



WOODSTOCK SMALL BUSINESS DEVELOPMENT INITIATIVES: AN IMPACT STUDY

Research Dissertation

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DECLARATION

I, Waleed Ras, declare that the contents of this research project represent my own work, and that this report has not previously been submitted for academic examination towards any qualification. The purpose hereof is in fulfilment for the degree of Masters in Business Administration (Faculty of Business). Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology. I further declare that the CPUT Ethical Research Committee awarded me the consent to carry out this research.

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Date

Abstract

This research study explored perceptions which small business owners and managers have of the impact that initiatives, aimed at revitalisation, have on small business development. The Woodstock Salt-River Revitalisation Framework (WSRRF, 2002) served to guide these initiatives in order to achieve their various objectives, which included, *inter alia*, the development of small business. Often, official initiatives cannot adequately meet the needs of all stakeholders. The benefits that are derived from these initiatives may differ amongst stakeholders owing to their varying expectations and perceptions.

The main research problem that was identified relates to reasons why the impact of this framework initiative is currently not appropriately understood and, as a result, not effectively and efficiently implemented. Hence, this research study evaluates the extent to which the Revitalisation Framework has affected the development of small businesses within the study area.

The literature that was consulted during the literature review consisted of topics that cover small business growth, entrepreneurship, enterprise development, revitalisation, regeneration, gentrification and official documents pertaining to strategies and policies geared towards economic development and growth of the small business sector.

This research study adopted a mixed-method design, which required that both quantitative and qualitative research methods had to be applied. Mixed-method studies combine the strengths of both approaches and have the potential to reveal what neither quantitative nor qualitative research alone may be able to do.

The data collection instrument that was used during the empirical phase of this study was a semi-structured questionnaire. This was administered to the research population, using a random sampling method, on a face-to-face basis as far as possible.

The data analysis results indicate that the WSRRF has impacted positively on small business development. Yet, they also indicate a degree of impacting negatively on small business development. The extent of these impacts become evident when considering, *inter alia*, the birth-rate of small businesses in the area, as well as investments that are made into the local economy.

Dedication

I would like to dedicate this study to my parents, Ebrahim and Gamedda, to my beloved children, Ghaalied, Niyaal and Hudaa, and to all those who teamed up to support me throughout this research. To my profoundly articulate and talented supervisors, Professor Naas Ferreira and Dr Darlington Onojaefe, you inspired and crafted new skills that will benefit me throughout life and for this, I truly thank you.

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ACRONYMS

WSRRF: Woodstock Salt River Revitalisation Framework

CBD: Central Business District

DTi: Department of Trade and Industry

ISBDS: Integrated Small Business Development Strategy

GDP: Gross Domestic Product

UCS: Underhill Corporate Solutions

SME: Small and Medium Enterprises

UK: United Kingdom

SEDA: Small Enterprise Development Agency

SEFA: Small Enterprise Finance Agency

NEF: National Empowerment Fund

IDC: Industrial Development Corporation

LED: Local Economic Development

GEM: Global Entrepreneurship Monitor

BDS: Business Development Services

YEDS: Youth Enterprise Development Strategy

CIPC: Companies and Intellectual Properties Commission

SMME: Small Medium and Micro-Sized Enterprises

SBDM: Small Business Development Ministry

SPII: Support Programme for Industrial Innovation

n.d: no date

NYDA: National Youth Development Agency

NSBAC: National Small Business Advisory Council

UN: United Nations

SARS: South African Revenue Service

CID: Central Improvement District

WID: Woodstock Improvement District

WUP: Woodstock Upliftment Programme

BE: Built Environment

SPSS: Statistical Packages for Social Sciences

CHAPTER 1 : INTRODUCTION AND BACKGROUND OF THE RESEARCH PROBLEM

1.1 INTRODUCTION

This research study explored perceptions which are held by small business owners and managers regarding the impact that initiatives, that are aimed at revitalisation, had on small business development. The Woodstock Salt-River Revitalisation Framework (WSRRF, 2002) served to guide these initiatives to achieve their various objectives, which included, *inter alia*, the development of small business. Often, official initiatives cannot adequately meet the needs of all stakeholders. The benefits that are derived from these initiatives may differ amongst stakeholders owing to their varying expectations and perceptions. It, therefore, became important to highlight the real impact on the development of small businesses by this, and/or similar small business development initiatives in order to properly understand the extent to which Woodstock's small business development was affected by the Woodstock-Salt River Revitalisation Framework initiative. It was expected that this framework should specifically "be able to manage, facilitate and guide the renewal of this area" to ultimately improve the quality of life within the area.

The title indicates that Woodstock, a suburb in Cape Town, is the focal point of the research. Woodstock was chosen as the study area for two main reasons. Firstly, it is one of the oldest suburbs in South Africa and, hence, bears a significant amount of history. The researcher's interest was prompted by the progress and evolution of Woodstock from its beginnings as a fishing village, known as Papendorp. The second reason can be found in its geographic location in relation to Cape Town's central business district (CBD).

1.2 CONTEXTUAL BACKGROUND

The Woodstock-Salt River Revitalisation Framework (WSRRF, 2002) portrays Woodstock as a lower income area, which is rife with crime and social problems — a typical example of a decaying inner-city suburb. Implementation of numerous initiatives that are geared towards revitalisation such as The Safer Cities Programme, which was initiated by the City of Cape Town, has resulted in significant changes within Woodstock. Chapter Two discusses initiatives in more detail within a 'Woodstock'

context. These have changed the image of the suburb, and have also impacted on small business development. It could be inferred that such changes may affect local small business development in a positive manner, particularly against the backdrop of increasing property prices and high rental rates that are charged. However, it must be seen in the context of an area, which has undergone significant transformation (gentrification). Butler (2011) explains that gentrification is not merely a case of displacing lower income residents, but that it is rather a shifting of capital from one area to another. In her explanation she concurs that this transformation affects some beneficiaries positively and some negatively. She further states that the Isle of Dogs, which is a suburb in London, typifies gentrification by capital and emphasises that it is not a victimless process. The latter part of her statement refers to the displacement of lower income groups by the influx of higher income groups.

It is in the above context that the study sought to highlight the perceived impact that the Woodstock-Salt River Revitalisation Framework (WSRRF) initiatives have had on small business development in this area.

1.3 RESEARCH PROBLEM

The WSRRF, commissioned by the City of Cape Town, served to guide numerous initiatives, from both the public and private sectors, geared, *inter alia*, towards the development of small business. The main research problem that has been identified relates to reasons why the impact of this framework initiative is currently not appropriately understood and, as a result, not effectively and efficiently implemented. Hence, this research study evaluates the extent to which the Revitalisation Framework has affected the development of small business in Woodstock, which is the area under study.

1.4 RESEARCH QUESTIONS

To conceptualise the purpose of this research study, the research was guided by the following questions, which appear below.

- 1.4.1 What are the perceived impacts that the Revitalisation Framework had on the development of small businesses in the area?

- 1.4.2 To what extent has Woodstock's small business development been affected by the Woodstock-Salt River Revitalisation Framework initiative?
- 1.4.3 What criteria would a monitoring framework use to monitor and evaluate the Woodstock Salt River Revitalisation Framework in terms of its impact on small business development?

1.5 RESEARCH OBJECTIVES

Often, official initiatives cannot adequately meet the needs of all stakeholders. Perceptions and expectations regarding the benefits that are derived may differ among various stakeholders. Hence, in order to properly understand the perceived impacts, it was necessary to understand the objectives of this research study, and its importance.

The following three objectives were identified for the research study:

- 1.5.1 To understand the perceived impact of implementing the WSRRF initiatives on the development of small business;
- 1.5.2 To identify the extent of the revitalisation programme's impact on the development of small business affected by the program; and
- 1.5.3 To develop a monitoring framework for small businesses, which are affected by the WSRRF initiatives.

1.6 NEED FOR THE RESEARCH

The following are reasons, which justified a need for this study:

- 1.6.1 To improve on the effectiveness of small business development initiatives;
- 1.6.2 To facilitate knowledge and understanding of small business development initiatives that are successful, effective and efficient; and
- 1.6.3 To highlight the real impact on the development of small businesses by this, and/or similar small business development initiatives.

1.7 RESEARCH DESIGN

This section explains the research methods that was adopted for this research study in order to achieve the stated research objectives. Secondary data was obtained mainly by way of a literature review, while primary data was collected empirically through the administration of a survey questionnaire.

Recent and relevant literature was consulted that deals with small business development, revitalisation (regeneration and or renewal) frameworks, or similar initiatives of inner-city areas which have been published in reputable journals and previous research published in reputable database catalogues and books. The purpose of conducting this review was to identify the benefits and problems that are associated with revitalisation processes and to guide assessment of the impact of these initiatives. It was also used to establish a benchmark for the level of success, which has been achieved.

Government policy frameworks, legislation that deals with small business development, as well as relevant incentives and programmes, which are applicable to this study, with the intention of highlighting official collaborative involvement, formed part of the review. The extent that the general public or other interested parties have in terms of access to these initiatives, was also determined.

1.7.1 LITERATURE REVIEW

Literature on small business development was found in various reputable sources such as academic books and journals, research reports, legislation and Internet publications that contributed to understanding impacts of these types of initiatives on small business development.

To further enhance understanding of the above impacts, and for the purpose of this research study, the academic and institutional research literature that was consulted includes literature on regeneration, revitalisation, reimagining of inner-city or decaying suburbs and related or similar subject matter, small business development, enterprise development, entrepreneurship, proprietorship, gentrification, as well as government policy framework documents and strategic planning documents that have been intended to guide and aid development in the region. The latter reveals that, to date,

a number of initiatives, which facilitate improvement of the area as outlined therein, have been completed or are currently in progress, which indicate the intentions and achievements of public officials thus far. This was confirmed in the Woodstock-Salt River Revitalisation Framework (Final Draft, June 2002) document:

“There are major efforts and initiatives currently being pursued by various organisations in the area. It is crucial that these are consolidated and brought together to lead and drive the revitalisation programme and proposals with the City of Cape Town as a key role player and funder.”

It is understood that the upliftment profile of an area, in terms of its suitability for the establishment of small business by entrepreneurs and individuals alike, makes it more attractive to be based there. This upliftment and increased business activity, in turn, attracts potential customers to the area, and this is brought about by improving, amongst other things, the quality and aesthetics of buildings and properties, as well as the public transport system and public recreational spaces. However, in order for this to happen, various initiatives (usually incentivised by government) are taken up by relevant stakeholders such as property owners, developers and investors who seek to make profits through regeneration or redevelopment of dilapidated properties.

The Woodstock-Salt River Revitalisation Framework initiative represents a policy framework, which was developed for the purpose of revitalising a decayed inner-city suburb. Within this framework a number of further, relevant initiatives have been launched. This is one example of a governmental (commissioned by the City of Cape Town (NM & Associate Planners and Designers, 2002)) initiative, which was intended to guide and aid small business development towards its growth and profitability into the future.

This phenomenon is not restricted to this region; it is and has occurred world-wide. Evidence of this can be found in the following quoted text by Yau and Chan (2008), who emphasise the importance of regeneration or revitalisation initiatives in the quest for continuous improvement and sustainable development of inner-city neighbourhoods.

“Urban regeneration or renewal is not a “slash and burn” process (Planning and Lands Bureau, 2001). In reality, it is a process by which deteriorated buildings

are improved through various methods, ranging from modernization, rehabilitation to clearance and redevelopment (Dumouchel, 1975; Prasad, 1989, Roberts, 2000:17) defined urban regeneration as:

[...] comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical and environmental condition of an area that has been subject to change.”

The above authors indicate that the primary purpose of regeneration is to uplift and improve an entire neighbourhood from slum-like conditions towards achieving an improved quality of life within that area or suburb. This implies, amongst other benefits, a decrease in criminal activities and an upward movement of a population income group, which impacts on the development of small businesses.

Reiser and Crispin (2009) refer to the regeneration and redevelopment of part of the Australian city, Tasmania, as reimagining. They also highlight that regeneration and redevelopment have emerged as major trends in post-industrial cities. The intention of revitalisation and reimagining is to attract new residents, businesses and tourists, following a period of economic decline.

In the above context, the Woodstock-Salt River Revitalisation Framework sought to “manage, facilitate and guide the renewal of this area” in order to “promote an efficient and qualitative living environment” (NM & Associate Planners and Designers, 2002). This appears to be the common goal with most revitalisation plans, as can be seen in Toronto, where public officials engaged residents through a participatory process to develop an acceptable revitalisation plan, which was implemented during 2002 at Regent Park (James, 2010).

Often, the above processes (revitalisation initiatives) include the gentrification phenomenon, which brings with it its own set of challenges and benefits. Due to its nature, it is met with both opposition and support. This is better understood through an explanation by *Jackson et al.* (2008:476), wherein they highlight both positive and negative aspects of this phenomenon.

It essentially signals, amongst others, an opportunity to create wealth on the one hand by improving housing conditions as well as by increasing the aesthetic appeal of

properties and neighbourhoods, and thereby increasing its value; and, conversely, giving birth to social challenges through the displacement of existing, lower income tenants. Ideal conditions for gentrification to occur can be found within most decaying inner-city neighbourhoods.

According to Yang and Xu (2008), diversification of a city plays an important role in its economic growth. The principles of diversification, as applied to demographic composition, lead to diversified consumption demand and supply, which promotes the economic growth of local business environments, which was determined in the case of Woodstock. It was established that through implementation of the revitalisation initiative, a substantial contribution was made to the attraction of this diversity, thereby impacting on the demographics and, in turn, on demand and supply consumption factors. This type of activity complements Adam Smith's Laissez Faire model as a developmental policy, which guides small business development (Semmens, 1987). This developmental model typically symbolises an unplanned economic growth strategy, making allowance for entrepreneurial freedom to be explored in the quest for sustainable profits.

Semmens argues that while a planned economy may produce specific objectives for development to be realised, it is the unplanned market that ultimately determines the growth of an economy. This argument is based on Adam Smith's concerns on how to achieve prosperity (Semmens, 1987). It is this concept that small business seeks to achieve in its developmental processes.

Miller (2010) explains some of the tensions that emerged as a result of the development of a mini-business hub in the Woodstock area within the surrounding neighbourhood. From the aforementioned information, it can be inferred that not all developments, specifically the Neighbourhood Goods Market (a weekly event that takes place every Saturday at the Old Biscuit Mill in Woodstock), contribute directly to the benefit of the community. It seems to serve a minority part of the population and negatively impacts on traffic congestion and other consequential factors while in operation. However, in the context of small business development, and for the purpose of this research study, this development was included in the empirical phase, as it represents a typical example of a revitalised property.

It is understood that the Woodstock-Salt River Revitalisation Framework will guide development within these areas towards general upliftment of the quality of life.

1.7.2 EMPIRICAL STUDY

The study design adopted a mixed-method design, that is, applying both quantitative and qualitative research methods, which are based on a phenomenological approach. The main reason that this approach was adopted is based on the understanding that decisions that are taken by stakeholders within the small business environment are largely based on perceptions of events that are witnessed or experienced. This approach explored these perceptions in a quest to understand the reasoning and logic behind them. Primary data was collected via a questionnaire that the researcher developed. The research methodology, including the questionnaire, was validated by a qualified, registered statistician.

Data collection was conducted via questionnaire interviews in a semi-structured format with business owners and managers. The respondents were selected on a random sampling method that considered five strategically chosen sections of the study area. A random selection of small businesses was chosen within each of these sub-areas (for purposes of this study, these areas are referred to as zones). This would ensure that a fair representation of the research population across the entire study area was achieved.

At the beginning of this study it was decided that in order to determine the impact on small business development, it was necessary to establish a 'before and after' scenario of each small business environment. In addition, developers of the Woodstock-Salt River Revitalisation Framework will be interviewed in order to obtain a deeper understanding of their objectives. These included members of the City of Cape Town officials who were involved in commissioning this initiative, as well as relevant personnel from NM and Associates who prepared the Woodstock-Salt River Revitalisation Framework on behalf of the City of Cape Town. However, owing to various factors beyond the researcher's control, including time constraints in which to complete this study, it was not possible to establish a 'before' scenario of the small business environment within the study area. Also, it became impractical to interview developers of the Revitalisation Framework, as well as the City's officials who

contributed to the drafting of this policy document. The researcher gained an understanding from a review of this document.

The interviews consisted of both a structured component and an open-ended (unstructured) component. The structured component determined participants' demographic details, business profile and economic parameters, while the unstructured component elicited opinions and perceptions of the respondents.

Data collection took place by conducting five interviews at a time from each of the five selected zones. Data was analysed once each batch of the interviews had been completed. This was repeated until saturation was demonstrated, at which stage it was assumed that the sample size was sufficient, and the data was valid and reliable.

As far as possible, face-to-face interviews were conducted. When this became impractical, telephonic or email approaches were adopted.

The research produced secondary data via the literature that was reviewed, providing themes along which the primary data was analysed. The primary data was obtained from a validated questionnaire based survey. More details on the research approach and methods that were adopted during data collection can be found in Chapter Four.

1.8 SCOPE AND LIMITATIONS

Small business development is affected by numerous factors in the economy and the environment. Additionally, the impact of any revitalisation process affects numerous aspects of the revitalised area, not only the development of small business. It would be impossible to explore all these factors in an impact study on small businesses in this mini-thesis.

Thus, the research study is confined to small businesses that operate in the Woodstock-Salt River precinct, and explores the perceptions held by these owners and managers regarding the impact that the WSRRF initiatives had on small business development.

These perceptions were obtained through the administration of questionnaires to the stakeholders mentioned in the previous paragraph. The completed questionnaires

were collected, coded and analysed for evidence of positive, negative or no impacts, as well as the extent of these impacts.

The source of the primary data was restricted to the owners and/or managers of small businesses. The study was constrained by a limited budget. Face-to-face interviews consume a lot of time. Given the fact that the participants were engaged during their work or business hours, they were reluctant to meet after working or business hours, hence the time that was required to complete the survey, was another constraint to this study. In light of these constraints, the researcher was able to successfully complete 91 questionnaires based interviews. The limited sample size could mean that the perceptions of the stakeholders who were interviewed did not necessarily represent the perceptions of all the stakeholders in the Woodstock-Salt River precinct.

1.9 ANALYSIS AND INTERPRETATION OF DATA

The data that was collected via the empirical survey was coded and thematically analysed. Once key themes were analysed, it was presented to participants to improve validity. The report was then formulated and presented to all relevant stakeholders. The analytical techniques that were adopted during the statistical analysis of the data include descriptive analysis, content analysis and Chi-square analysis. The production of knowledge that is generated by this study should ultimately allow decision-makers to ascertain the effectiveness of their initiatives, and lead to an improved understanding of perceptions at grassroots level.

1.10 SUMMARY

This chapter introduced the topic and provided a framework of the scope of the study that was conducted. The study area was identified with a brief description about it. A contextual background to the study was provided. The research problem, objectives of the research, key research questions, the hypotheses and research design and methodology were all introduced in this chapter. The research methodology is divided into two sections, namely the literature review and the empirical study. The literature review indicates the type of literature that was consulted, as well as its sources. The empirical survey section briefly described the method that was followed in the

collection of the primary data. A short description of the research instrument, as well as the analytical techniques that were employed during the analytical phase, is provided.

The next chapter describes small business development and initiatives geared towards the area's promotion, and development.

CHAPTER 2 SMALL BUSINESS DEVELOPMENT AND INITIATIVES

2.1 INTRODUCTION

For the purposes of this study, small business development in the South African context should preferably be considered post-1994, because until then the country's political and socio-economic climate was dominated by an Apartheid legacy and economic and political sanctions. In addition to this, the previous regime neglected the development of the small business sector. Instead, they focused on the development of large, capital intensive enterprises (DTi, 2003:7). During the initial post-Apartheid years, significant progress was made in the small business sector of the economy, beginning with the adoption of the White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa (1995). This led to the promulgation of the National Small Business Act, No 102 of 1996, amongst numerous other legislative changes, to the establishment of the Small Business Development Ministry in 2014.

The results of official efforts in this sector are evident when examining the relevant statistics. The Department of Trade and Industry (DTi) reported in the 2003 Integrated Small Business Development Strategy (ISBDS) that small business accounted for 98% of all formal businesses in South Africa, while it contributed 35% to the Gross Domestic Product (GDP), and employed about 55% of the labour force (DTi, 2003). According to an Underhill Corporate Solutions (UCS) study, Small and Medium Enterprises (SMEs) contribute between 52 to 57% to the GDP, and provide approximately 61% to employment. Close to 91% of formal business entities in South Africa fall within the small business sector (UCS, 2011:14). This indicates the significant contribution that small business is making towards achieving a better quality of life for all South Africans. This phenomenon is not restricted to the South African markets. With reference to a study, which was undertaken by Dr Ruth Hillary in 2000, the United Kingdom (UK) recorded statistics on small businesses accounting for 99% of the 3.7 million businesses in the UK. It further shows that small business accounted for 58% of employment and contributed 38% to GDP (Hillary, 2000). A more recent source quoted similar figures, namely 99.3% of private sector businesses were SMEs, and that these contributed 33% to GDP and 60% to private sector employment (National Federation of Self Employed & Small Businesses Limited, 2015). This emphasises the key role

that small business plays in the economy. This essence is captured in the South African government's Small Business Development Ministry's strategic objective for economic growth (The Department of Small Business Development, 2015):

“To facilitate the development and growth of small businesses and co-operatives to contribute to inclusive and shared economic growth and job creation through public and private sector procurement”

Numerous support structures and initiatives have been launched to support the development of small businesses in South Africa. Examples of these structures include, but are not limited to, the establishment of the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA), National Empowerment Fund (NEF), Industrial Development Corporation (IDC), Ntsika, Khula, the Local Economic Development Network (LED) and SA Women's Entrepreneur Network (UCS, 2011).

2.2 SMALL BUSINESS FAILURE RATE

Despite the above supportive programmes with their initiatives, Urban and Naidoo (2012:147) state that the small business failure rate is found to be as high as 50% in South Africa. According to the bizconnect and fin24 websites, Standard and Absa Bank have cited figures of 53% and 60%, respectively, as prevailing new business failure rates, usually within the first 24 months (Bizconnect 2014; fin24 2010). The Minister of Trade and Industry was reported to have said that five out of seven new small businesses fail within their first year of operating (Entrepreneur Media SA 2015). It may be concurred that the reciprocated values quoted above would indicate the levels of success that were achieved for successful new small business ventures.

Reasons cited for the above failures include a lack of adequate skills and required knowledge, as well as training to develop a new business venture (Urban & Naidoo, 2012:147). These reasons are confirmed throughout the Global Entrepreneurship Monitor (GEM) reports (2001-2013), and include the latest 2014 report (GEM, 2014). While these reports do not report on failure rates, they do, however, highlight the deficiencies amongst the entrepreneurs that engage in new small business ventures.

2.3 SMALL BUSINESS SUPPORT

The above reasons, amongst others, contributed to the general lack of awareness by small business owners and entrepreneurs of support programmes that are offered and initiatives that are implemented to assist with the development of the small business sector, resulting in a low response rate to it (UCS, 2011:10). In the past, numerous Governments provided financial and business development services when dealing with small business development. These efforts sought to improve access to resources and management capabilities within small businesses in order to achieve growth and increased competitiveness. These efforts often proved inadequate. This is mainly owing to government's inflexibility or rigid programmes only reaching and providing for a limited audience. Another significant factor is the broader influences within the small business environment, which undermine the impact of specific government programmes (DTi, 2003:22-23).

The Underhill (UCS, 2011) report confirms that often initiatives and support programmes are mismatched against intended recipients. In Chengdu, a city in China, it was found that there were numerous gaps in the various support programmes and products, which are offered by Business Development Services (BDS) in support of small business development (Smallbone *et al.*, 2008).

Included in these support programmes are funding and financing schemes, which are offered by both public and private sector funding agencies. The Underhill (UCS, 2011) report explains further that other challenges that are rated as the most significant obstacles faced by small business owners and entrepreneurs include space in which to operate, a lack of appropriate management training, financial management, and suitable understanding of the requirements to obtain funding facilities for small business development.

The Global Entrepreneurship Monitor South African Report (GEM) (2006) makes reference to an "entrepreneurial mind-set", which it found was lacking at a micro level, as required for the successful creation of small business ventures, as one of the major challenges, which South African entrepreneurs face.

2.4 JOB CREATION AND ECONOMIC GROWTH

Job creation potential of the small business sector is recognised by numerous research papers and policy discussions (GEM, 2001:35). Further evidence of this can be found in the Economic Growth Strategy (July 2013) of the City of Cape Town which states that the principal objective is to grow the economy and to create jobs through the promotion of small business development.

"Poverty alleviation can be a result of successful small business development." (DTi, 2003). It does, however, require official interventions that are focussed on the dynamics of small businesses and the markets they operate in. Job creation or employment addresses the objective of alleviating levels of poverty, a prerequisite to improving "quality of life".

While the GEM reports focus on levels of entrepreneurial activity, it also indirectly explains small business development. Often the terms "entrepreneurship" and "small business development" are used within similar contexts, yet they have different meanings. However, a common result from the efforts of both of these concepts is the creation of jobs or employment. The notion of successful job creation makes a contribution towards the fulfilment of an objective of the WSRRF, namely that of creating a living environment, which is conducive to an improved quality of life (WSRRF, 2002).

The GEM 2006 report confirms the significance of sustaining positive economic growth rates that create wealth for everybody by highlighting the dangers of increased dependency levels, which exceed capacities of existing businesses (GEM 2006:4). The GEM 2001 report explains that basic education is inadequate for a large proportion of the population. The implication of this inadequacy is that small business development is hampered by a lack of properly trained or educated entrepreneurial individuals. In order to alleviate the strain or dependency on existing businesses by a growing dependency level, expansion of the pool of potential entrepreneurs remains a primary challenge in order to realise positive development of the small business sector (GEM, 2001:53-57). The Youth Enterprise Development Strategy 2013-2023 (YEDS) recognises that South Africa faces a complex challenge of poor economic participation by young people (YEDS, 2012). It also recognises the inhibiting impact that this has on the country's overall economic development and negatively affects the development

of small business. This strategy provides a policy instrument, which intends to address this challenge.

Despite this and other challenges, which small business start-ups and/or entrepreneurs face, there has been an increase in the number of formal business registrations, as reported by the Minister of Trade and Industry (CIPC ANNUAL REPORT, 2014:6). This only gives an indication of those formal business entities that have registered with the Companies and Intellectual Properties Commission (CIPC), thus providing a partial understanding of the level of small business development. One would also need to possess knowledge of the number of informal businesses, as well as those that operate as sole proprietors in order to gain an understanding of the extent of small business development. These entities are not required to register with the CIPC (CIPC, 2015).

For economic growth one should witness an escalating birth-rate, as well as a marked survival rate among start-ups and/or new business ventures. The 'birth-rate' of new businesses refers to the rate at which new business ventures are started, as a percentage of established businesses, at any given time. The 'survival rate' refers to the number of businesses, as a percentage of new businesses, which are able to stay in business for an initial 2 to 5 years (GEM, 2010; Urban & Naidoo, 2012:150).

Over the last two decades, large companies all over the world have been downsizing through various methods and for numerous reasons. An end result of these activities is the loss of jobs from the corporate sector (Hillary, 2000:11; Urban & Naidoo, 2012:148). These people, who now find themselves without an income, are forced to seek alternative jobs or, ultimately, become self-employed in order to sustain themselves.

One can, as a result, infer that a concerted effort is required from all stakeholders to address the inadequacies and shortcomings that are found to exist within the small business sector in order to witness the realisation of significant progress being made in the area of small business development. The ISBDS (2003) explains that "an integrated approach towards small business support and local economic development has to combine efforts to upgrade local economic development facilities with small business support initiatives."

2.5 SMALL BUSINESS SUPPORT STRUCTURES

Government's role, as indicated in its strategic objectives for economic growth, is to facilitate the development of the small business sector (The Department of Small Business Development, 2015). It achieves this, *inter alia*, through its various support structures, incentive schemes and initiatives that are geared towards small business development.

The South African Government made the following statement:

*“Government has prioritised entrepreneurship and the advancement of Small, Medium and Micro-Sized Enterprises (SMMEs) as the catalyst to achieving economic growth and development. With the assistance of other government departments and institutions, **the DTi** takes the lead in implementing SMME-related policies, to ensure that adequate financial and non-financial assistance is provided to the sector, for its long-term prosperity and that of the country as a whole”*

(Department of Trade and Industry, n d.).

This is consistent when tracing back to the initial strategic objective, which is found in the White Paper on Small Business Development of 1995, wherein it states that the purpose of this White Paper was to create an enabling environment for the development of small businesses (DTi, 2003). Small business is defined in the National Small Business Act, No 102 of 1996. The Integrated Small Business Development Strategy (ISBDS) is based on this definition, and includes micro, small and medium-sized enterprises:

““Small business” means a separate and distinct business entity, including co-operative enterprises, and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy mentioned in column 1 of the Schedule and which can be classified as a micro-, very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule”

(National Small Business Act No 102 of 1996).

TABLE 2.1: MICRO, SMALL & MEDIUM BUSINESS CLASSIFICATIONS (SMME)

Sector or subsector in accordance with the standard industrial classification	Size of class	The total fulltime equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Agriculture	Medium	100	R5m	R5m
	Small	50	R3m	R3m
	Very Small	10	R0.50m	R0.50m
	Micro	5	R0.20m	R0.10m
Mining and quarrying	Medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very Small	20	R4m	R2m
	Micro	5	R0.20m	R0.10m
Manufacturing	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5m	R2m
	Micro	5	R0.20m	R0.10m
Electricity, gas and water	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Construction	Medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Retail and motor trade and repair services	Medium	200	R39m	R6m
	Small	50	R19m	R3m
	Very Small	20	R4m	R0.60m
	Micro	5	R0.20m	R0.10m
Wholesale trade, commercial agents and allied services	Medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very Small	20	R6m	R0.60m
	Micro	5	R0.20m	R0.10m
Catering, accommodation and other trade	Medium	200	R13m	R3m
	Small	50	R6m	R1m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Transport, storage and communications	Medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.60m

	Micro	5	R0.20m	R0.10m
Finance and business Services	Medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Community, social and personal services	Medium	200	R13m	R6m
	Small	50	R6m	R3m
	Very Small	20	R1m	R0.60m
	Micro	5	R0.20m	R0.10m

(Source: <http://www.banking.org.za/what-we-do/sme/sme-definition>, 2015)

The following section provides a brief description of public support structures, which are available for the small business sector.

2.5.1 The Department of Trade and Industry (DTI)

The Department of Trade and Industry is the department, which is responsible for the formulation and implementation of policies, which relate to commerce and industry. With the assistance of its subsidiary agencies, it is involved in the promotion of economic development, international trade and consumer protection (Department of Trade and Industry, n.d).

The DTi has set its mission to:

- *Promote structural transformation towards a dynamic industrial and globally competitive economy;*
- *Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development;*
- *Broaden participation in the economy to strengthen economic development; and*
- *Continually improve the skills and capabilities of the DTi to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens*

(Department of Trade and Industry, n.d).

The products and services that the DTi seeks to deliver to its clients and stakeholders include policies, legislation and regulations, financial support and investment incentives, information and advisory support, as well as value-added partnerships (Department of Trade and Industry, n.d).

2.5.2 The Department of Small Business Development (SBDM)

This department was established in order to achieve a more focused approach to regulating, developing and supporting the small business sector. In earlier years this formed part of the mandate of the DTi. Since 2014, the SBDM became an autonomous department, fulfilling the mandate of providing support to the small business sector. These support services are delivered via its public agencies such as the Small Enterprise Development Agency (SEDA), the Cooperatives Development Agency and the Cooperatives Tribunal, as well as other state-owned companies. An enterprise coaching service is delivered through structures such as Centres for Entrepreneurship and the Youth Enterprise Development Strategy (Dludla, 2014).

Mentorship, incubation and intensive support programmes fall within the scope of the SBDM mandate. These are delivered through structures such as the National Business Upliftment Support, Incubation Support, Support Programme for Industrial Innovation (SPII), Enterprise Development Programme, Gender and Women Empowerment Programmes, and the Cooperatives Incentive Scheme (Dludla, 2014).

2.5.3 Small Enterprise Development Agency (SEDA)

The Small Enterprise Development Agency (SEDA) was originally established as an agency of the DTi during December 2004. Its establishment came about through the merging of three organisations, namely the Ntsika Enterprise Promotion Agency, the National Manufacturing Advisory Centre and the Community Public Private Partnership Programme (National Small Business Amendment Act, Act 29 of 2004).

Seda's mission is to develop, support and promote small enterprises, ensuring their growth and sustainability. This is achieved in co-ordination and

partnerships with various stakeholders (Small Enterprise Development Agency, n.d).

Through its national network, Seda provides business development and support services to small enterprises through the implementation of government programmes that target business development in identified areas.

(Small Enterprise Development Agency, n.d).

The nature and level of support varies from business to business, depending on individual requirements. Seda has developed numerous tools or support mechanisms to deliver its services. One example of these is the Business Incubation units, which can be found in various programmes such as the Seda Technology Programme. Enterprises will be able to develop their skills, knowledge and markets with the assistance of the Incubators, and with the intention of empowering and equipping them with the required abilities to increase profitability and ensure sustainable growth. In this way, small enterprises will be able to employ more people and enter new markets (SEDA, 2015).

Potential entrepreneurs that intend to start a business venture and feel that they require assistance may apply to attend an appropriate Seda training programme. Similarly, business owners who plan to expand existing business operations and who require specific support to achieve this, may apply to Seda to sponsor a portion of the fees for an approved service provider (Small Business Connect, 2015).

2.5.4 Small Enterprise Finance Agency (SEFA)

The Small Enterprise Finance Agency (SEFA) was established on the 1st April 2012. It is the government's primary funding agency, which serves the small business sector. Its establishment was the result of a merger between the South African Micro Apex Fund, Khula Enterprise Finance Ltd and the small business activities of the IDC. Sefa has a national footprint with offices in all nine regions (Small Enterprise Finance Agency, n.d).

Sefa has been mandated “to foster the establishment, survival and growth of SMMEs, and thereby contribute towards poverty alleviation and job creation.”

It intends to fulfil its mandate by being a catalyst for the development of small businesses, whilst providing access to finance for all categories of businesses that fall within the SMME sector (SEFA, n.d).

Sefa offers its products directly to small businesses through the Direct Lending Service. These products include bridging loans, term-loans and structured small business loans. Sefa also offers products to intermediaries that have small businesses as their clients. These products are classified as Wholesale Lending Products and include credit guarantees, land reform empowerment facilities and equity investments (Your Business Support Service Directory, 2015).

2.5.5 National Empowerment Fund (NEF)

The National Empowerment Fund (NEF) promotes and facilitates Black economic participation through the provision of financial and non-financial support to Black empowered businesses. It provides business loans, which range from R250 000 to R75m for start-up, expansion and for equity acquisition purposes across all industry sectors (National Empowerment Fund Act No 105, 1998; Department of Trade and Industry, n.d).

The NEF offers the following products/services to entrepreneurs:

- Strategic Projects Funds (SPF);
- Fund a Woman;
- Fund a Nation Project;
- Investor Education/NEF iMbizo;
- Post Investment and Mentorship Support; and the
- Junior Management Programme.

The Acting Chairperson’s report states that the NEF has approved more than R6.4 billion for over 640 Black enterprises to date. The report further states that the NEF demonstrates a capacity to fund in excess of R1.3b annually. The NEF has also delivered support services in the form of business plan preparation, incubation, entrepreneurship training and mentorship to many entrepreneurs (National Empowerment Fund, 2015).

2.5.6 National Youth Development Agency (NYDA)

Previously, it was indicated that youth participation in the economy requires attention. The National Youth Development Agency (NYDA) was established through the National Youth Development Act No 54 of 2008 to focus on the development of youth. This agency plays a leading role in encouraging major stakeholders such as government, civil society and the private sector to prioritise youth development, and to contribute towards sustainable solutions that address youth development challenges (National Youth Development Agency, 2015).

The NYDA offers a Grant Programme, which is aimed at young entrepreneurs, whilst providing an opportunity to access both financial and non-financial business development support to establish their survivalist businesses (National Youth Development Agency, 2015).

2.5.7 National Small Business Advisory Council (NSBAC)

The National Small Business Advisory Council (NSBAC) acts as an advisory body to the Minister of Trade and Industry on matters pertaining to the promotion of small business in the country. The NSBAC sought to find ways to reduce barriers to finance and support, which are experienced by the small business sector. These barriers inhibit the development of small businesses (NSBAC Strategic Business Plan, 2010).

The Strategic Business Plan 2010 of the NSBAC recognises the need by the small business sector for a robust support system that produces tangible outputs towards the development of small businesses in the country. It explains further that a key element to success would require an evaluation of interventions and support models that have worked, and those that have not worked.

The above provides an indication of the level of commitment by government to fulfill its role within the small business sector towards its development. In order to realise a successful small business supportive environment and progressive small business

development, various initiatives have been launched and incentives were introduced to encourage efficient and effective stakeholder involvement.

2.6 INITIATIVES

In the context of this study, initiatives that are considered and discussed are those that have been taken by government, business and individuals with the intention of improving on business environmental conditions and addressing related problems. Some of the initiatives that contributed to the overall upliftment of the Woodstock-Salt River business precinct, are discussed.

There are various definitions of the concept of an 'initiative'. Amongst them, are the following:

'An initiative is an action, which is taken by an individual or organisation to cause a process to start. It can also be viewed as a catalyst to a process, phenomenon or an event;'

The World Book dictionary defines initiative as:

"...1 the active part in taking the first steps in any undertaking; lead..."
(World Book, 1988:1087);

Vocabulary.com defines initiative as:

"...that action of taking charge. It is also defined as the first step in a series of actions..."
(Vocabulary.com, 2015);

The Cambridge Dictionaries Online defines initiative as:

"...a new plan or process to achieve something or solve a problem..."
(Cambridge Dictionaries Online, 2015);

"...a new attempt to achieve a goal or solve a problem, or a new method for doing this..."

(Cambridge Dictionaries Online, 2015); and

"...a new plan or action to improve something or solve a problem..."
(Cambridge Dictionaries Online, 2015).

The revitalisation phenomenon has been experienced worldwide. This phenomenon was brought about by various factors, including efforts that were raised through numerous initiatives to bring about change towards a better quality of life, in general. Some of these earlier initiatives include the following:

- The Safer Cities Initiative, which was launched in South Africa by United Nations (UN) agencies in 1995. Initially, the initiative was launched in Cape Town, Johannesburg, Pretoria and Durban, and thereafter it was rolled out to the rest of the country (Palmary I, 2001);
- The Smartcape Access Point Project, which was initiated by the City of Cape Town in July 2002, and was intended to assist citizens to access basic information and communication technologies, free of charge. This was achieved by installing computers with internet facilities at public libraries (City of Cape Town, 2015); and
- Library Business Corners (LBC) was an initiative that was launched prior to the Smartcape initiative and consisted of a collection of resources of business material. It was an attempt to complement existing support strategies in order to spread the grid of available business information, which relate to support (City of Cape Town, 2016).

More recent initiatives are geared towards small business development with a focus on specific outcomes such as the Small Business Support Desks by the South African Revenue Service (SARS) to assist small business owners and entrepreneurs with matters, which relate to tax compliance, and financial management and accountability (South African Revenue Service, 2015).

Another example of an initiative that has been designed towards small business development is the Business Incubator initiative. This initiative provides targeted business support services to small businesses that are starting up or, which are in their early development stages (SA Business Incubator Establishment Handbook, 2014).

City Improvement Districts (CIDs) became a popular initiative during the process of urban regeneration. Commercial property owners set up a Section 21 company that would operate as a CID. An executive committee is elected, which appoints a

management company or an individual to manage the day-to-day activities of the CID. CIDs vary greatly in the services that they offer. In South Africa the main services that are offered address crime and cleaning issues, which are found within the area in which the CID is established (Palmary, 2001). In the area under study, namely the Woodstock-Salt River precinct, a Woodstock Improvement District (WID) was formerly established by a forum of commercial property owners in 2006 (*The Woodstock Whisperer*, 2006:1). It was an initiative by the Woodstock business community that was born out of a previous initiative, which was identified as the Woodstock Upliftment Programme (WUP). WID's vision was to assist in making the neighbourhood a cleaner and safer place in which to live and conduct business.

The WUP was an initiative, which was started by two companies, namely New Clicks Group and INCE (Cape) (Pty) Ltd (*The Cape Odyssey*, (1) 2003). It was recognised as a New Clicks initiative and was represented by a group of people within the business, as well as those from social, religious and educational communities. They shared a common vision of working and living in a peaceful, harmonious and vibrant suburb. Together they drove the process of change, growth and health through education, security, tourism, beautification, waste management, poverty alleviation, food gardens and job creation (*The Woodstock Whisperer*, (2) 2004). The WUP was regarded as a catalyst to generate activities, improvement and change. Some of the projects that were undertaken by the WUP includes:

- The Food Garden Project at the Chapel Street Primary School;
- A waste management programme at the Rahmaneyah School;
- The Main Streets programme to help with the beautification process; and
- The business and volunteer project.

These projects were all aimed at driving the process of change, growth and health in an effort to achieve a more peaceful, harmonious and sustainable suburb.

“There is an ongoing commitment in dealing with the safety issues in this community. Various sectors of the community are involved in the process. This includes businesses like Ince, Lewis Stores, I & J and New Clicks SA. The City Council meets with New Clicks on a monthly basis tackling tasks such as

cleansing, lighting, greening and law enforcement...”

(Source: The Woodstock Whisperer, (3) 2004).

From the above explanation it is evident that a significant concern for the well-being of the suburb of Woodstock existed prior to these initiatives that were launched. This concern was shared by both public and private sector stakeholders. The City of Cape Town recognised the need to bring about a change in this suburb. To this end, they commissioned NM & Associates Planners and Designers, a town planning consultancy firm, to prepare a Revitalisation Framework for the Woodstock-Salt River area (NM & Associates Planners and Designers, 2002).

The terms of reference of the Woodstock-Salt River Revitalisation Framework emphasised that a local area revitalisation project should identify and address negative influences, which affect Woodstock-Salt River. The framework was developed to manage, facilitate and guide the renewal of the area towards achieving an efficient and qualitative living environment. Its purpose was to serve as a guide to direct the numerous initiatives, from both the public and private sectors, towards achieving a common goal.

2.7 SUMMARY

This chapter provided an overview of the development of small business in a South African context by tracing events since 1994. It explains progress that was made by government in terms of laws, regulations and policy statements until the establishment of the Small Business Development Ministry in 2014.

Statistical data, which was provided here indicates the significant contribution that small business has made towards the general economy of the country over the past two decades. Comparative figures were also quoted, for the same period, from international sources, which provide an international context to small business development.

The South African government's role in the development of small business was highlighted. The support network, which facilitates the government delivery of service to the small business sector, was also briefly described.

Statistical figures were provided with possible reasons for small business failure rates. An inference was made, whereby the researcher considered the reciprocate values to indicate the success rate of new small businesses that were established.

Extant literature reveals that there remains a gap between government support services and the small business sector. This is evident in the mismatching of small business initiatives, incentives and support structures, as well as access to funding, which have been intended to assist small businesses in their developmental needs.

Possible reasons were provided that may have contributed to this phenomena, and include amongst other reasons:

- a lack of appropriate management training;
- a lack of appropriate financial management; and
- suitable understanding of the requirements to obtain funding facilities for small business development.

The contributions that small business has made to economic growth in a South African context, as well as a globally, was explained. This explanation was extended to include contributions that are made to 'job creation' efforts.

The numerous challenges to successful small business development have been recognised by various stakeholders. Interventions have been developed by governmental departments and agencies in response to these challenges in the form of strategic policy documents such as the YEDS 2013-2023, which is intended to address the poor economic participation of young people in the economy.

The National Small Business Act No102 of 1996 defines small business and includes a schedule of classifications for micro, small and medium business enterprises.

Small business support structures were described, including an explanation of the type of support that is provided by the relevant body and the role that they play in the development of small business.

Definitions of initiatives were also provided and explained in a small business context. Past and relevant small business initiatives were explained, as well as recently

launched small business initiatives. These initiatives have all been intended to assist in the development of small business.

The next chapter describes the small business environment and dominant sectors that are found in the Woodstock-Salt River precinct.

CHAPTER 3 SMALL BUSINESS ENVIRONMENT IN THE WOODSTOCK-SALT RIVER PRECINCT

3.1 INTRODUCTION

This chapter traces the development of the suburbs of Woodstock and Salt River from their establishment as a fishing and farming settlement, to its current day status. The main economic sectors are identified and defined, while the dominant sectors that prevail in the study area are identified and their relevant contributions to South Africa's GDP, are demonstrated.

3.2 DEVELOPMENT OF THE STUDY AREA

The suburb of Woodstock is one of the oldest suburbs in South Africa, and was originally a small settlement, which was known as Papendorp. In 1781 a Hollander, named Pieter van Papendorp, established a farm between the Castle and the Salt River, and named his farm house, La Belle Alliance. In the ensuing years more houses were built, creating the settlement. Approximately 18 years later, the name was changed to 'Woodstock', when the first Village Management Board was inaugurated (Athiros G&L, 2007:47). For two centuries after the settlement at the Cape of Good Hope, the area fulfilled two primary functions, namely as a movement passage between the Table Valley and the Liesbeeck Valley, and as an access route to the city from the Northern and Southern areas around The Cape settlement (WSRRF, 2002).

Figure 3.1: Map showing 'Papendorp' and early development stage, 1878



Source: Wilson, 1878

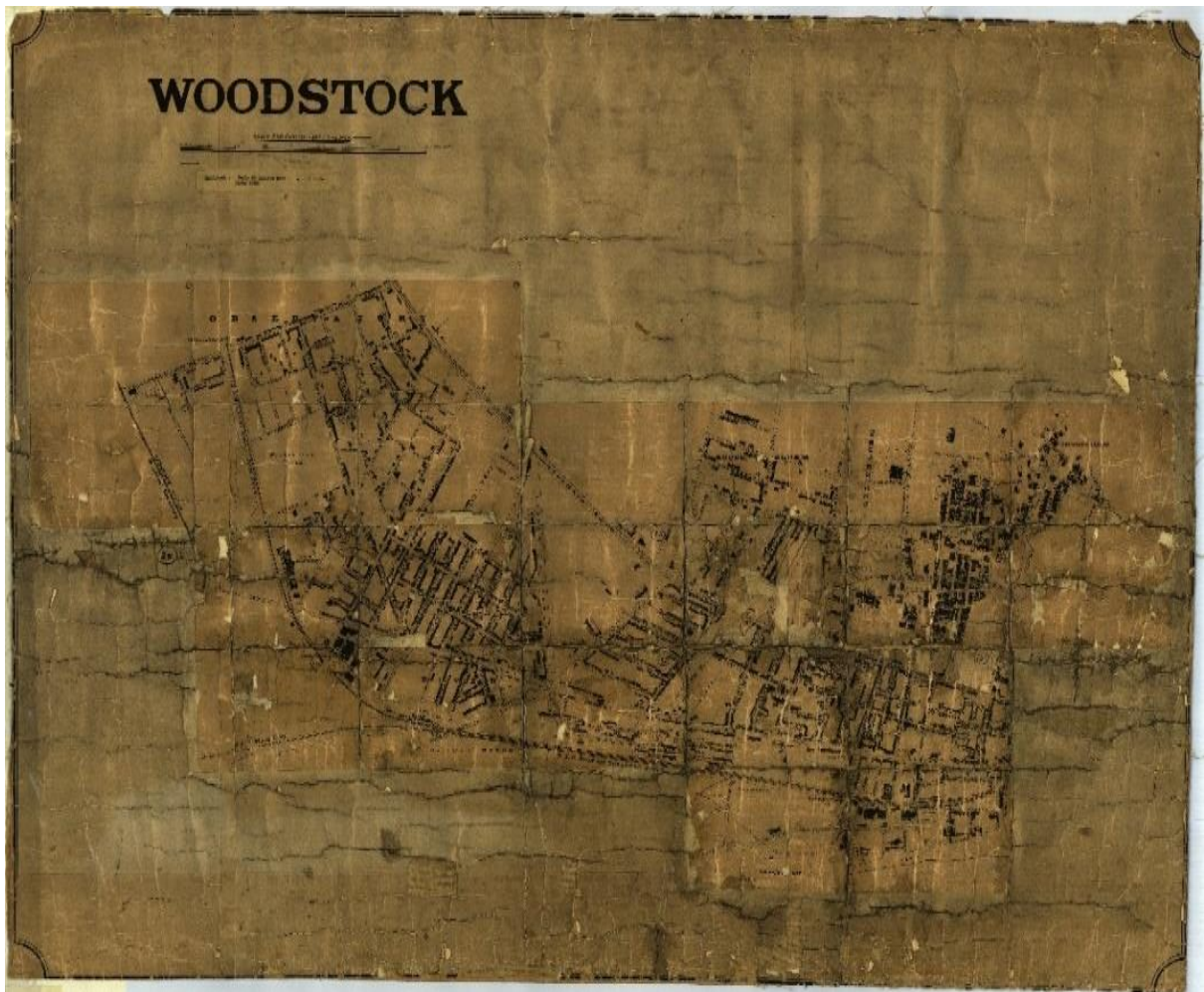
Victoria Road (one of two main routes) gained importance with the establishment of the winter anchorage in Simon's Town in 1740. The other main route, namely Albert Road, was formalised around 1800, and connected various tracks closer to the sea, whilst also connecting Victoria Road to Voortrekker and Albert Roads, via Salt River Road. Towards the end of the 19th century, Upper Woodstock, which incorporated Salt River Road until the Toll Gate, was partly farmland and mountainside (Athiros, 2007:48). As the infrastructure of Woodstock developed, more commercial activities were established. These included brickfields to accommodate the demand that was created by construction, hotels, legal firms, doctors' rooms, bakeries, off sales, convenience stores and grocers. In addition to these establishments, numerous factories such as the Nectar tea factory and Lever Brother's Soap Works were established to cater for the demands of a growing population, while providing new employment opportunities (WSRRF, 2002). The local economy expanded further with industrialisation, and hence impacting on the area. Some of these included railway works, timber yards, a tannery and a brewery. A thriving fishing industry also existed in Woodstock, as well as a market place where farmers were able to sell their produce (Athiros, 2007:50). Besides the commercial developments that had taken place, mostly along the two main routes of Albert and Victoria Roads, a number of churches, schools and public venues had also been established.

In 1882 Woodstock gained municipal status, and the area was hence divided into three Wards:

- 1 Ward 1 was the area below Albert Road;
- 2 Ward 2 was the area between Albert and Victoria Roads; and
- 3 Ward 3 was the area above Victoria Road.

The East-West boundaries of Woodstock were defined by Station Road, Observatory on the Mowbray side, and Barron Street on the Cape Town side, while the North-South boundaries were marked by the sea and mountains, respectively (Athiros, 2007:50).

Figure 3.2: Woodstock, 1905



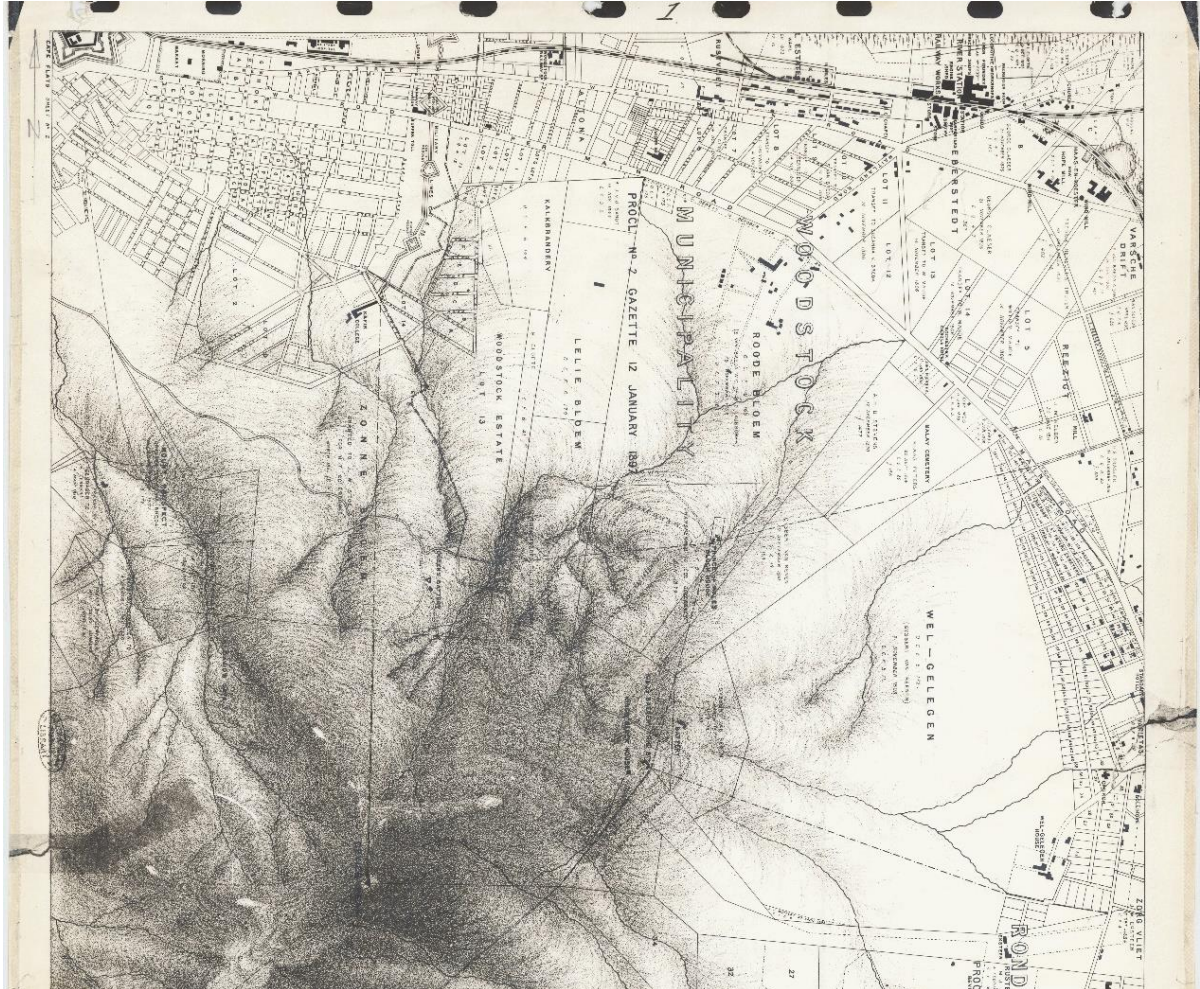
Source: Town planning office

By the turn of the 20th century, approximately 530 new houses were built in the Woodstock-Salt River precinct. This was in response to rapid urbanisation of the area, with population growth estimated at 394%. This growth was a result of a combination of factors, including industrialisation, the building of two railway lines, which passed through the area and connected Cape Town to Wellington and Kalk Bay, respectively, and the discovery of diamonds and gold in the northern parts of the country (WSRRF, 2002).

By 1897 Woodstock had become the largest municipality after Cape Town. Subsequent years saw rapid infrastructure development with new roads that were built, while sewerage and storm water drainage was extended, and more street lighting was installed and a greater supply of water was initiated (The Cape Odyssey, 2003). To

this end, many farms in the Upper Woodstock ward were subdivided and sold for residential development (Athiros, 2007:48).

Figure 3.3: Woodstock, 1897



Source: Town planning office

The above narrative shows that the precinct of Woodstock-Salt River was initially dominated by primary sector enterprises such as fishing and farming. This was complemented by secondary sector enterprises such as clothing and furniture manufacturers, as well as wholesalers and retailers. As the business environment developed, the area transformed into one, where residential development expanded in response to the numerous opportunities that arose, including the prospect of employment.

The Upper Woodstock ward became predominantly residential, while the Lower Woodstock ward, between Albert and Victoria Roads, hosted a mix of commercial and

residential developments. Heavier industries could be found below Albert Road, which extended towards Salt River. The development of University Estate and Walmer Estate, as well as the construction of De Waal Drive, the Eastern Boulevard and Table Bay Boulevard occurred between the early and mid-twentieth century (WSRRF, 2002). The same period also saw an increase in industrial and commercial enterprises, which were established in the area.

Figure 3.4: Aerial photograph of Woodstock, 1953



Source: Town planning office

By 2011 the population of Woodstock reached 12 656 people who lived in 3 660 dwellings, while Salt River reached a population of 6 577 who lived in 1 527 dwellings (City of Cape town, 2013). Some of the following major developments contributed to the revitalisation process.

- The Old Castle Brewery building, which is situated at 6 Beach Road, Woodstock, now houses over 50 businesses, which stem mostly from the artistic and creative industries. These include film studios, sculptors, artists and photographic studios. A number of businesses that operate in the ICT sector such as software and IT development services can also be found in this business complex. Prior to these entities occupying this property, it had been

partially abandoned and underutilised for approximately 20 years (The Woodstock Whisperer, 2004).

- 4 Treaty Road, which was formerly referred to as the “Treaty Ruins”, is now home to numerous businesses that operate in the ICT and services sector. This building had also been abandoned for a number of years and hosted criminals, illegal squatters and vagrants who engaged in illegal activities. Its current occupants include communication agencies, photographic and editing studios, call centres, recording studios, a private school, a gym, and an exhibition and television set design studio with an 18 bay parking lot (Woodstock Whisperer, 2006).
- The Woodstock Exchange, which is situated at 66 to 68 Albert Road, Woodstock, was formerly known as the Woodstock Industrial Centre. For decades this business complex was a base from which clothing factories and light industrial businesses operated within the manufacturing and secondary sectors (Woodstock Whisperer, 2004). After being revamped into a range of smaller units, it became a place of business for a wider range of enterprises such as business consultancy firms, interior design studios, light manufacturing studios, a film and animation school, media and communication agencies, coffee roasteries and collaborative office sharing facilities for start-up small businesses (Tenant contact details, 2012).
- The Old Biscuit Mill, which is situated at 373 to 375 Albert Road, Woodstock, previously served as premises for a biscuit factory and mill. This property has been converted into a retail and office complex, mixed with light industrial activities catering, which cater mostly for creative businesses (Woodstock Whisperer, 2006). It is currently occupied by more than forty small businesses that operate in numerous sectors of the economy (The family, 2016). Since 2006 it has been host to The Neighbourgoods Market, which is an initiative of two entrepreneurs who want to revive the Public Market as a civic institution (Festival and events, 2016). This initiative is a weekly event, which is held on Saturdays, where small businesses in the area are able to showcase their products and services to the general public, whilst interacting face-to-face with potential customers.

The above are a few examples of property developments that have contributed to the revitalisation of the Woodstock-Salt River precinct. The above selection was based on the context of this study, namely small business development. It is not an exhaustive list, as there has been a number of other similar developments that had taken place within the study area (Woodstock Whisperer, 2006). These are identified and described during the empirical phase of this study.

3.4 MAIN ECONOMIC SECTORS WITHIN WHICH SMALL BUSINESSES OPERATE

An economy is divided into segments, which are called sectors. Each segment or sector represents a group of economic entities, enterprises or establishments, which are based on the similarity of their principal objectives, functions and behaviour (Sectors of the Economy, 2015). Sector classification can be achieved through numerous categorisations. The most commonly used categories are described in the tables below.

Table 3.1: Differentiating between government and privately owned entities

SECTOR	DESCRIPTION
Public	Economic entities that are owned and controlled directly or indirectly by government
Private	Economic entities that are not owned or controlled by the government. Ownership and control is vested in individual stakeholders.

Source: Author, 2016

Table 3.2: Differentiation by activity level

SECTOR	DESCRIPTION
Primary	This sector involves the extraction of raw materials from the earth and the harvesting of crops or products. It includes the production of raw materials and basic food, and is associated with activities such as mining, fishing, agriculture, forestry and quarrying.
Secondary	This sector includes all manufacturing and processing of finished goods, as well as construction. It involves activities such as metal working, automobile production, textile production, engineering, breweries and bottlers, construction, and shipbuilding.
Tertiary	This sector is described as one, which provides services to the general population and businesses. It involves activities such as

	sales that are produced through retail and wholesale services, transportation, banking, tourism, insurance, healthcare, law and entertainment, including restaurants and hospitality services.
Quaternary	This sector involves intellectual activities, which are found in government, education, culture, libraries, information technologies and scientific research.
Quinary	This sector is considered to be a part of the quaternary sector and involves the highest levels of decision making in an economy or society.

Source: Author, 2016

Table 3.3: Differentiation by activities

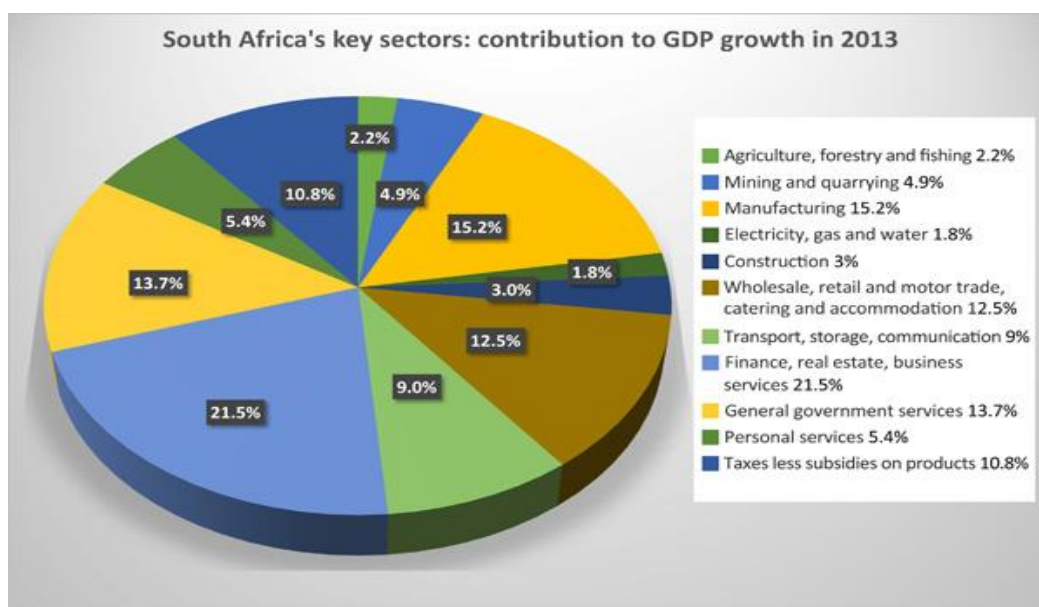
<u>SECTOR</u>	<u>DESCRIPTION</u>
Agriculture, hunting, forestry and fishing	This includes activities such as crops and fruit farming, cattle ranching and sheep farming, cultivation of marine products and fishing.
Mining	Mining includes, amongst others, the extraction of all five major minerals from the earth, and downstream processing and value addition.
Manufacturing	This sector includes all those activities, which are involved in the process of converting raw materials, components or parts into finished goods that satisfy needs.
Electricity, gas and water	This sector includes all those activities that are involved in the generation, transmission and distribution of electricity, manufacturing and distribution of gaseous products, and collection, purification and distribution of water.
Construction	This sector includes all those activities that are involved in the construction processes such as planning, designing, and building of properties, roads and infrastructures or facilities.
Wholesale, retail and motor trade, catering and accommodation	This sector includes all those activities, which are associated with procuring products for sale to any person or entities, inclusive of warehousing, merchandising and distribution; whilst catering and accommodation include activities such as those involved in the provision of prepared foods and liquid refreshments, short stay accommodation, self-catering, time shares, camps, caravan parks, restaurants, pubs, taverns, cafés, tearooms, coffee shops, fast food outlets, snack bars, and industrial or commercial catering.
Transport, storage and communication	This sector includes all those activities, which are involved in the provision of transport of people and goods for financial reward, provision of storage facilities, and provision of postal and telecommunication facilities and services.

Finance, real estate and business services	This sector includes all those activities that are involved in the provision of commercial, retail and merchant banking, mortgage lending, insurance and investment services, as well as accounting, design, maintenance, printing and personnel services provided by one business to another.
General government services	This sector consists of legal entities with political responsibility to produce non market goods and services for individual and public consumption.
Personal services	This sector includes all those enterprises that are primarily involved in the provision of personal service activities by professionals such as lawyers, doctors, nurses, accountants and financial advisors.

Source: Author, 2016

According to Media Club South Africa, since 1990 the South African economy has experienced growth, which is mostly driven by the tertiary sector, and which includes wholesale and retail trade, tourism and communications (South Africa's economy: key sectors, 2015).

Figure 3.5: South Africa's key sectors: contribution to GDP growth in 2013



Source: <http://www.mediaclubsouthafrica.com/sa-economy-key-sectors>

The above figure shows that the biggest contributor to South Africa's economy comes from the finance, real estate and business services sector, which falls within the tertiary sector. The agricultural sector, along with the electricity sector, are the lower contributors to the GDP, with these falling within the scope of the primary sector. The

following table was adapted from information that was drawn from the Stats SA website.

Table 3.4: Percentage contribution to GDP by sector

SECTOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PRIMARY	12.9	10.9	10.3	10.2	11.3	11.8	12.7	11.9	11.8	12.3
SECONDARY	23.9	24.3	24.1	23.6	22.7	22.5	22.6	22	20.6	19.4
TERTIARY	63.2	64.8	65.6	66.2	66	65.7	64.7	66.1	67	68.3

Source: Author, 2016

The table indicates that over the past 15 years, the tertiary sector's contribution to GDP has increased by 8%, while the secondary sector's contribution has reduced by 19% and the primary sector by 5%. Figure 3.6 below shows that this trend has not changed, with the primary sector's contribution falling to 11% (Economic growth slows in 2014, 2015).

Figure 3.6: How did South Africa's economy perform in 2014



Source: www.statssa.gov.za

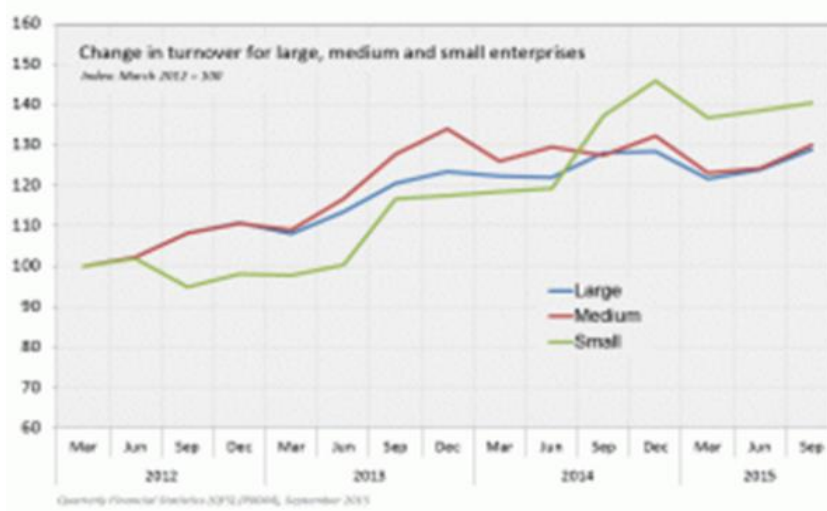
According to Stats SA, the manufacturing sector continues to contribute significantly to South Africa's economy in spite of this contribution declining relative to the other

sectors. The report further states that the services sector has over the same period increased its relative contribution. Stats SA recorded contributions by the manufacturing sector of 19 and 17 percent for the years 1993 and 2012, respectively, while recording figures of 17 and 24 percent in the services sector for the same periods (Statistics South Africa, 2015).

In a report, which was commissioned by SEDA in 2012, which investigated the performance of the services sector, it indicated that a concerted effort is being directed by government and its agencies to promote, develop and support industries within this sector (SEDA, 2012). This report focuses on the Tourism and Infrastructure communication and technology sub-sectors, both of which form part of the tertiary or service sector. The report showed that both these sub-sectors included a broad spectrum of industries in which small businesses operate.

The role of small business in the national economy continues to grow in importance. Figure 3.7 below shows the rate of change in small business turnover surpassing that of medium and large enterprises, both of whose turnover remained fairly constant during this period (Private sector turnover rises in the third quarter, 2015).

Figure 3.7: Rate of change in small business turnover



Source: www.statssa.gov.za

While the increase in turnover may be attributed to seasonal factors, it still provides an indication of the levels of business activity, which are experienced in the economy.

Large enterprises contributed 64 percent to total turnover, with medium enterprises contributing 9 percent and small enterprises contributing 27 percent of total turnover (Private sector turnover rises in the third quarter, 2015). Comparing these figures to the change in turnover, one can concur that small enterprises, as a sector, has experienced a higher growth rate than large and medium enterprise sectors. Earlier research cited in this paper confirmed that large enterprises worldwide experienced job-shedding in various forms and for various reasons, which resulted in increased levels of self-employment, most of which resulted in the establishment of small businesses.

It should be noted that the terms 'sector' and 'industry' are often used interchangeably in spite of having subtly different meanings. There is consensus that the main difference between the two lies within the scope of each of these terms, with a sector being the broader division of the two, and an industry being groups within a sector (Transport, Storage and Communication Industry, 2008).

Businessdictionary.com defines industry as:

"A single industry is often named after its principal product; for example, the auto industry".

It explains further that an industry can be identified by:

"...any general business activity or commercial enterprise that can be isolated from others, such as the tourist industry or the entertainment industry"
(industry, 2015).

3.4 SUMMARY

This chapter described the small business environment that is found in the study area. It traced the development of the suburb over the last three centuries, from its beginnings as a fishing village known as Papendorp, to its current, diverse set of businesses, which services a wide range of industries.

The properties along Victoria and Albert Roads, the two main roads through the suburb, has developed mainly as commercial facilities, with Salt River Road and

Durham Avenue serving as connecting nodes between them. This has resulted in these two roads also developing commercially.

Towards the end of the 19th century the local economy expanded rapidly owing to industrialisation of the area and subsequent establishment of more commercial entities such as hotels, legal firms, doctors' rooms, grocers, a brickfield and factories.

Woodstock was granted municipal status in 1882, and following this, the area was divided into 3 wards. By 1897 it had become the largest municipality after Cape Town, with significant progress being made to infrastructural development over the ensuing years.

In response to rapid urbanisation of the area, 530 new houses were built around the turn of the 20th century. Population growth was estimated at 394%.

Recently, a number of key properties were redeveloped as part of the revitalisation process that took place in the study area. These redeveloped properties now host numerous businesses, both large and small, after having been underutilised, derelict or, in some cases, abandoned, for a number of years.

The main business sectors that are found within the small business environment of the Woodstock-Salt River precinct was identified and described. The study area has transformed from being predominantly primary sector driven to one that is dominated by the retail and service sector, or tertiary sector. A brief description is provided about the various sector contribution to South Africa's GDP, as well as their respective growth rates. Stats SA reported a relative decrease in contributions to the GDP by the manufacturing sector and an increase in relative contributions by the services sector. Another report by Stats SA indicates that large enterprises contributed 64% to total turnover, with medium enterprises contributing 9 percent and small enterprises contributing 27 percent of the total turnover. Thus, the role of small businesses in the national economy continues to grow in importance.

The next chapter describes the research approach and methods, which were applied during data collection.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter describes the research approach and methods, which were applied during data collection. This includes both primary and secondary data. The primary data was collected empirically through the administration of a questionnaire-based survey, as well as via observation of the physical business environment (of the research population). A description of the study area is also provided with an explanation of the random sampling method that was employed. The empirical study was guided by the secondary data, which was collected through a literature review of recent and relevant literature that deals with small business development, and the revitalisation and regeneration of inner-city areas. Themes that inform analysis of the data that was collected were drawn from the literature review.

This study used a mixed method approach, with one component requiring quantitative research methods, and the other requiring qualitative research methods. The study design is based on a phenomenological approach.

4.2 RESEARCH APPROACH FOR THIS STUDY

This study aims to explore the perceptions of small business owners and managers regarding the impact of the revitalisation initiatives on the development of small business. Perceptions are based on phenomena that individuals witness or experience. The study design that was adopted involved a mixed-method design, with some elements requiring quantitative research methods, while others required qualitative research methods, which are based on a phenomenological approach. The main reason why this approach was adopted is based on the understanding that decisions that are taken by stakeholders within the small business environment are largely influenced by the impacts of events that are witnessed or experienced.

Lester (1999) explains that the phenomenological approach involves gathering 'deep' information and perceptions through inductive, qualitative methods such as interviews, discussions and participant observations, which are represented by the research

participants' perspectives. This approach has gained popularity for its quality to expose those 'taken for granted assumptions', and to challenge complacency.

Qualitative research is conducted through contact with a "field" or life situation, which reflects the everyday life of individuals, groups, societies and organisations. A major feature of qualitative research is that it focuses on naturally occurring, ordinary events in natural settings, whilst providing an impression of what real life is like. Qualitative data highlights people's "lived experiences", and is ideally suited to reveal the meanings that people place on the events, processes and structures of their lives in terms of their perceptions, assumptions, prejudgements and presuppositions in connecting these meanings to the social world around them (Amaratunga *et al.*, 2002).

Despite Amaratunga *et al.*'s discussion being under the context of the built environment (BE), its applicability to this research is relevant. The relevance relates to the fact that revitalisation usually involves rehabilitation of the BE. The focus of this study revolves around the perceptions of impacts that the revitalisation of, amongst others, the built environment has on the development of small business. It is understood that small business operates within the BE, which had undergone a revitalisation process. It should be noted that a holistic revitalisation program involves numerous elements of the study area, and not merely its physical attributes. The WSRRF explains that the overall objective of the framework is to serve as a guide in synergising numerous initiatives towards a common goal, namely to ultimately improve the quality of life that is experienced in the study area (WSRRF, 2002).

Amaratunga *et al.* (2002) further explain that qualitative data plays a useful role when one needs to supplement, validate, explain, illuminate or reinterpret quantitative data, which is gathered from the same setting. Content analysis is an analysis technique that may be applied in either quantitative or qualitative research. Krippendorff (2013) provides a definition as follows:

"Content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use."

Quantitative research is defined as a formal, objective, systematic process in which numerical data is used to obtain information about the world to describe variables,

examine any relationships between them, and to determine causal interactions between them (Burns & Grove, 2005).

Quantitative research comprises three major components, namely their design, measurement and statistics. “Design” refers to the overall plan for the research (applicable to qualitative research also); “measurement” refers to the instruments that will be used for the data collection; and “statistics” refers to the set of analysis procedures that quantitative researchers use to describe their data and to make inferences about the larger population (O’Dwyer & Bernauer, 2014).

Quantitative data analysis deals with statistical data analysis techniques. Amongst the most commonly applied techniques are descriptive analysis, chi-square analysis, correlation analysis and factor analysis. A quantitative data analysis process normally consists of raw data assessment, data entries and transfers, data processing, communicating findings and completing the data analysis (Amaratunga *et al.*, 2002). Quantitative research is usually conducted to establish statistical evidence of relationships between variables, while the purpose of analysing quantitative data is to provide information about these variables.

4.3 RESEARCH DESIGN

Mixed-method studies combine the strengths of both approaches and have the potential to reveal what neither quantitative nor qualitative research alone may be able to do. Despite their seemingly contradictory demands, mixed-methods research has gained acceptability in empirical management research (Srnrka & Koeszegi, 2007). Srnrka and Koeszegi (2007) explain that social sciences literature describes several models that blend qualitative and quantitative research approaches. They identify two broad types of mixed designs, namely two-studies designs and integrated designs.

Table 4.1: Qualitative-Quantitative Research Designs

Qualitative-Quantitative Research Designs		Mayring (2001)	Davies (2003)	Creswell (2003)	Creswell (1994)	
<p><i>Description</i> Qualitative data and quantitative data are collected and analyzed in sequential order.</p> <p><i>Aim</i> Investigate under researched field, to develop hypotheses or create instruments for subsequent quantitative measurement, or provide explanations.</p>	Two-studies designs	Sequential two-studies design	Preliminary study model	Sequential design	Exploratory/ Explanatory design	Two-phase design
<p><i>Description</i> Both, quantitative and qualitative data are collected and analyzed in separate procedures.</p> <p><i>Aim</i> Cross-validate or corroborate findings of the two approaches.</p>		Concurrent two-studies design	Triangulation model	Concurrent design/ Nested design	Triangulation design/ Nested design	Dominant less dominant design
<p><i>Description</i> Quantitative data is analyzed using qualitative procedures.</p> <p><i>Aim</i> Investigate and understand the problem in depth, derive new theoretical insights.</p>	Integrated designs	Integrated elaboration design	Elaboration model	Combination design	Transformative design	Mixed-methodology design
<p><i>Description</i> Qualitative material is collected and transformed into categorical data for further quantitative analysis.</p> <p><i>Aim</i> Derive both theory and generalizable results.</p>		Integrated generalization design	Generalization model			

Source: Srnka & Koeszegi, 2007

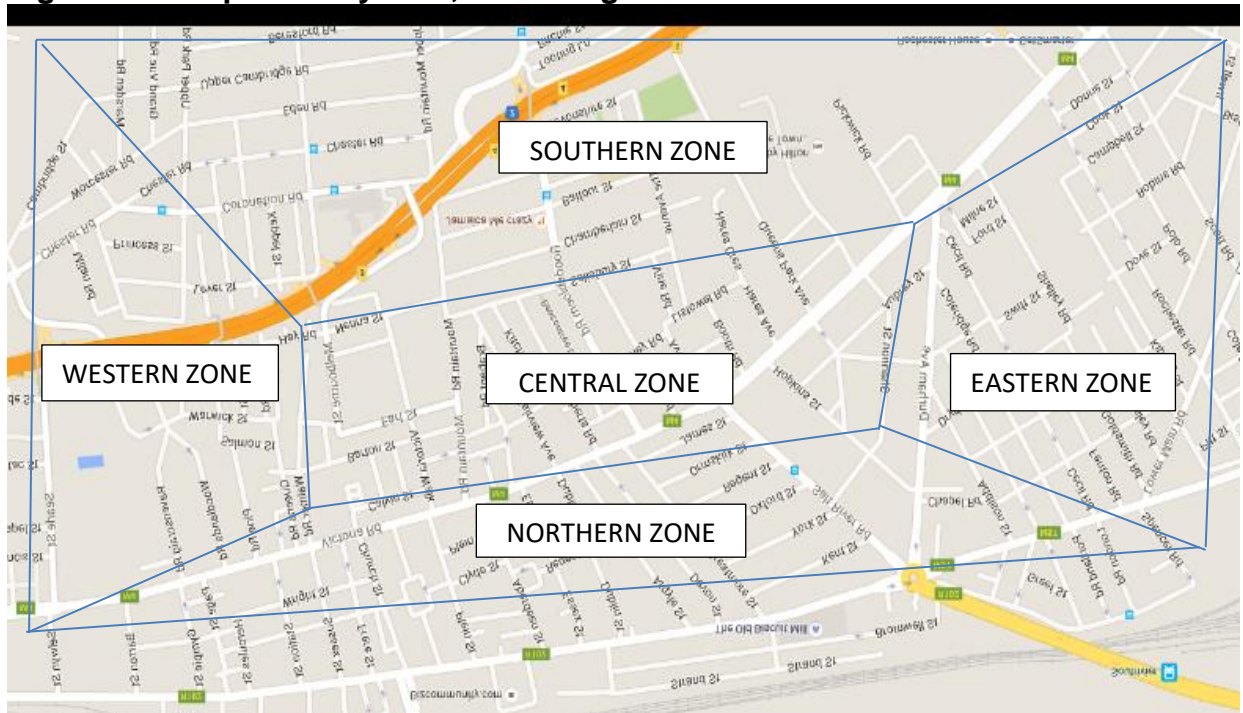
The above table inspired the decision that a suitable approach for this research would be to apply the integrated design type, wherein qualitative material is collected and transformed into categorical data for further quantitative analysis. The aim of this research approach was to derive both theory and generalizable results.

4.4 RESEARCH POPULATION AND SAMPLE SELECTION

The area under study is the Woodstock-Salt River precinct of Cape Town. This suburb is located in the area east of Cape Town’s CBD. The area has been geographically

divided into 5 zones, namely the eastern, western, southern, northern and central zones, which are indicated in Figure 4.1 below.

Figure 4.1: Map of study area, indicating the 5 zones



Source: Google Maps (<https://www.google.co.za/maps/@33.9315984,18.4533274,16z>)

The area was divided in this manner in order to obtain a fair representation of small businesses in the area. Each zone consists of a wide variety of businesses, which are spread across the secondary, tertiary and quaternary sectors. The research population comprises owners and managers of small businesses that are based within the study area. An effort was made to maintain an equal number of participants from each zone; however, this was not possible as the rate of successful surveys that was received from each zone, varied.

4.5 DATA COLLECTION METHOD

A questionnaire was developed by the researcher as the data collection instrument. Data collection was conducted via questionnaire interviews in a semi-structured format, and respondents were selected from the research population based on a random sampling method. The researcher conducted as many face-to-face interviews as possible. However, when this became impractical, email or telephonic methods

were employed. In some instances, the questionnaire was left with the respondent to be completed at another time, and was collected by the researcher at a later stage. As there was no official database, which indicated the number of small businesses that operate within the study area, it was challenging to define an appropriate sample size. The researcher decided to conduct as many interviews as possible until saturation was reached. Approximately 150 businesses were invited to participate in the survey, of which 91 surveys were successfully completed. This was achieved over a two-month period.

The first part of the questionnaire sought to establish the current status of the small business environment that is found within the study area. A brief profile of the business was obtained, followed by the age of the business and the duration that it has been operating in the Woodstock-Salt River precinct. Thereafter, the questionnaire delves into data pertaining to staffing, growth indicators and tenure. The middle part of the questionnaire sought to obtain responses that would indicate respondents' levels of awareness of the environment in which they operate in terms of crime, condition of public spaces and amenities, neighbourhood attractiveness for customer patronage, and infrastructure efficiency. The latter part of the questionnaire drew attention to respondents' levels of awareness of initiatives, from both the public and private sectors in order to revitalise the area. It also attempted to divulge data that would indicate levels of respondents' involvement in various initiatives that had been implemented and, which contributed to the upliftment of the area. Finally, opinions were recorded, along with a 'wish-list' of what respondents envisaged for the area.

4.6 PILOT STUDY

Once the research instrument was developed, a pilot study was conducted in order to establish the effectiveness of the instrument and the estimated duration of each interview so that the researcher could set a realistic time limit to complete a sufficient number of face-to-face interviews. This exercise proved relatively successful as the questionnaire required some minor adjustments in order to gain effectiveness and to align it properly with the study's objectives.

4.7 SUMMARY

Data collection was achieved through archival research and empirical methods by using a questionnaire as the data collection instrument. Quantitative research methods were predominantly employed, which were complemented by qualitative research methods. Descriptive analysis forms the basis of quantitative data analysis, upon which further analysis is conducted. By dividing the study area into zones, the researcher was better equipped to collect data in a systematic and efficient manner, hence reducing the likelihood of wasting too much time in one particular area, and obtaining a sample, which was reflective of the whole area. A test of the research instrument was completed by performing a pilot study prior to the main empirical exercise that was conducted. After consultation with the study's statistician, minor adjustments were made to the questionnaire. The next chapter describes and analyses data that was collected for the research study.

CHAPTER 5: ANALYSIS AND INTERPRETATION OF THE RESEARCH DATA

5.1 INTRODUCTION

The previous chapter described the research design and methods that were adopted during the development of this study. This chapter presents data that was collected during the survey. Once the data was collected, it was coded and categorized, and then transferred into a statistical software program, called the Statistical Packages for Social Sciences (SPSS). From here on, the data was sent to a registered statistician for statistical analysis. The researcher drew upon this analysis to present the data in a meaningful format, followed by a discussion of the results from the analysis, as interpreted by the researcher. The techniques that were used during the data analysis and interpretation include descriptive statistics, Chi-square analysis and content analysis.

5.2 ANALYSIS AND INTERPRETATION OF PRIMARY DATA COLLECTED

The analysed data was received from the statistician in a statistical format and was then converted into tables, which are presented below. An explanation is provided after each table, describing its contents, and this is followed by a brief interpretive discussion regarding the results.

5.2.1 Business profile

The following tables describe the profiles of the businesses that were included in the survey. This should assist in understanding the current status of small business development in the study area at the time that the survey was conducted.

Table 5.1: Distribution of business entity types

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole	41	45.1	46.1	46.1
	CC	22	24.2	24.7	70.8
	Pty Ltd	26	28.6	29.2	100.0
	Total	89	97.8	100.0	

Missing	System	2	2.2		
Total		91	100.0		

A total of 46.1% of businesses operate as sole proprietorships, while 24.7% and 29.2% operate as close corporations and private companies, respectively. This indicates that more than half (53.9%) of the businesses are registered with the CPIC, and have a separate legal identity to that of its owner.

It can be inferred from this that only those businesses that have a separate identity to that of their owners will be registered on any formal database such as those that are with the CPIC. Businesses that operate as 'sole proprietors' are only required to register with SARS for tax purposes. In addition to this, a number of informal, home-based small businesses also operate within the study area. Thus, the total number of small businesses, which operate in the study area remains unknown. This represents a contributing factor to the challenges that official agencies face in their ability to collect and disseminate pertinent information to these small business owners and managers.

The findings also indicate that 81.3% of surveyed businesses were not affiliated to any trade organisations or professional associations, which further reduces potential channels that are available, which official agencies or stakeholders can use to communicate directly with the small business environment. Table 5.26 highlights the main channels that are used by small business owners and managers to receive information to this effect.

It should be noted that other types of business entities were also encountered, however, these were too few to be considered. For example, one of the businesses that were surveyed was registered as a 'trust'.

Table 5.2: Distribution of the nature of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Retail	44	48.4	48.9	48.9
	Service	41	45.1	45.6	94.4
	Wholesale	3	3.3	3.3	97.8
	Manufacturer	2	2.2	2.2	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

Businesses are diverse in their offerings, and hence the above table provides an indication of the dominant sectors that were found during the survey.

In some instances, a business offers both retail and a service to its clients, or retail and manufacturing, or retail, a service and manufacturing, and so on. For the purposes of the survey, respondents were requested to note the primary nature of the business.

A total of 48.9% of the businesses that were surveyed were retail businesses, and 45.6% of the businesses were service orientated. Wholesalers and manufacturers comprised the remaining five percent of businesses that were surveyed.

A wide range of industries operate within the Woodstock-Salt River precinct. This wide spectrum of businesses attracts a diverse range of customers to the area, which creates further opportunities for small business development to grow and/or expand in anticipation of satisfying a diversified consumption demand. Yang and Xu (2008) argue that diversification plays a crucial role in a city's economic growth.

Table 5.3: Distribution of the age of the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 3 years	23	25.3	25.3	25.3
	4 to 6 years	14	15.4	15.4	40.7
	7 to 10 years	12	13.2	13.2	53.8
	more than 10 years	42	46.2	46.2	100.0
	Total	91	100.0	100.0	

A total of 25.3% of the surveyed businesses were less than 3 years old, with 15.4% operating for between 4 and 6 years, and 13% for between 7 and 10 years old. Businesses that were older than 10 years comprised 46.2% of the surveyed businesses.

The WSRRF was implemented during 2002, approximately 13 years ago. A number of initiatives that were geared towards revitalization was recorded as being implemented soon after that year (see Chapter 2). More than half (53.8%) of the businesses that were surveyed was established in the Woodstock-Salt River precinct after these initiatives and programs were launched, which falls within the last ten years.

The table also indicates that the birth-rate of successful new businesses that were established in the area increased by 64.3% between the periods 1 to 3 years and 4 to 6 years.

Table 5.4: Distribution of duration that business is based in Woodstock-Salt River

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 3 years	31	34.1	34.4	34.4
	4 to 6 years	16	17.6	17.8	52.2
	7 to 10 years	13	14.3	14.4	66.7
	more than 10 years	30	33.0	33.3	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

A total of 33.3% of the businesses that were surveyed have been based in the Woodstock-Salt River precinct for more than 10 years, while 34.4% of the businesses moved into the area less than 3 years ago. A total of 17.8% of the small businesses that were surveyed moved into the area between 4 and 6 years ago, with the remaining 14.4% moving into the area between 7 and 10 years ago.

A similar pattern to the above table (Table 5.3) emerges here, as 66.7% of the businesses moved into the area within the last ten years. Similarly, the number of businesses that moved into the area increased by 93.75% between the periods 1 to 3 years and 4 to 6 years. The following section explores reasons for this phenomenon.

Table 5.5: Distribution of factors that influenced the decision to base the business in Woodstock-Salt River

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cheaper rent	12	13.2	13.5	13.5
	Location	62	68.1	69.7	83.1
	Other	14	15.4	15.7	98.9
	Cheaper rent & location	1	1.1	1.1	100.0

	Total	89	97.8	100.0	
Missing	System	2	2.2		
Total		91	100.0		

A total of 69.7% of the respondents thought that Woodstock-Salt River was a good location for their business. A further 13.5% chose the current location of their business based on a cheaper rental rate, compared to rental costs that they were paying elsewhere, and 15.7% cited 'other' reasons for basing their business in the Woodstock-Salt River precinct. Of the fourteen 'other' reasons that were recorded, six were regrouped into the 'location' category. This affected the ratio of respondents who selected Woodstock-Salt River as a preferred location, namely from 69.7% to 76.4%, and 'other' reasons, namely from 15.7% to 8.9%.

These results could prove that perceptions of the Woodstock-Salt River precinct as a business location has changed from one where people felt generally unsafe and uncomfortable to do business within the area, to it being a more attractive location. According to the WSRRF (2002), Woodstock was an area that has been faced with numerous challenges in various facets, especially with regard to safety and security.

Table 5.6: Distribution of person who started the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self	58	63.7	63.7	63.7
	Family	21	23.1	23.1	86.8
	Other	12	13.2	13.2	100.0
	Total	91	100.0	100.0	

Most of the small businesses that were interviewed were started by the owners themselves (63.7%), followed by those that were started by a family member (23.1%), and those that were started by 'other' persons (13.2%). Amongst the twelve 'other' persons, six respondents indicated that the business was started by the previous owner.

Table 5.7: Distribution showing how the business was acquired

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self-started	71	78.0	78.0	78.0
	Purchased	16	17.6	17.6	95.6
	Other	4	4.4	4.4	100.0
	Total	91	100.0	100.0	

Consistent with the figures reported in Table 5.6 above, a majority of the surveyed businesses was acquired by its current owners who had started it themselves (78%). This was followed by the business being purchased (18%), and the 4% that indicated 'other' reasons. The other two reasons show that the business was acquired by a family member; one indicated that it was inherited, and the other that it was owned as a subsidiary of a larger company.

A total of 53.8% of the respondents indicated that they were the owners of the surveyed business, while 23.1% indicated that they fulfilled an owner-manager role. During the interviews it became apparent that these kinds of 'owners' fulfilled various roles within their businesses, including general management, marketing, as well as strategic functions. This type of approach is a common occurrence in small businesses, and is consistent with the findings, which are shown below in Table 5.8.

5.2.2 Investment and growth

The following tables provide indicators towards various factors that contribute to the development of small business as a result of the revitalisation process that was launched in the area.

Table 5.8: Distribution showing how acquisition/start-up was funded

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Own capital	77	84.6	84.6	84.6
	Private loan	6	6.6	6.6	91.2
	Institutional finance	3	3.3	3.3	94.5
	Mixed	5	5.5	5.5	100.0
	Total	91	100.0	100.0	

A total of 84.6% of business owners used their own funds to start-up the business, followed by 9.9% who had used a form of loan that was sourced from either private or institutional lenders, while 5.5% applied a mixture of own and borrowed funds.

The fact that most of the respondents had invested their own funds to start their businesses also indicates their level of confidence in investing indirectly into the local economy. This confidence is reflected and confirmed in the table below, and reaffirms Butler’s (2011) argument that a gentrified area symbolizes a shifting of capital from one area to another.

The precise volume of small businesses that operate in the Woodstock-Salt River precinct is not known. However, implementation of the WSRRF has impacted on the available business or trading space in two significant ways. Firstly, because of the redevelopment of abandoned buildings, as well as underutilized properties, more space became available. Secondly, the redeveloped properties underwent aesthetic changes, which resulted in them becoming more attractive and suitable for most business’s needs. This represents a significant investment being made into the area by property owners and developers.

Table 5.9: Distribution showing business growth over the last 5 years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	72	79.1	81.8	81.8
	No	6	6.6	6.8	88.6
	Not sure	10	11.0	11.4	100.0
	Total	88	96.7	100.0	
Missing	System	3	3.3		
Total		91	100.0		

A total of 81.8% of small businesses that were surveyed reported that the business had grown over the last five years, while 6.8% reported that there had been no growth, and 11.4% of the respondents were not sure whether or not the business had grown. It should be noted that 53.8% of these businesses were less than 10 years old, and that 66.7% had moved into the area within the last ten years.

Table 5.10: Distribution of growth rate of small businesses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 20%	31	34.1	42.5	42.5
	21 to 50%	29	31.9	39.7	82.2
	More than 51%	13	14.3	17.8	100.0
	Total	73	80.2	100.0	
Missing	System	18	19.8		
Total		91	100.0		

The growth of businesses that respondents reported in Table 5.9 above was grouped into growth rate categories, as shown in Table 5.10 above. A total of 42.5% of these businesses reported growth of up to 20 percent, followed by 39.7% that reported

growth of between 21 and 50 percent, and 17.8% reported growth that exceeded 51 percent.

Table 5.11: Distribution of medium by which business growth was measured

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sales/Turnover	38	41.8	50.7	50.7
	Products/Services	11	12.1	14.7	65.3
	Staff	3	3.3	4.0	69.3
	Mixed	23	25.3	30.7	100.0
	Total	75	82.4	100.0	
Missing	System	16	17.6		
Total		91	100.0		

A total of 50.7% of the respondents measured the growth of their business by its turnover, followed by 14.7% using products/services as a measurement of growth, and 4% that used staff as their growth measurement. A total of 30.7% of the respondents measured their growth by using a combination of turnover, products and staff, and this is referred to in the table as 'mixed'.

Table 5.12: Distribution showing causes for business growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Own efforts	45	49.5	60.8	60.8
	Greater diversity of people in the area	4	4.4	5.4	66.2
	Improvement in buildings, roads & transportation, safety and security	2	2.2	2.7	68.9
	Other	6	6.6	8.1	77.0
	Mixed	17	18.7	23.0	100.0

	Total	74	81.3	100.0	
Missing	System	17	18.7		
Total		91	100.0		

In total, 60.8% of the respondents believed that the growth of their business was a result of their own efforts that they spend to promote and develop their businesses, followed by 23% that claim that a combination of factors, which contributed to their business's growth, including their own efforts, greater diversity of people in the area, and improvements to buildings, roads and safety, which is referred to as 'mixed' in the table. Six 'other' reasons were cited, five of which were regrouped into the 'own efforts' category, which increased this ratio to 67.5%.

5.2.3 Staff and customers

Table 5.13: Distribution of staff employed in the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Upto 10	67	73.6	74.4	74.4
	Between 10 & 20	11	12.1	12.2	86.7
	Between 21 & 50	10	11.0	11.1	97.8
	Between 51 & 200	2	2.2	2.2	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

In total, 74.4% of the small businesses that were surveyed employed up to ten staff members, followed by 12.2% that employed between ten and twenty staff members. A total of 11.1% employed between twenty-one and fifty staff members, and 2.2% employed more than fifty-one staff members.

These results may indicate that small business development has contributed to levels of employment, in general, especially when taking into account that 53.8% of these businesses were started within the last ten years.

Table 5.14: Distribution of skill levels required from staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unskilled	8	8.8	8.8	8.8
	Skilled	36	39.6	39.6	48.4
	Professional	9	9.9	9.9	58.2
	Mixed	38	41.8	41.8	100.0
	Total	91	100.0	100.0	

Table 5.14 above indicates that 41.8% of the surveyed businesses required their staff to possess a mixture of skill levels, including being unskilled, skilled and professional. This was followed by 39.6% of the businesses that required skilled staff, and 9.9% that required professional staff.

Table 5.15: Distribution of staff residing in the study area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0%	38	41.8	43.2	43.2
	Between 1 & 50%	37	40.7	42.0	85.2
	Between 51 & 100%	13	14.3	14.8	100.0
	Total	88	96.7	100.0	
Missing	System	3	3.3		
Total		91	100.0		

In total, 56.8% of the surveyed businesses employed staff from the study area, while 43.2% employed no staff members who reside in the study area. A total of 14.8% of

the surveyed businesses reported that more than half of their staff members reside in the study area.

Table 5.16: Distribution showing where most of the customers come from

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Local neighbourhood	19	20.9	21.1	21.1
	Beyond Woodstock's borders	46	50.5	51.1	72.2
	Specialised market	25	27.5	27.8	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

Table 5.16 above indicates that more than half of the businesses that were surveyed (51.1%) catered for customers who hail from outside of the study area. This ratio may increase if the 'specialised market' category is explored further, as it is likely that some of these customers will also come from beyond the study area. A total of 21.1% of the respondents claimed that they cater mostly for the local market.

5.2.4 Business environment cognisance

The tables below contribute to understanding levels of awareness amongst participants about the environment in which they operate.

Table 5.17: Distribution of perception of traffic congestion in the main roads that affect business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Positive	13	14.3	14.4	14.4
	Negative	34	37.4	37.8	52.2
	Not at all	43	47.3	47.8	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		

Total	91	100.0		
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In total, 47.8% of the respondents indicated that the traffic congestion, which is prevalent in the main roads of the study area does not affect their business in any way, while 37.8% indicated that it has negatively impacted on their business; and 14.4% stated that the traffic congestion has impacted positively on their business.

While significant developments are evident in the built environment with improvements being made to buildings (see Chapter 3), public open spaces and the existing transport infrastructure, no expansion has been made to the roads and pedestrian infrastructure in anticipation of the increased traffic levels. Factors that contribute to the traffic congestion include:

- the attraction of tourists to the area;
- an increase in the volume of businesses that operate in the area;
- more than half of the small businesses cater for customers beyond Woodstock's borders; and
- the study area remains a transport corridor for both road and rail commuters.

Table 5.18: Distribution of perceptions of attraction of more customers to the area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	58	63.7	64.4	64.4
	No	32	35.2	35.6	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

Table 5.18 above represents data, which reflects respondents' perceptions that recent improvements, as a result of the revitalization process, have attracted more customers to businesses in the area. A total of 64.4% mentioned that the improvements have attracted more customers to their businesses, while 35.6% stated that the opposite is true, namely that it did not attract more customers to their businesses.

Table 5.19: Distribution of perceptions of improved maintenance of the public open spaces

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, substantial	38	41.8	41.8	41.8
	Yes, marginal	47	51.6	51.6	93.4
	No	6	6.6	6.6	100.0
	Total	91	100.0	100.0	

Overall, most of the respondents (93.4%) perceived that there has been improvement made with regard to the upkeep and maintenance of the public open spaces within the study area, while 6.6% of the respondents perceived that there were no improvements that were made in this regard.

In the context of this study, public open spaces include all the recreational parks, sports facilities and public amenities, and also encompass the roads and sidewalks to some extent. They include any patches of landscaped areas along the sides of the roads, and at intersections. This would also be extended to any greening of the area, as well as the general cleanliness of public property.

Table 5.20: Distribution of image perception

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Positive	78	85.7	86.7	86.7
	Negative	6	6.6	6.7	93.3
	Not at all	6	6.6	6.7	100.0
	Total	90	98.9	100.0	
Missing	System	1	1.1		
Total		91	100.0		

In total, 86.7% of the respondents stated that the improved maintenance of the public open spaces has contributed to the overall positive image of the area, while there was an equal split between perceptions of this having a negative impact, and it having no impact at all on the image of the area, namely 6,7%, respectively.

People develop an impression of an area based on their visual experience of it, as well as the manner in which it interacts with them. It is this impression that is recorded in their minds as an 'image' of what the area is like to them. This concept is referred to as the 'perception of the area', as mentioned previously.

Table 5.21: Distribution indicating whether the new image of the area affected businesses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	49	53.8	55.7	55.7
	No	39	42.9	44.3	100.0
	Total	88	96.7	100.0	
Missing	System	3	3.3		
Total		91	100.0		

A total of 55.6% of the respondents said that the new image of the study area had a positive impact on their business, while 44.3% said that it had no impact at all on their business.

5.2.5 Awareness of initiatives, incentives and support structures

This section examines levels of awareness that the participants have of various initiatives, which have been geared towards the upliftment and overall improvement of the area where they operate their businesses. This section of the questionnaire also served to inform participants who were not aware that these initiatives were implemented, and that there are support structures, which are available to assist the development of small business.

Table 5.22: Level of awareness of initiatives, small business support and revitalisation

VARIABLE	YES	NO
Awareness of any incentives or initiatives by government to promote the upliftment of the study area.	42%	58%
Awareness of government support structures for development of small business.	31%	69%
Awareness of revitalisation efforts by the public sector to revitalize the study area.	45%	55%
Awareness of revitalisation efforts by the private sector to uplift the study area.	50%	50%

The four variables that are indicated in Table 5.22 above reflect a slight difference in awareness of incentives, initiatives and revitalisation efforts by the respondents, with the biggest difference being between those who know about the small business support programs, which are offered by the government, and those that are not aware of these supportive structures. The table shows that 69% of the respondents were not aware of any support services that are offered by government to small businesses, or to people (entrepreneurs) who want to start a small business venture.

The above results indicate that, given the rate of new businesses that have been started and those that have moved into the area within the last ten years, these businesses may have required additional assistance, however, a general lack of awareness regarding support that is offered, prevented it. This inference is supported by the researcher's interaction with participants during the administration of the questionnaire. In response to their queries about the kind of support that is available, the researcher provided relevant information to the participants. On a follow-up visit to these participants, it was established that reasonable success had resulted from engagement between the participant and the relevant support service provider.

Table 5.23: Level of involvement in community developmental programs or initiatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Weekly	9	9.9	10.1	10.1
	Monthly	9	9.9	10.1	20.2
	Annually	17	18.7	19.1	39.3

	Not at all	54	59.3	60.7	100.0
	Total	89	97.8	100.0	
Missing	System	2	2.2		
Total		91	100.0		

Table 5.23 above indicates that a majority of the respondents (60.7%) are not involved in any community developmental projects, followed by 19.1% who are involved annually, and the rest being active monthly and weekly at 10,1%, respectively.

Possible reasons for this lack of involvement can be attributed, firstly, to the respondents' recent entry into the community, and, secondly, having started a new venture, which required most of their attention.

Table 5.24: Level of involvement with local revitalisation initiatives in the area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High	6	6.6	6.7	6.7
	Moderate	10	11.0	11.2	18.0
	Low	18	19.8	20.2	38.2
	Not at all	55	60.4	61.8	100.0
	Total	89	97.8	100.0	
Missing	System	2	2.2		
Total		91	100.0		

In total, 61.8% of the respondents were not involved in the local revitalisation initiatives that had been launched in the area, followed by 20.2% who had a low level of involvement, and 11.2% who were moderately involved, while 6.7% played an active role in the revitalisation processes.

Similarly to Table 5.23, Table 5.24 above indicates that respondents are generally not involved in any community-based upliftment programs. Again, this may be owing to

their late entry into the area, once the main efforts on revitalisation had already been implemented.

Table 5.25: Would like to become more active in the policy-making processes that affect the area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	54	59.3	61.4	61.4
	No	11	12.1	12.5	73.9
	Not interested	23	25.3	26.1	100.0
	Total	88	96.7	100.0	
Missing	System	3	3.3		
Total		91	100.0		

Table 5.25 above indicates that 61.4% of the respondents would like to become more active in policy-making processes, which affect the area, followed by 26.1% who have no interest in these processes, and 12.5% who are satisfied with their current level of involvement.

The ratios in the above table support the inferences that were made from the above two tables, namely Table 5.23 and 5.24. As their businesses become more established, they tend to become more involved in matters that affect their business, whilst also extending beyond the normal parameters of the business itself, and into the community in which they operate.

5.2.6 Open-ended responses

The last part of the questionnaire consisted of open-ended questions. The responses reflect communication channels, which businesses use to remain informed about the latest laws and regulations that the state promulgates pertaining to their respective industries. It also reflects areas where the respondents wish to see further improvements being made. The responses were grouped into categories, as indicated in the tables that follow.

Table 5.26: Main communique to small business informing it of new laws and regulations

CODE	CATEGORY	RATIO (%)
1	Business service providers	12
2	Online media	41
3	Printed media	20
4	Business social events	27

Most of the respondents (41%) depend on a form of online media as their medium of choice with regard to being informed about new legislation pertaining to their businesses. This may be via email communiques, social media platforms or internet research.

The second most popular choice (27%) is to receive this type of information via various business social events, where people are able to network with each other. This may be in the form of a workshop, seminar or industry meetings via trade organisations/associations.

Printed media such as newspapers, newsletters and journals account for 20% of respondents' choice of communique, while 12% depend on service providers such as suppliers, accountants and banks to keep them informed.

These results indicate that at least 41% of the respondents have access to the internet. Hence, a revitalisation program should enhance the small business's accessibility to an appropriate internet infrastructure, as this will assist in its development.

Table 5.27: Respondents' 'wish-list' for further improvements

CODE	CATEGORY	RATIO (%)
1	Safety and security	25
2	Beautification and greening	7
3	Cleaning and recycling	7
4	Parking	19
5	Removal of bicycle lane	2
6	Longer working and shopping hours	2
7	More local involvement and employment	7
8	Improve social & economic infrastructure	10
9	Improve properties' aesthetics & signage	8
10	Other	13

Table 5.27 above reflects the concerns that respondents have, as they indicated that more attention is required to improve these aspects in order to further enhance the development of small business. The biggest ratio (25%) of respondents shared their concerns around safety and security aspects within the area. Amongst these concerns are the following:

- that a more visible police presence should be maintained to act as a preventive measure against crime that is committed;
- that policing and security standards should be improved to achieve more effective results; and
- that more surveillance cameras should be installed at strategic points to deter potential criminals from committing any form of illegal activities.

Despite this being a major concern amongst respondents, it has not deterred them from setting up their businesses in the area, with the majority stating that it is a good location.

This was followed by concerns, which relate to the lack of proper parking facilities that would support small business development. A total of 19% of the respondents indicated that the lack of parking negatively affected patronage of their businesses,

since many of their clients have their own vehicles. While conducting the survey, the researcher observed that there was a large number of taxis that operated in the area during peak periods. To some extent, a proportion of 'regular' customers, as well as tourists, are the main users of taxi services. This offers some relief to the parking problem that is currently experienced, however, it remains insufficient.

Concerns that pertain to the area's 'beautification and greening', 'cleaning and recycling' and 'properties' aesthetics and signage' all point to the area's image, as well as its general appeal. Combined, these concerns account for 22% of the respondents' responses.

Concerns that more improvements should be made to social and economic infrastructure amounted to 10%, and these include:

- reducing the number of people who sleep on the streets;
- social development and practical skills training for the community;
- creating more foot traffic (which would ease traffic congestion);
- getting more locals involved in small business development by way of employment or self-employment initiatives;
- improving school facilities; and
- extending the public transport system into the area's side streets.

5.3 SUMMARY

Generally, the perceptions that people had of the Woodstock-Salt River precinct prior to revitalisation was one where the safety and security of people, as well as properties, was at risk of being harmed or damaged. It was further perceived as a decaying inner-city suburb, which consisted of derelict, underutilized and abandoned buildings. Hence, it was generally regarded as an undesirable place in which to live and or work.

However, this empirical study reveals that this perception has changed. The new perception, which most of the participants hold is one, which views the Woodstock-Salt River precinct as an attractive, desirable and safe place in which to work and live. Thus, it can be concluded that the WSRRF's implementation has impacted on the perceived image, safety and security aspects of this precinct, thereby enhancing the development

of small business. The extent of this impact is evident when considering the rate of small businesses that are either starting up in, or relocating to, the study area.

Part of the revitalisation process is the regeneration, revitalisation or redevelopment of the BE. This represents an investment into the local economy. The business space, which is becoming available as a result of the redevelopment process caters for the establishment of new businesses, or for existing businesses to relocate to these premises. This rate of new entrants into the study area also contributes to investment into the local economy. Thus, it can be concluded that the WSRRF's implementation has impacted on investments into small business development. The extent of this impact is evident when considering the rate of new entrants entering this market in the last 3 years, compared to 3 years prior to that.

The study reveals that more than half of the survey participants employ staff who reside in the Woodstock-Salt River neighbourhood. This finding suggests that implementation of the WSRRF and its guided initiatives have impacted on the employment aspect within this suburb. There is a significant number of new businesses being established in the area, while new businesses generally imply the creation of new jobs. A further finding of the study shows that a high proportion of staff is expected to have competency levels, which range from 'skilled' to 'professional'. This conforms to the understanding that we are currently in a knowledge-driven, service-based economy. Therefore, the extent of the impact that the WSRRF has had on small business development in an employment context, is evident by the skill level or qualification requirements that are expected from employees. It was shown that the retail and services sectors were the dominant sectors within the study area.

It was also found that there is a low level of awareness amongst the small business community with regard to small business support that is offered by various state bodies such as SEDA. The results of the survey indicate that in spite of a small proportion of participants being aware of these support programs, few actually engage these services to assist in the development of their businesses. A likely contributing factor to the lack of awareness, and engagement of, these services may lie in the absence of a formal communication channel between these two environments. It was, however, found that the awareness of incentives and initiatives by official agencies to promote upliftment within the study area was relatively even between those who knew and those

who did not know about it. There is also an even distribution between participant awareness, and lack thereof, of revitalisation efforts from both the public and private sectors. This is encouraging considering that most of the participants indicated that they want to become more involved in these types of matters.

Thus, the results of this study show that the WSRRF's implementation impacted on numerous aspects of small business development within the study area. The extent of these impacts are evident when one measures the progress that has been made around the various aspects. In order to sustain, and possibly improve on the successes of initiatives such as the WSRRF, it is imperative to monitor the effect of the impacts on the intended beneficiaries. Such a monitoring framework would include the following criteria:

- A database of all small businesses that operate within the study area;
- An understanding of the various industries that function within it;
- An understanding of support structures that are available to assist small businesses; and
- An understanding of the quality of business premises, which are available to small businesses.

Through the implementation of a monitoring framework, challenges and successes may be communicated to all relevant stakeholders. In this way, timeous corrections can be made to pending problems, weaknesses and threats, while strengths and opportunities may also be further exploited. Hence, a corroborative environment may be created to enhance the development of small business.

CHAPTER 6: RECOMMENDATIONS AND CONCLUDING REMARKS

6.1 INTRODUCTION

This section provides an overview of the chapters that were covered in this research report. It further provides recommendations, which are based on the research study's findings, and concludes with remarks on the results of the data analysis in a manner that responds to the research study's objectives and questions.

6.2 OVERVIEW OF CHAPTERS

6.2.1 Chapter One

Chapter One introduced the research topic and provided a framework of the scope of the study that was conducted. A brief history was provided about the Woodstock-Salt River precinct, followed by a contextual background of the study. The research problem was identified and the researcher stated that the impact of the revitalisation initiatives was not appropriately understood, and this provided the motivation for the research to be conducted. The research study sought to evaluate the extent to which the WSRRF initiatives has affected the development of small business in the study area.

The objectives of the research were to understand the impact of implementing the WSRRF initiatives on small business development, identify the extent of this impact and recommend a monitoring framework for small businesses, which are affected by these initiatives.

Secondary data that is relevant to this research study was obtained via a literature review. This review included literature that deals with small business development, revitalisation (regeneration and or renewal) frameworks, or similar initiatives of inner-city areas that have been published in reputable journals and previous research works that were published in reputable database catalogues and books, as well as government policy frameworks and strategic planning documents, which were applicable to this study.

The study design that was adopted for this research study is a mixed-method design, which applies to both quantitative and qualitative research methods. This design is based on a phenomenological approach. The data collection instrument was explained and a description of the data collection method was provided. The respondents were selected by using random sampling that considered five strategically chosen sections of the study area. Interviews were conducted on a face-to-face basis as much as possible.

6.2.2 Chapter Two

Chapter Two describes small business development in a South African context, post-1994, and highlighted efforts spent by governmental departments and agencies towards the development of small business. Statistical evidence was provided, which emphasises the role that small business plays in national economies. In particular, contributions that are made by small business towards employment in the economy, was explained.

The role that government plays in promoting small business is traced over a period of two decades. This is supported by extant literature, over a similar period, confirming that successful small business development contributes to the alleviation of poverty in a quest to achieving a better quality of life for everyone.

Small business owners face a number of challenges in starting up new ventures, or expanding existing businesses. Statistical evidence shows that there is high mortality rate for start-up enterprises in South Africa. Some of the reasons for this mortality rate is identified, and includes a lack of adequate skills and required knowledge to develop a new business venture.

The South African Government has provided support programmes through its various departments, as well as the Small Business Development Ministry to assist small businesses in their developmental needs. However, the above reasons, amongst others, have contributed to a general lack of awareness by small business owners and managers of these support services that are offered, and initiatives that are implemented to assist with the development of small business. The purpose of these services is to improve access to resources and management capabilities within small businesses in order to achieve growth and increased competitiveness.

Chapter Two further discussed a number of initiatives from both the public and private sectors, and focused on those, which have contributed to the revitalisation processes. The backgrounds, objectives, reasons, and expected outcomes of the implementation of these initiatives, were also explained. Additional initiatives were introduced and a description was provided of how they relate to revitalisation, and the expected impact that it will have on small business development.

The chapter also outlined purpose and main objective of the WSRRF.

6.2.3 Chapter Three

Chapter Three describes the small business environment, which is found in the Woodstock-Salt River precinct. The description includes a brief history of commercial and/or business development in the suburb, from its beginnings as a fishing village, which was known as Papendorp, dominated mostly by primary and secondary sector enterprises, to its current-day status as an extension of Cape Town's CBD, and dominated by tertiary sector enterprises. The chapter also considered the transformation of the Upper Woodstock, Walmer Estate and University Estate, from farmland to mostly residential use, and described recent key property developments that came about as a result of the implementation of revitalisation initiatives and incentives.

The chapter defined main economic sectors within which small businesses operate, and provided statistical evidence, which indicates the relative contributions that were made by the different sectors to South Africa's GDP. Growth rates of the relative contributions by large, medium and small enterprises, respectively, which were made to the total turnover of the country, indicates that the role of small business in the national economy continues to grow in importance.

6.2.4 Chapter Four

Chapter Four describes the research approach and methods, which were applied during data collection. The study design that was adopted involved a mixed-method design, with some elements requiring quantitative research methods, while others required qualitative research methods, which are based on a phenomenological approach. The main reason that this approach was adopted is based on the understanding that decisions that are taken by stakeholders within the small business

environment are largely influenced by the impacts of events that are witnessed or experienced.

Quantitative research is defined as a formal, objective, systematic process in which numerical data is used to obtain information about the world in order to describe variables, examine any relationships between them, and to determine causal interactions between them. Qualitative research is conducted through contact with a “field” or life situation, which reflects the everyday life of individuals, groups, societies and organisations. A major feature of qualitative research is that it focuses on naturally occurring, ordinary events in natural settings, whilst providing an impression of what real life is like.

Qualitative data plays a useful role in supplementing, validating, explaining, illuminating or reinterpreting quantitative data, which is gathered from the same settings.

Mixed-method studies combine the strengths of both approaches and have the potential to reveal what neither quantitative nor qualitative research alone may be able to do. Two broad types of mixed designs are identified, namely two-studies designs and integrated designs. This study used the integrated design type. Qualitative material was collected and transformed into categorical data for further quantitative analysis. The aim of this research approach is to derive both theory and generalizable results.

The study area was divided geographically into 5 zones, namely an eastern, western, southern, northern and central zones. Each zone consists of a wide variety of businesses, which are spread across the secondary, tertiary and quaternary sectors. The research population comprises owners and managers of small businesses that are based within the study area. The area was divided in this manner in order to obtain a fair representation of small businesses across the entire study area.

The researcher developed a questionnaire as the data collection instrument for this study. A test of the research instrument was completed by performing a pilot study prior to the main empirical exercise that was conducted. After consultation with the study’s statistician, minor adjustments were made to the questionnaire. Approximately

150 businesses were invited to participate in the survey, of which 91 surveys were successfully completed and received.

6.2.5 Chapter Five

This chapter presented data that was collected during the survey. After collection, the data was coded and analysed, using a statistical software program called SPSS. The first section of the data collection instrument drew data that allowed the researcher to compile a profile of the participants. The next section of the questionnaire drew information that indicated the degree of investment made by small business owners, as well as growth rates experienced by these businesses. Thereafter, data that indicated staffing and customer aspects was drawn from the respondents. The fourth section highlighted the level of awareness that respondents have of the environment in which they operate. This was followed by a section, which highlighted awareness of initiatives, incentives and support structures that respondents may or may not have. The final section of the questionnaire reveals data about respondents' envisagement for the area.

A descriptive analysis was provided after each of the variables were discussed. Some notable results from the analysis are shown below:

- 48.9% of the businesses were in the retail sector and 45.6% were service orientated;
- 53.8% of the businesses were started following implementation of the WSRRF initiatives;
- The birth-rate of new businesses increased by 64.3% over the last 3 years when compared to the previous three years;
- The number of businesses that relocated to Woodstock-Salt River increased by 93.75% over the last 3 years when compared to the previous three years;
- 81.8% of small businesses reported growth over the last 5 years;
- 56.8% of small businesses employ staff who reside in the study area;
- 51.1% of small businesses cater for customers who hail from outside the study area;
- 47.8% of small business indicated that the traffic congestion in Albert and Victoria Roads does not affect their businesses;

- 64.4% of small business stated that the improvements resulting from revitalisation have attracted more customers to them;
- 69% of small business owners and managers were not aware of any support services that are offered by the government to assist in the development of small business; and
- 25% of small business owners and managers envisage that the safety and security aspect requires improvements.

6.3 RECOMMENDATIONS

This study provides a basis to understand the impact that the WSRRF had on the development of small business in the study area. This understanding should contribute towards increased effectiveness and efficiency to implement future initiatives and similar frameworks that are aimed at small business development.

6.3.1 Recommendation 1

This study indicates that the revitalisation process has impacted positively on investments into the local economy through redevelopment and rehabilitation of commercial properties, as well as through the volume of new small businesses that have entered this market. However, it remains unknown to what extent these investments have affected small business development. Future research should focus on this aspect in order to exploit further opportunities that may exist.

6.3.2 Recommendation 2

Another recommendation is based on the fact that the mortality rate of small businesses in this area remains unknown. In order to properly address any shortcomings in future revitalisation initiatives, it is imperative that the reasons for recent small business mortality, post-revitalisation, is understood.

6.3.3 Recommendation 3

A common objective in revitalisation processes is to attract new residents and businesses to an area. In addition, tourists are also targeted to visit the area, which results in an increase in traffic that flows in and out of the area. The Woodstock-Salt River precinct has always served as a transport corridor to the CBD and harbour areas of Cape Town, from the northern and southern suburbs, as well as from the Cape Flats areas. This increase in traffic has resulted in traffic congestion impacting negatively on

small business development through delays in transport requirements of the businesses. The City of Cape Town, as well as other relevant stakeholders, should investigate solutions, which aim to ease traffic congestion in the area.

6.3.4 Recommendation 4

This recommendation is linked to recommendation 3, above, whereby the increase in traffic commuting into the area vehicularly require adequate parking facilities. These would include workers who are employed by businesses in the area, customers of these businesses, clients and associates who attend meetings at the businesses and tourists who commute by taxi or bus when visiting the area. Efforts that are directed at creating sufficient parking facilities would contribute positively towards the development of small businesses within the area.

6.4 CONCLUDING REMARKS

The WSRRF was expected to be able to “manage, facilitate and guide” the renewal of this area to ultimately improve the quality of life that is experienced there (WSRRF, 2002). The concept of ‘quality of life’ has been referred to in numerous policy, planning and strategic documents, such as the Economic Growth Strategy of Cape Town (2013). In this document the concept has been linked to, amongst others, economic growth through initiatives and incentives, which are aimed at small business development. It would appear that the successful development of small business provides a vehicle for job creation and, ultimately, improvement of quality of life.

The results of the analysis indicate that there has been a significant number of small businesses that have been established in the area, both as start-up ventures and those that relocated to the area. Thus, it can be concurred that the WSRRF’s implementation has positively impacted on the development of small business. The extent of this impact is evident when considering the rate of new start-up businesses, the number of self-funded businesses, which indicates the level of confidence and the ratio of businesses that employ staff that reside in the area.

It has been established that gentrification is a phenomenon that can occur during a revitalisation process. According to Yau and Chan (2008), it is not only residents who are displaced during revitalisation processes, but businesses are also affected in a

similar manner. The rehabilitation of derelict and underutilised buildings has resulted in the displacement of businesses that previously occupied these buildings. The researcher encountered numerous cases, which involved the displacement of businesses from rehabilitated buildings in the study area. Often, these businesses were forced to downsize or close completely, as they were unable to sustain higher rental rates that were being charged as a result of revitalisation. Thus, the WSRRF's implementation also had a negative impact in some cases.

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APPENDICES

A1: Questionnaire



Cape Peninsula
University of Technology

FACULTY OF BUSINESS

WOODSTOCK SMALL BUSINESS DEVELOPMENT INITIATIVES: AN IMPACT STUDY

SURVEY

<u>DATE:</u>	
<u>SURVEY NUMBER:</u>	

Business Profile information:

1.	Name of business	
2.	Address of business	
3.	Type of entity (ie: sole proprietary, close corporation, Pty Ltd)	
4.	Nature of business (retailer, service, wholesaler, etc)	

INDICATE YOUR ANSWER WITH AN 'X' IN THE SPACE PROVIDED

		YEARS	MONTHS
1	How old is the business?		
2	How long has it been based in Woodstock?		

3	How was the business acquired?	Self-started		Purchased		Other	
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If other, please explain _____

4	What influenced the decision to base the business here?	Cheaper rent		Location		Other	
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If other, please explain _____

5	Who started the business?	Self		Family		Other	
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If other, please explain _____

6	What position do you hold in the business?	Owner		Manager		Both	
7	How was the acquisition/start-up funded?	Own capital		Private loan		Institutional finance	
						Government grant	

8	How many staff members are employed in the business? <i>(total of casual, contract and permanent)</i>						
9	What level of skill do you require from your staff? <i>(more than one may be crossed)</i>	Unskilled		Skilled		Professional	
10	What proportion of staff lives in Woodstock, Salt River, Walmer Estate and University Estate neighbourhoods? <i>(an estimate will suffice)</i>						

11	Where do most of your customers come from?	Local neighbourhood		Beyond Woodstock's borders		Specialised market	
12	Has there been any change in the requirements (demand consumption) from your customers for new products or services?	Yes		No		Not sure	
13	Has your product range or service offering changed greatly in the past 5 years?	Yes		No		Not sure	
14	Has the business grown over the last 5 years?	Yes		No		Not sure	
15	If "Yes" to question 14, in which category would this growth rate be?	1-20%		21-50%		More than 51%	
16	If "Yes" in question 14 above, by which medium was this growth measured?	Sales/turnover		Products/services		Staff	
17	If "Yes" in question 14 above, to what would you attribute this growth?	Own efforts		Greater diversity of people in the area		Improvements in buildings, roads & transportation, safety and security	
						Other	

If other, please explain _____

18	Is the business affiliated to any trade organisations?	Yes		No	
19	Is the property that your business currently occupies rented or owned?	Rented		Owned	
20	If rented, would you like to purchase your own?	Yes		No	

If rented, what is preventing ownership from happening? _____

If owned, what prompted the purchase? _____

21	Has the level of crime affected your business in the past?	Yes		No		Not sure	
22	In your experience, has the level of crime increased over the past few years?	Yes		No		Not sure	

23	Have there been improvements to the upkeep and maintenance of public open spaces in the area?	Yes, substantial		Yes, marginal		No	
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24	Have these changes contributed to the overall positive or negative image of the area?	Positive		Negative		Not at all	
----	---	----------	--	----------	--	------------	--

25	Has this image affected the level of business activity in the area?	Yes		No	
26	Has your business been affected by this image?	Yes		No	
27	Has the introduction of the new public transport system (My Citi Bus Service) impacted your business in any way?	Yes		No	

28	Has the traffic congestion in the main roads through Woodstock and Salt River impacted on your business?	Positively		Negatively		Not at all	
----	--	------------	--	------------	--	------------	--

29	Were you aware of any incentives or initiatives by government to promote the upliftment of the Woodstock-Salt River precincts?	Yes		No	
30	Are you familiar with any government support structures that provide support services for the development of small business?	Yes		No	
31	Are you familiar with the revitalisation efforts by government to revitalise the Woodstock-Salt River areas?	Yes		No	
32	Are you aware of any efforts from the private sector that are geared towards uplifting or revitalising the Woodstock-Salt River precincts?	Yes		No	

33	Are you in favour of past and current efforts by property owners to improve the aesthetics and usages of their properties, which result in higher rental rates being charged?	Yes		No	
34	Has such similar improvements attracted more customers to your business?	Yes		No	
35	Has the answer to question 34 been affected by the results of recent revitalisation in your area?	Yes		No	Not sure

36	What are the two biggest components of your monthly overheads?	Staff		Rent		Other	
37	Who does your business cater for (target market)?	Local neighbourhood		Beyond neighbourhood's borders		Specialised market	

38	At what level are you involved in any community developmental programs or initiatives?	Weekly		Monthly		Annually		Not at all	
39	What level of involvement have you had with the local revitalisation initiatives in your area?	High		Moderate		Low		Not at all	

40	Would you like to become more active in the policy-making processes, which affect your area?	Yes		No		Not interested	
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41. How do you learn about new legislation that is promulgated pertaining to your business or industry?

42. What further developments or improvements would you like to see happen in your area, which may positively impact your business?

THANK YOU FOR YOUR KIND CO-OPERATION, THE RESEARCHER

GRAMMARIAN CERTIFICATE

1 SHAMILA SULAYMAN PROOF READING AND EDITING SERVICES

17 June 2016

Dear Sir / Madam

This confirms that I have proof read and edited the research dissertation, entitled “**Woodstock small business development initiatives: An impact study**”, and that I have advised the candidate to make the required changes.

Thank you.

Yours faithfully



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