The Unique Role of the Survivalist Retail Entrepreneur in Job Creation and Poverty Reduction. Implications for Active Stakeholder Participation

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Abstract: This is an applied study endeavour with the aim of exploring the specific role of survivalist retail entrepreneurship in job creation and poverty reduction. Two hundred (200) subjects were sampled using snowballing technique. Structured questionnaires as well as semi-structured interviews were employed to collect data. 182 usable questionnaires were analysed with the help of SPSS version 23. The results indicate that retail entrepreneurship is evolving in Khayelitsha, especially when one does not only focus on spaza shops, but looks at the entire survivalist retail industry. This sector is capable of creating jobs, reducing poverty and aiding economic growth of the country even more, should measures to boost motivation levels and self-efficacy of the entrepreneurs emerge. These measures, among others could include support programmes for survivalist entrepreneurial ventures that present greater potential for growth and job creation. Part of the support programmes should include business skills training (such as simple bookkeeping practices and human resource management). Importantly, this study is the first of its kind in the community of Khayelitsha; an emerging black-populated township in South Africa, indicating a new vista for retail entrepreneurship research.

Keywords: survivalist retail entrepreneurship; survivalist entrepreneurship; survivalists; employment creation and poverty reduction; entrepreneurship education; spaza shops; South Africa

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1. Introduction and Background

The exclusions of Black South Africans from freely engaging in the country's economy during Apartheid brought about some serious socio-economic challenges that have continued to plague economic development till date. To reduce the imbalance requires the effective and efficient implementation of proper measures (Human, 2006), which can come in the form of well-thought out policies for redressing the imbalances, thereby placing South Africa in a positive competitive stance in the world economy. Encouragingly, new and amended policies aimed at improving the business environment, particularly for small, medium, and micro enterprises (SMMEs) (Nieman & Nieuweuhuizen, 2009, p. 197), have been announced since 1994. These interventions are no doubt intended to help create more job opportunities and reduce the poverty levels of the average Black South African.

Disappointingly, regardless of South African government's presumed commitment to supporting SMMEs, not much positive change has occurred regarding the latter's performance (Ligthelm, 2013, p. 58; Mago & Toro, 2013, p. 19). Ample evidence of this can also be found in the 2012 Global Entrepreneurship Monitor report (Turton & Herrington, 2012, pp. 6-9). Several studies have been carried out to unravel this phenomenon with most (for instance Co et al., 2006) calling for a total review of the policies that supposedly support socioeconomic development. Furthermore, literature suggests that South Africa's government should pay extra attention to the key aspects that affect the SMME sector, such as access to proper education and training (including vocational skills and business training) and access to business funding. Many studies in the past, and currently, highlight access to business funding as a major hindrance to business success. However, funding an individual with no business skills may be risky. Hence, training for the essential knowledge and business skills should precede other factors, including access to finance.

Whether a business venture operates within the formal or informal sector economy, most challenges in the business environment are similar, depending on the capacity (size and needs) of each business. Nonetheless, research reveals that large amount of business support services are directed towards growing small, macro enterprises (SMEs), excluding the micro and informal survivalist enterprises. Could Banerjee and Duflo's (2011) assertion that most informal businesses are established primarily for the purpose of survival be the reason for such exclusions? Or is it because, as stated in the Statistics South Africa's First Quarterly report (2012), survivalist entrepreneurs are unable to create more job opportunities, sustain growth and alleviate poverty? If the answer to both questions is yes, would that constitute fair discrimination against the micro and survivalist entrepreneurs? Perhaps unfair, judging from Rolfe, Woodward, Ligthelm and Guimaraes' (2010, p. 1) admission that despite the discouraging impediments against the informal sector economy, potential for growth and prospects for job creation opportunities exist, but need inspiring measures of motivation, especially from government's side. Choto *et al.*

(2014, p. 100) add that survivalist retail entrepreneurs significantly contribute to the economic development of a country, including South Africa as most communities depend on the goods and services provided by them.

But who are survivalist (informal) entrepreneurs? Survivalist entrepreneurs are involved in business activities which are undertaken informally i.e. without any formal registration protocols. Essentially they operate outside legal and institutional regulatory frameworks (Charman, Petersen & Piper, 2012) and are found in sectors such as construction/manufacturing, retail (buy/sale of goods), and services (clothing, beauty). Choto, Tengeh and Iwu (2014) further propose that survivalist retail entrepreneurs should not be discriminated against with regard to entrepreneurship development programmes and support services. Rolfe *et al.* (2010, p. 1) expand on this by affirming that some survivalist retail entrepreneurs may actively pursue available opportunities to transit their businesses into the formal economy, although others in the informal economy represent an unreliable, momentary means of survival among the country's poor citizens. Moreover, the fact that the informal sector entrepreneurs are not registered and ultimately untaxed (Rolfe *et al.*, 2010, p. 1) should not diminish government's confidence in supplying them with the necessary resources that they need in order to be able to contribute to improving the poverty conditions of a country.

Given the foregoing, this study seeks to explore the specific role of survivalist retail entrepreneurship on employment creation and poverty reduction.

Problem Statement

After the fall of Apartheid in South Africa interventions directed at paving the way for previously disadvantaged individuals to amply engage in the country's economy, whilst at the same time redressing the historical imbalances, emerged. These included new and amended policies such as the National Small Business Act of 1996, which laid grounds for the Department of Trade and Industry (DTI) to manage SMME development in the country (Nieman & Nieuwenhuizen, 2009, p. 196). In fact, this Act was born just a year following the publication of the White Paper on national strategy for the development and promotion of small businesses in South Africa.

Nonetheless, research seems to suggest that survivalist retail entrepreneurs in South Africa are severely neglected in terms of small business development initiatives and support services. This could be linked to the negative performance of survivalist entrepreneurship in the country, which also affects job creation opportunities, growth and poverty alleviation (Statistics South Africa, 2012). It could also be linked to Nieman and Nieuwenhuizen's (2009) assertion that the motivation behind the start-up of most survivalist businesses is to "simply survive" thereby persuading many to ignore their unique contribution. This is somewhat disheartening, particularly when

one looks at the essence of informal businesses, especially "spaza[1] shops". The difference between now and then is that spaza shops are not as cagey. According to Choto et al. (2014, p. 100), survivalist retail entrepreneurs are contributing considerably to the economic development of South Africa as most communities depend on the goods and services that they provide. It is also worth noting that most research on the role of SMMEs as far as job creation is concerned has always excluded micro-sized enterprises. Would the results of these studies change if micro-enterprises were distinguished as a separate component of the SMME group with unique characteristics? Additionally, it is assumed that in recent years the informal sector economy in South Africa is gradually growing, in particular the retail trade industry (South Africa Provincial Treasury, 2012, p. 3). Therefore, it is important for South Africa's government and other business stakeholders to recognise and value informal micro and survivalist entrepreneurship as a credible source for economic growth and sustainability.

Research Question

What is the specific role of survivalist retail entrepreneurship in job creation and poverty reduction in the township of Khayelitsha in South Africa?

The relevance of the research question can also be found in Hutchinson and de Beer's (2013, p. 237) study where the authors stated that across the globe, including South Africa, informal micro and survivalist retail entrepreneurs have been identified as the cornerstone for recuperating socio-economic challenges such as joblessness and poverty. Munyaradzi's (2011) report also indicated that the contribution made by informal micro and survivalist retail entrepreneurs in the national gross domestic product (GDP) of South Africa was estimated at approximately nine percent. This could be very low in comparison to other developing economies in the African continent, such as Nigeria (Ogbuabor & Malaolu's (2013, p. 100). Hence, exploring the unique role of survivalist retail entrepreneurs in job creation and poverty reduction is important.

Objective

To understand the specific role of survivalist retail entrepreneurship in job creation and poverty reduction in Khayelitsha, South Africa.

Delineation of the Study

Although this study focused on informal retail entrepreneurs (namely producers and distributors), informal service providers were also included. This strategic approach assisted the researchers in exploring the different business activities that are carried

[1] An isiZulu concept, which was used to define informal businesses that were secretly operated from home [during Apartheid] by Black South Africans selling petty goods/groceries to make a living (Bear *et al.*, 2005).

out in the selected township, namely Khayelitsha. This township was selected for a number of reasons. Firstly, because it is among communities that are still developing in the Cape Flats[1]. It is also dominated by survivalist entrepreneurs that the study focused on. And thirdly, this community has a rich history, which dates back to the early 1980s while Apartheid was at its peak. 200 hundred subjects were selected for the study. Typically, the subjects of the study did not necessarily have to be affiliated to any business organisation, since they operate in the informal sector economy. Survivalist businesses that operate on a very small scale such as hawkers (those who sell petty goods such as sweets) on the train or near the train/bus stations were excluded as they were perceived to be highly unlikely to transit to the formal sector economy. Evidence of this is that some have been hawkers for more than a decade. Furthermore, foreign nationals/immigrant entrepreneurs were also excluded from this investigation.

Significance of the Study

The impact of SMMEs in improving not only the lives of entrepreneurs themselves but also their employees and by so doing alleviate poverty and contribute to a country's economic growth is considerable. Therefore, SMMEs (including survivalist retail entrepreneurs) should be treated fairly and without prejudice (Choto et al., 2014, p. 100). Given this, exploring the specific role of survivalist retail entrepreneurship in job creation and poverty mitigation is vital, particularly since Statistics South Africa (2012) declared that survivalist entrepreneurship in the country is not doing much to create more employment opportunities, improve the economy and alleviate poverty.

2. Literature

Survivalist retail entrepreneurship gained some limelight with its inclusion in the business lexicon of the informal sector in the 1970's after a publication of the International Labour Office/United Nations Development Programme (ILO/UNDP) report, which was launched in Kenya (Nieman & Nieuweuhuizen, 2009, p. 40). Charman et al. (2012, p. 49) describe the informal economy as the existence and activities of informal business (including their employees) outside legal and institutional regulatory framework. Rolfe *et al.* (2010, p. 5) describe informal business sector as the business environment in which informal businesses that are non-taxed and unregulated carry out economic activities. Essentially, informal survivalist retail entrepreneurs have been identified as the backbone of socio-economic development of a country (Hutchinson & de Beer, 2013; p. 237).

[1] A large area in the Cape Town metropole where people of colour were forced by the Apartheid regime to reside.

Theoretical Framework

This study was anchored on two prime theoretical frameworks namely the seminal work of Albert Bandura (1997) as well as Locke and Latham's (1990) Goal-setting theory.

Albert Bandura's self-efficacy model is characterised as an individual's self-belief that he has the capability to perform a particular task (e.g. certain entrepreneurial activities) to attain the set (business) goals. Research indicates that individuals with low self-efficacy could sell-out to self-doubt and as a result discontinue efforts to do what is required. Alternatively, such individuals may stop trying because they are anxious that their efforts will not produce the right output due to indifference, prejudice, or a challenging environment (Bandura, 1982, p. 140). People who are uncertain about their self-efficacy envision failure scenarios, and with such negative contemplations, many things are likely to go wrong in their setting, and vice versa (Bandura, 1993, p. 118). This could also be observed as a fear of failure. These remarks suggest that entrepreneurs with a high sense of self-efficacy are likely to put in greater efforts to their entrepreneurial activities to ensure that their businesses achieve goals that are set high, as opposed to those who possess a low sense of self-efficacy who may set easier goals. Again, it may be argued that individuals who lack capabilities (in terms of proper education and skills training) are most likely to have low self-efficacy as opposed to those who have proper education and or skills training. Hence, personal goal setting is influenced by one's self-efficacy.

With respect to goal-setting, whether in a personal or managerial capacity, one should consider Edwin Locke and Gary Latham's (1990) goal-setting theory, as it carries greater relevance. Lunenburg (2011, p. 1) asserts that goal-setting theory reveals a significant link between goals and performance. Essentially, the higher the predetermined goals, the higher the level of task performance (Locke & Latham, 2006). We define goal setting as a plan indicating what needs to be done, when and how much effort needs to be put in to perform a particular task. Even though goal-setting theory can be used by natural persons within their respective settings, Yearta *et al.* (1995, p. 237) affirm that it is highly applicable in the business/organisational setting. In this regard, performance can be achieved if the following features are considered in the organisation: goals are clear and specific; goals are accepted by members; goals are realistic and challenging; goals are used to evaluate performance; employees participate in goal setting; and feedback on results is provided to employees. It is assumed however that goal setting has a few limitations, which may be challenging. For instance, difficult goals may stimulate riskier behaviours, or employees may lack the skills to perform certain essential tasks.

Survivalist Entrepreneurship: South African Perspective

Entrepreneurship in the informal sector economy is much broader than might be viewed by many. This is because it comprises two categories of the SMME sector, namely micro and survivalist entrepreneurs, which also have different levels of entrepreneurial sophistication, based on the nature of their entrepreneurial activities (Nieman & Nieuweuhuizen, 2009, p. 30). The two categories also differ according to the size of the business, i.e. the turnover it is likely to generate per month and the number of employees the business has. Informal sector businesses that have a labour legislation turnover, which is below VAT registration level of R300 000 per year and have about five employees, are regarded as micro-entrepreneurs (Entrepreneurstoolkit, 2015). On the other hand businesses that generate any amount that is below the predetermined threshold mentioned above are regarded as survivalist entrepreneurs. Hence, there is a notion that their income levels are below minimum poverty lines and require minimal capital to start or expand as they normally lack training and experience. Ligthelm (2013, p. 60) maintains that these sub-categories of entrepreneurs are mainly dominant in developing communities, where several small-scale business activities take place. Generally, retail entrepreneurs operate in the informal sector economy, where they are non-taxed and unregistered (Rolfe et al., 2010, p. 1).

Interestingly, while others prefer to differentiate these two kinds of informal economy entrepreneurs despite their loose characterization as micro-enterprises, Jesselyn Co (2006) regards them as "survivalist entrepreneurs". Therefore, for the purpose of this study, Jesselyn Co's concept of 'survivalist entrepreneurs' is adopted to refer to both micro and survivalist retail entrepreneurs. This concept is categorised thus:

(i) Producers - shoemakers, dressmakers, tailors, and subsistence farmers.

(ii) Distributors - hawkers, vendors, street traders and shebeens.

(iii) Service providers - repair of goods and backyard mechanics.

The most commonly identified motivation in the emergence of informal businesses is the inability to secure employment in the formal sector economy (Morris et al., 1997 in Rolfe et al., 2010, p. 1; Jesselyn, 2006). Many of these informal businesses operate in the form of spaza shops (Bears et al., 2005). In the context of this study, spaza shops are described as small grocery shops/convenience stores that are mainly located in the developing communities/townships, but may vary in size.

The dominance of retail spaza shops in the informal economy of South Africa

It is assumed that the informal sector economy in South Africa has experienced a persistent growth in the retail trade industry over the past few years (South Africa Provincial Treasury, 2012, p. 3). Evidence can also be traced in Spaza News (2010),

which cited an approximation of more than 100 000 spaza enterprises with a collective turnover of about R7 billion in the country. The drivers of this industry include entrepreneurs and businesses that trade finished goods either directly or indirectly to end-users/consumers. Therefore it is safe to say that informal survivalist businesses share a larger slice of the market than other informal entrepreneurs such as service providers.

According to Chebelyon-Dalizu *et al.* (2010, p 3), the informal sector economy has recently become the topic of debate among scholars. Could this be as a result of the so-called xenophobic attacks by the indigenes against foreign nationals/immigrant entrepreneurs who operate spaza shops? Interestingly, Liedeman, Charman, Piper, and Petersen (2013, p. 1) believe this is indeed the key reason that has recently triggered researchers' attention to the informal retail economy. They add that the fierce competition between foreign and indigenous spaza entrepreneurs in South Africa started a decade ago. The acrimonious relationship between foreign and indigenous spaza owners often degenerate into physical clashes which mostly affect spaza shop owners who are from Somalia, Egypt, Ethiopia, Rwanda, Tanzania, Pakistan and Bangladesh (Charman et al., 2012, p. 48). Somali entrepreneurs are considered the ones who dominate the informal economy and who are making most incursions into South African townships and presenting fiercer competition to local spaza shop owners. This bears enough testimony that their entry into South African townships is effective, besides attacks which occur occasionally, from indigenes. Apparently, their capabilities to operate successfully are attributed to their clan-based social networks, which design and implement a more competitive business model than locals (Liedeman et al., 2013, p. 4).

Liedeman *et al* further point out that these clan-based social networks yield the following business catalytic aspects in their businesses:

- Access to cheap labour, which is recruited from their country of origin;
- Facilitating micro-finance by organising investments and business partnerships;
- Contractual agreements by the network with clan elders who oversee the business deals;
- Strategic moves into geographical areas such as Khayelitsha to establish Somali strongholds;
- Group/bulk purchasing to secure discounts and operational economies of scale, hence they charge lesser prices than local businesses.

In contrast, the local retail (spaza) entrepreneurs are characterised by poor socio-economic backgrounds (Nieman & Nieuweuhuizen, 2009, p. 41) and have little or no access to business support, as opposed to their counterparts (who have access to funding, cheap labour, business networks, coordinating purchases with others, and

so on). Therefore, they are likely to be wrestled out of business by immigrant businesses that use 'sophisticated' strategies such as clan-based networks. On the basis of South Africa's historical socio-economic atmosphere, one can say that government is failing local informal entrepreneurs. Strategic measures to equip those who are taking the initiative to create self-employment; escaping the army of the unemployed should emerge, through skills development and business funding. The fact that the South African informal sector environment is characterised by poor people who are less-literate and lacking skills and training (Charman et al., 2012, p. 50), as well as the fact that immigrant businesses have yet to reduce the depressing unemployment in the country should trigger the government to do more to reverse the situation.

Do survivalist entrepreneurs face unique impediments as opposed to those who operate in the formal economy?

Disturbingly, the fact that in spite of the heightened relevance of the informal economy's survivalist entrepreneurs across the globe, including South Africa, there is a number of impediments that limit their long-term survival and development (Hutchinson & de Beer, 2013, p. 237). Choto et al. (2014, pp. 94-95) highlight the following as general entrepreneurial hindrances in South Africa: access to finance, education and training, government regulations, and so on. In the case of obtaining financial support, survivalist entrepreneurs experience a hard time from financial institutions such as banks, mainly because they lack collateral and therefore are perceived as risky (Hutchinson & de Beer, 2013, p. 238). Also as mentioned earlier, competition, especially from immigrant entrepreneurs is very high. Nonetheless, The Business Place (2009) identified lack of skills development as the major problem that minimizes chances of survivalist entrepreneurship from becoming a sustainable vehicle of wealth creation in the country.

Similarly, Banerjee and Duflo (2011) argue that most informal survivalist entrepreneurs have no talent and/or necessary skills and eagerness for risk-taking, which are some of the essential qualities that are needed to successfully transit an informal business into a well-established formal one (Ligthelm, 2013, p. 60). This position seems to connect with that of Turton and Herrington (2012, p. 12) who contend that South Africa's education system is unable to effectively develop individuals with skills and confidence that are needed in the competitive and dynamic business world. Perhaps these are some of the reasons why Statistics South Africa (2012) avowed that survivalist entrepreneurship in the country was not doing much to create more employment opportunities, and alleviate poverty. McGrath (2005, p. 59) and Skinner (2005, p. 42) also identified business support and training programmes for encouraging the sustenance and development of survival entrepreneurs as lacking in South Africa.

Therefore, in brief, the impediments that are depressing the survivalist entrepreneurs include the following:

- Ineffective education system;
- Inadequate skills development;
- Lack of talent/necessary skills and eagerness for risk-taking;
- Government regulations such as business registration and taxes;
- Inadequate access to business support and training programmes;
- Insufficient access to business finance from financial institutions;
- High competition, especially from immigrants, in the case of spaza shops;
- Lack of collateral to secure business funding from financial institutions.

These kinds of hindrances seem to be relatively similar to those of other entrepreneurs who operate within the formal sector economy. Evidence can also be found in Nieman and Nieuwenhuizen (2009, p. 35; 2011) as well as Choto et al. (2014, p. 95-96). The emergence of better strategic interventions to address some of these hindrances are of utmost importance, particularly considering that the impoverished socio-economic landscape of South Africa is owed to the exclusions and imbalances of the Apartheid regime, which prevented Black South Africans from freely engaging in mainstream economy. Should this not be tackled correctly, the poor shall remain poor, while poverty will reproduce itself from one generation to the next among Black South Africans.

Summary

An improved informal sector - specifically survivalist retail entrepreneurs - will no doubt alleviate poverty and contribute to South Africa's economic growth. Rolfe *et al.* (2010) and Guimaraes (2010, p. 1) affirm that survivalist entrepreneurship thrives in a number of endeavours, yet the potential for growth and generating more job opportunities is visible. Literature reveals that there are positive prospects for growth and development in survivalist retail entrepreneurship, which should be enticing enough to engage in endeavours that will see the sector prospering. The unique role of the survivalist entrepreneurship in job creation opportunities in the informal sector economy needs to be explored.

3. Methodology

This study is both descriptive and exploratory in nature. Mixed methods (quantitative and qualitative) were employed to gain a profound understanding of the subject matter. The employed mixed methods comprised structured questionnaires and semi-

structured interviews. Jointly, these methods are capable of attaining responses from different angles. Choto et al. (2014, p. 97) briefly expand on this by saying that, whilst a questionnaire may be limiting and therefore fail to present an extensive opportunity for explanation, interviews on the other hand are able to close such gaps.

Research Population and Sample

The target population for this study comprised informal survivalist entrepreneurs who operate businesses within different industries in the informal sector economy of the township of Khayelitsha.

Given that the subjects did not necessarily have to be affiliated to any organisation since they operate in the informal economy, a sample was drawn. 200 subjects were selected with the help of snowballing method (one of the nonprobability sampling methods). Fox and Bayat (2007, p. 59) stress that in this method of sampling the researcher approaches one subject of the study who in turn refers the researcher to another suitable subject. For instance, this suitable subject could be a relative, friend, acquaintance, competitor, and/or anyone else who may be known to the subject and considered to be capable of adding value to the research process.

This sampling approach was considered appropriate for this study because of the following reasons. The subjects did not need to belong to any organisation to become a participant; survivalist entrepreneurs from different industries could be found in the research setting; while the location was more accessible to the researchers using most transportation modes.

Data Collection and Analysis

Apart from the use of secondary sources relevant to the subject matter, primary sources were utilized to collect data. Owing to the assumption that most of the survivalist entrepreneurs in the research setting were not well educated, the researchers initially briefed the subjects about the study and also explained the questionnaire in isiXhosa[1]. Afterwards, the researchers asked the subjects to do skim-reading in their presence before leaving the questionnaire with the subject, or alternatively would fill out the questionnaire while the subject responded to the questions/statements from the survey. This was useful to the study as discussions were arbitrary and free form, on the basis of the business activities/industry, and business size. The data collection process took a period of about one month. Repeat visits were made more than twice in some instances. Two major difficulties were experienced during data collection. Firstly, some subjects could not complete the questionnaire owing to time pressures; and secondly, some were simply reluctant to participate in the study because of their negative perception of 'government and their business' and wondered what they would benefit from the exercise. While 3

[1] isiXhosa is one of the official languages of South Africa. Most of the participants in the study were isiXhosa speakers.

questionnaires were unusable and 15 not returned, 182 usable questionnaires were obtained.

The questionnaire used for this study was developed primarily using two procedures namely literature review (to determine, from studies of a related nature, qualifying elements for a study of this kind) and secondly by relying on a pilot study of the instrument. It must be noted that pilot studies enable the fine-tuning of a data collection instrument to suit the purpose of a study (Bless, Higson-Smith & Kagee, 2006). Participants in the pilot study consisted of academics (to provide advance warning of feasibility or otherwise) and a fraction of the sample of a related study that was on-going at the time of this study. These steps helped us in adjusting the initial questionnaire owing to the identification of certain ambiguities and likely difficult questions.

To statistically analyse the data collected, the Statistical Package for Social Sciences (SPSS) version 23 was employed with the help of a statistician. In endeavours to help draw constructive conclusions from the data collected and electronically captured, tables, charts and other descriptive statistic methods were used. Nuzzo (2014), Asendorpf et al. (2013), and Nosek et al. (2012) encourage the use of descriptive statistics when presenting research findings, whilst they criticise inferential statistics for a lack of reproducibility effect and hypothesis testing methods.

4. Findings and Discussion

The following sections highlight the findings.

Types of survivalist entrepreneurial ventures studied

The different survivalist retail entrepreneurs that participated in the study are listed in Table 1; along with their rankings (for instance rank 1 represents the type of businesses that received the most responses among other types).

Table 1. Types of survivalist businesses

Type of product/industry	Rankings
Spaza shops	1
Restaurant/food business	2
Braai-meat (barbecue) seller	3
Fruit & vegetable	4
Butchers	5
Taxi operators	6
Shebeens	7
Clothing stalls	8
Fisheries	9
Furniture upholstery	10
Barber shop	11
Hair salon	12
Beds - manufacturing	13
Motor mechanics	14
Hardware timber & used building materials	15
Bath and kitchen materials and corrugated metals	16
Car wash	17
Tailor	18
Sub contractor	19
Welding gates & burglar proofs; tents for hire; mini scrap yard; and car trailer manufacturing	20

Gender

The results of the study show that men (55.5 percent) are more entrepreneurially active than women (44.5 percent), which is contrary to popular belief that female entrepreneurs are predominant in the informal sector economy (Nieman & Nieuweuhuizen, 2009, p. 37; Mandipaka, 2014, p. 127). Even though this finding was not contemplated, we consider the difference to be insignificant.

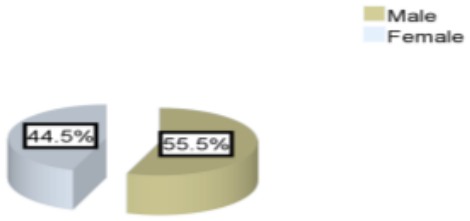

Figure 1. Gender

School Level and Skills Training

Assuming that primary school education and not completing high school can be described as limited education, it can be drawn from Figure 2 that the majority (59%) of survivalist entrepreneurs have limited education and training. This finding synchronizes with Nieman and Nieuweuhuizen's (2009, p. 41) view that most survivalist entrepreneurs have a low level of education.

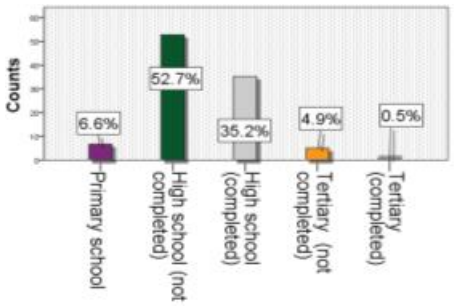

Figure 2. School level

This weakness needs extra attention especially because subjects aged between 36 and 45 years constituted the larger sample (at 42.9%), while the youth – between 23 and 35 years – were at 19.2%. A particular significance of this result is the emphasis it places on education and training as critical to the growth of survivalist entrepreneurs. To this end we are concerned that their lack of education and training may significantly restrain creativity and innovation potential. This is against the backdrop that education and training, as well as previous experience, is seen as factors that can enhance one's self-efficacy (Hollenbeck & Hall, 2004). Lower self-efficacy may reduce an entrepreneur to self-doubt and succumbing to a challenging environment (Bandura, 1997). The other finding of the study on skills training indicated that a substantial proportion (63.7 percent) of the subjects lack formal skills training.

On the qualitative side, the owner of a car-trailer manufacturing business was asked how and where he learnt to assemble car-trailers, and his answer was:

"…I took a welding course. Afterwards I used my good skills to design my first car trailer and now I make and sell them to my customers. And I am working with my son and his two friends now." This subject's industry is rare to find. Another business owner (furniture upholstery), was asked how he obtained such skills, he said:

"I took a short course at Learn-to-Earn in iLitha Park, Khayelitsha. Now I have six guys that I work with. … What I need now is a place with more space."

Number of employees in the business

Table 2 carries a list of means, standard deviations and individual sample size of each mix, on the number of employees in the business.

Table 2. Range of employees in the sampled businesses

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Nil	84	2.43	.471	.051	2.33	2.54	1	4
1 - 5	88	2.65	.512	.055	2.54	2.76	2	4
6 and above	10	3.13	.586	.185	2.71	3.54	2	4
Total	182	2.58	.523	.039	2.50	2.65	1	4

This is one of the most important findings of this study, as it shed some light on whether survivalist entrepreneurship is capable of creating jobs and by so doing help in reducing poverty for both entrepreneurs and their employees. 46% of the subjects indicated that they do not have employees. These entrepreneurs get assistance from their family members when their businesses are very busy. Their types of businesses include spaza shops, fisheries, fruit & vegetable kiosks, shebeens, clothing stalls, and hair salon. Businesses that have between one and five employees accounted for almost 49 percent, the largest of the sample. These types of businesses indicate reasonable potential in absorbing more jobs, should they access growth opportunities in the market. These entrepreneurial ventures include such businesses as braai-meat (barbecue) sellers, restaurant/food business, motor mechanics, taxi operators, and car trailer manufacturing. 5.5 percent (6 and above) was the smallest sample, but with a noticeable impact in terms of employing a large number of employees. This sample consisted of business ventures such as furniture upholstery, bed manufacturing and restaurants/food businesses, which operate in busy areas such as taxi terminals. As few as they are, they are able to employ more than six employees. It can be argued

that with some tangible support (in the form of funding, book-keeping), these businesses can grow bigger and employ more people.

Management of business finances

Research suggests that poor management of business finances may result in liquidation of the business, which commonly happens to new entrepreneurial ventures that are managed by individuals with inadequate knowledge and experience (Co et al., 2006, p. 210). This underlines the huge responsibility of the survivalist entrepreneur (as s/he may be a single point of responsibility in the business) in ensuring that cash flows in and out of the business, in order to meet the business goals.

Table 3. Business finances

Response category	Frequency	Percent	Valid Percent	Cumulative Percent
Always	15	8.2	8.2	8.2
Often	28	15.4	15.4	23.6
Occasionally	50	27.5	27.5	51.1
Rarely	23	12.6	12.6	63.7
Never	66	36.3	36.3	100.0
Total	182	100.0	100.0	

Of interest in these findings in Table 3 is that, 12.6 % of the subjects confirmed that they rarely encounter financial management issues in the running of their businesses, while 35.7% further indicated that they never encounter such financial management issues. Approximately twenty-eight percent (27.5%) admitted to occasionally experiencing some problems with managing the business finances. Furthermore, while 15.4 percent of the subjects affirmed that they always encounter such challenges, 8.2 percent said they often face financial management issues in their businesses. In a conversation with one of the subjects (a spaza shop owner) as to how she had coped with managing her business, she said:

"…Eish, to be honest with you I am not doing well in managing money for my business. I wish I can get a proper training, maybe a short course and learn how to manage the business finances."

Again, the fact that most of these survivalist entrepreneurs have dependants at home to support with the little they earn from the business brings a different spectre of challenge, which seems to encourage them to bounce back each day.

Regular Payday Issues between Employers and Employees

A payday in an organisation/business is probably one of the most exciting days for employees, and a taxing one for the employers as they must pay what is due to their employees.

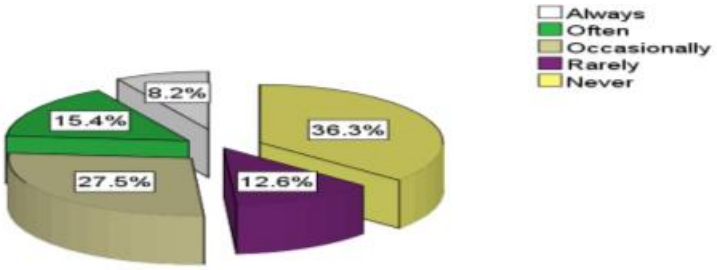

Figure 3. Payday issues

The result in Figure 3 can be likened to the results in Table 3, as it focused on whether survivalist businesses encounter financial difficulties to cover their costs, including staff pay. Given this, this variable was a necessity in the study. Only a few subjects (for instance 5.5 percent indicated always; and 5.0 percent said often) admitted that they do experience some financial problems that affect their employees on a regular basis. While 14.3 percent admitted to experiencing financial difficulties occasionally, 13.2 percent of the subjects indicate that such financial issues seldom transpire. Encouragingly, the overwhelming 61.5 percent of the subjects say that they never struggle to pay their employees on time. This signals that most of the survivalist businesses are capable of making enough income to cover business costs, including paying wages.

The Business Goals

Of interest is that almost all the entrepreneurs share a common goal, which is to make more profit and grow their businesses. Some even have a vision of creating job opportunities for the unemployed in the township. Other entrepreneurs' goals included acquiring more assets such as bakkies (mini trucks), more inventory, and equipment, finding a secure and bigger place from which to operate, and so on. In fact one of the car-trailer manufacturers said: *"I want to create my own car brand one day."* For a survivalist entrepreneur who resides in a poor township such as Khayelitsha to have this kind of skill and have such vision is quite inspiring.

The study shows that business goals may vary from one another, depending on the size, type of industry and resources needed to convert inputs into outputs. Nonetheless one cannot ignore the fact that the main goal of a business is to find ways to reduce costs and capitalise on productivity to generate more profits repeatedly. In the current study motivation is seen as a personal drive in achieving a

certain goal. This seems to connect with Ufuophu-Biri and Iwu's (2014) assertion that motivation activates and directs one's behaviour to perform a particular activity. Without the motivation to perform certain tasks, goal-setting would not be as effective. Edwin Locke and Gary Latham's (1990) goal setting theory links goals and the level of performance. Locke and Latham (2006) further add that the higher the set goals, the higher the level of task performance to achieve such goals, and vice versa. Personal goal setting is no doubt influenced by self-efficacy of an individual (Bandura, 1993), and judging from the results of this study, one can say that there is evidence of the keenness of the subjects to push for higher performance in their businesses. In fact, one can further argue, on the basis of McClelland (1965) that the subjects have a high need for achievement and could go to great lengths if appropriate support systems are in place. Therefore, it appears that the level of an entrepreneur's self-efficacy enhances the level of goal-setting, and subsequently his performance to achieve such goals.

5. Conclusion and Recommendations

Survivalist retail entrepreneurship is more evolving and capable of creating jobs. This way, both the entrepreneurs and employees are able to provide for themselves. Unfortunately, the study has revealed that despite the motivation to improve their businesses, there is a lot more they need to do to transit to a significantly stable business. No doubt, these entrepreneurs are able to provide for themselves and their families, while some are able to create job opportunities indicating the unique role of survivalist entrepreneurs in providing self-employment and reducing poverty. Of interest though is that some are progressing to the upper level of the pyramid (the growth needs stage). Evidence can be observed from the results (the range of employees, pay day issues, and business goals). Goal-setting is important, as it affects the level of performance in the business. Literature hints that the trick is to set higher goals that are clear, specific, accepted by teams and realistic. The high need for achievement is also linked to individuals who dare to take calculated risks in business. Also, the level of entrepreneurs' self-efficacy influences their level of motivation and goal-setting, and subsequently determines the level of performance needed to achieve their goals. As Tengeh (2013) puts it, the primary goal of a survivalist entrepreneur is to provide an income for himself and immediate family. As such, providing work for others becomes a bonus: something that could be easily generated if entrepreneurs are provided with access to vital resources.

Overall, the informal sector economy of Khayelitsha is rich in diversity of entrepreneurial activities, but requires vigorous interventions from stakeholders of business development, particularly from government's side. That could increase their levels of self-efficacy and subsequent achievement of goals.

Without proper education or skills training, and short courses on fundamentals of business management competencies, actualising the noble intentions will be difficult. Also, the survivalist retail entrepreneur's level of motivation, self-efficacy, goal-setting and performance can be negatively affected. To turn this around requires a mix of interventions. We recommend the government working together with the communities to set up supportive infrastructural facilities which should provide the survivalist entrepreneurs with the knowledge and skills they need to make their business a success. Beyond setting up facilities, it is important that business support centers are made visible so that local entrepreneurs can be aware of their existence (Gwija et al., 2014).

Survivalist entrepreneurs do not operate in a vacuum. South Africa's government and other private stakeholders should also establish business support platforms to address the business needs of the informal sector economy. This is a very important point as the traditional means of conducting business are no longer of much value today. Furthermore, this could help all informal survivalist entrepreneurs to achieve their goals, and subsequently create more jobs in the community of Khayelitsha. Moreover, this study is the first of its kind in the community of Khayelitsha indicating a new vista for retail entrepreneurship research.

Scope for Future Research

The researchers recommend that future research should look at the influence of level of education on the survivalist retail entrepreneurs' propensity to transition to a formal (micro) business. The limitation of this research can be attributed to the fact that it only focused on informal survivalist entrepreneurs in Khayelitsha, and excluded those entrepreneurs who were operating on a very small scale (majority of which seems to be female entrepreneurs), as well as immigrant informal businesses. Future research could also include such very small businesses in other geographic areas, wider than just Khayelitsha.

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