcher
(dd/mm/yyyy)

Date

Appendix 6 – Plagiarism declaration



UNIVERSITY OF CAPE TOWN
Department of Social Development

PLAGIARISM DECLARATION

1. I know that plagiarism is wrong. Plagiarism is to use another's work and pretend that it is one's own.
2. I have used the Harvard convention for citation and referencing. Each contribution to, and quotation in, this Research report from the work(s) of other people has been attributed, and has been cited and referenced.
3. This project is my own work.
4. I have not allowed, and will not allow, anyone to copy my work with the intention of passing it off as his or her own work.
5. I acknowledge that copying someone else's assignment or essay, or part of it, is wrong, and declare that this is my own work.

Date:

Signature:

Full Name of Student: