

**AN INVESTIGATION OF SUPPORT SERVICES AVAILABLE FOR BLACK
FEMALE OWNERS OF BED & BREAKFASTS IN MAKHANDA**

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DECLARATION

I, Lukhona Silubonile Mdluli, hereby declare that the research presented in this thesis is my own original work, does not, in its entirety or part, exist as someone else's work and was not previously submitted to any institution. All the sources that were used have been presented and accurately acknowledged with the utmost integrity.



Lukhona Mdluli

24/03/2021

Date

ABSTRACT

Over the last 26 years, the South African government has committed to SMME development. To do this, policies and support institutions were put in place which would create a favourable environment for SMME development. This was particularly important as after 1994, when the South African economy was re-integrated into global markets after years of having sanctions imposed against the country as a result of the apartheid system.

The tourism industry was identified as one of the key economic drivers which would strengthen the economy and assist in job creation, especially since South Africa would be able to attract international tourists. Further, it created the opportunity for new participants to enter the industry, including black entrepreneurs who previously could not enter the industry as a result of the apartheid laws. The opening up of the country to international markets and the focus on the tourism industry also presented the opportunity for new forms of tourism to be explored including township tourism, which gave rise to the black-owned bed & breakfast sector. Over time, it has become evident that black entrepreneurs in this sector are facing a number of challenges, in spite of the pro-SMME policies and support institutions that are in place.

Because this study seeks to investigate the support services available for black female bed & breakfast owners in Makhanda, a qualitative research approach using the interpretative theoretical framework was applied. By using semi-structured interview questions, to establish what challenges do black female bed and breakfast owners face the researcher was able to respond to the following; what participants identify as their needs; and whether they are able to access the support services that are made available by the Government.

Results indicated that the majority of entrepreneurs have difficulty accessing funding to develop their businesses. The seasonality of Grahamstown/ Makhanda tourism businesses has its pros and cons for tourism entrepreneurs. Despite efforts by government to transform the tourism industry, black female entrepreneurs in this industry still experience a myriad of challenges, including passive racism. Insufficient institutional support and inaccessible support services for women have made it difficult to manage in this this environment. Thus, a recommendation is put forward for female focused entrepreneurship policy, which is more responsive in terms of a judicial and legal system(s) aimed at addressing women's particular needs and challenges.

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ABBREVIATIONS

ANC	- African National Congress
ASGISA	- Accelerated Shared Growth Initiative of South Africa
B-BBEE	- Broad Based Black Economic Empowerment
BEE	- Black Economic Empowerment
CIPC	- Companies and Intellectual Property Commission
CIPRO	- Companies and Intellectual Property Registration Office
COGTA	- Department of Co-operative Governance and Traditional Affairs
DEAT	- Department of Environmental Affairs and Tourism
DSBD	- Department of Small Business Development
DSRAC	- Department of Sports, Recreation, Arts and Culture
DTI	- Department of Trade and Industry
EDD	- Department of Economic Development
GDP	- Gross Domestic Product
GEM	- Global Economic Monitor
GEAR	- Growth Employment and Redistribution Plan
GNU	- Government of National Unity
IFC	- International Finance Corporation
ILO	- International Labour Organisation
JIPSA	- Joint Initiative on Priority Skills Acquisition
LED	- Local Economic Development
NAF	- National Arts Festival
NDP	- National Development Plan
NDT	- National Department of Tourism
NGP	- New Growth Path
OECD	- Organisation for Economic Co-operation and Development
R-GDP	- Real Gross Domestic Product
RSA	- Republic of South Africa
SADC	- Southern African Development Community
RBV	- Resource Based View
RDP	- Reconstruction and Development Programme
SANDF	- South African National Defence Force
SDG	- Sustainable Development Goals

SEDA	- Small Enterprise Development Agency
SMME	- Small Medium & Micro Enterprises
TEP	- Tourism Enterprise Partnership
UN	- United Nations
UNDP	United Nations Development Programme
UNIDO	- United Nations Industrial Development Organisation
USAID	- United States Agency for International Development

CHAPTER 1

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1. INTRODUCTION

The support services available for black females who own bed & breakfast establishments is ineffective and insufficient, thus it is essential to establish whether the support pledged by government to small, micro, medium enterprises (SMMEs) is enough. The focus is particularly to those in the tourism sector since 1994 when South Africa got its democracy which led to the opening of international markets and new opportunities within the tourism sector. Has this support been fruitful, did it reach the people who need it, have SMMEs been able to access support services over the years? Before the transition to the democratic government in 1994, South Africa had limited support (at best) for small, micro, medium enterprises (Mathibe and van Zyl, 2014). SMMEs were not a priority for government during the apartheid years. The old regime's focus was predominantly on large businesses as well as state-owned enterprises (Mathibe and van Zyl, 2011; Mahambehlala, 2019; and Bvuma and Marnewick, 2020). However, with the new government and democracy, the importance of the SMME sector and its contribution to the economy were recognised, more especially with the re-inclusion of South Africa into international trade (Mathibe and van Zyl, 2011; Sixaba and Rogerson, 2019). Post 1994, South Africa was faced with the challenge of re-integrating into world markets as a global economy (Berry et al., 2002). This brought about unforeseen challenges such as restoring an economy that was affected by economic sanctions such as barring from international trade; the imposing of arms and oil embargo; and the withdrawal of foreign investment from the country (Thaver and Ekanayake, 2010).

As part of rebuilding the economy of South Africa Iwu and Nxopo (2015) and Makwara (2019), consider entrepreneurship as a major vehicle for socioeconomic development. The tourism sector is one of the fastest growing industries in the country (Rogerson, 2004a) due to its vital socio-economic contribution through employment creation and sustainable development (Rogerson 2005; Nieman, Visser & van Wyk, 2008; Mothoagae and Joseph, 2020). Considering the fact that women and young people make up 25.7% of the unemployment rate (Mandipaka, 2014), women as entrepreneurs in the tourism sector became owners of bed and breakfast establishments (B&Bs), thus enabling more women to be self-employed (Iwu and Nxopo, 2015; Nomnga, 2017). In South Africa women represent 51% of the South African

population (Statistics South Africa, 2020), with black women being the largest single self-employed segment of the population (Mandipaka 2014). However, with women making up half of the business workforce, their contributions are not adequately nurtured (the DTI, 2005). The reasons include poor access to finance and credit, sub-standard infrastructure, limited ownership of land, lack of educational opportunities and skills development, as well as gender discrimination (Mandipaka, 2014; Iwu & Nxopo, 2015; Nomnga, 2017).

Globally, entrepreneurship is said to be the key to the economic growth, development and economic emancipation (Naudè, 2013; Iwu and Nxopo 2015a; Mtshali, Mtapuri and Shamase, 2017). This is because it allows participation in both the mainstream and survivalist economy, while also providing a solution to combating unemployment, poverty and assisting in economic growth (Iwu and Nxopo, 2015a). For economic development, it is essential to nurture entrepreneurship, place the necessary support mechanisms, policies and structures to facilitate entrepreneurial growth (Richardson, Howarth, and Finnegan 2004; Makwara, 2019). Most innovations exist when small businesses are generally open to new ideas and experimentation (Mathapo, 2011).

Entrepreneurship does not only assist a country in growing its economy, it has a ripple effect in that it creates less dependency on state welfare by entrepreneurs, and creates employment opportunities outside of the state and its organs. In other words, for entrepreneurs to be successful they need an enabling environment created by the state. A key priority should be introducing reforms aimed at fostering a more enabling business environment, particularly for small, micro and medium-sized enterprises that contribute significantly to employment (Herrington and Kew, 2016).

1.1.1. The tourism industry in South Africa

The South African tourism industry is one of the key sectoral drivers for economic development and transformation of the country. A small group of locally owned large tourism organisations structurally dominates South Africa's tourism economy. The vast majority of tourism enterprises in the country are small firms as is the case globally (Rogerson, 2004). With the post-apartheid transition, government recognised the unequal ownership structure in tourism that needed to be addressed through the creation of an enabling environment. This was done via policies that address SMME development, as well as via providing various support mechanisms (Rogerson, 2005).

The ¹former Department of Environmental Affairs and Tourism (DEAT) made strides towards transforming the tourism industry from one that was predominantly white-owned, to one that is increasingly owned by black entities which represent the majority of South Africa (Rogerson, 2004b). This transformation, by default, speaks not only to the black population but more particularly to the black female population which constitutes 53% of the South African population according to the 2016 census (Statistics South Africa, 2016a).

Thomas (1998; 2000) showed the importance of examining small tourism and hospitality firms as a distinct analytical category from small business enterprises as a whole. However, Burrows and Curran (1989) argued that there are serious methodological dangers in small business research that neglect sectoral contexts. This is based on the major observed differences in the behaviour and characteristics of small - opposed to large - tourism enterprises. Accordingly, it is asserted that there is a compelling case for “an assessment of small tourism firms that is separate from the study of small firms in general”, (Thomas, 2008: 348). This view highlights and further justifies the importance of this study that small tourism enterprises are unique in their needs and challenges, therefore, they cannot be catered for using a blanket generic approach.

1.2. CONTEXTUAL BACKGROUND ON SMMEs IN RSA

1.2.1. The evolution of the South African SMME sector

The SMME sector has been encouraged by government's efforts in formulating pro-small business legislation and policies, and the creation of various SMME support and development entities (Peters & Naicker, 2013; Molapo, Mears & Viljoen, 2008). Regulatory framework such as the National Small Business Act of 1996, birthed the White Paper on National Strategy for the Development and Promotion of Small Business of 1995. This led to the launch and setting up of institutions and structures such as Ntsika Enterprise Promotion and Khula Enterprise Finance, whose mandate is to implement government's SMME strategy to support SMMEs. The government's commitment to SMME development is evident in the creation of the Ministry of Small Business Development as a stand-alone ministry to promote and develop small business and entrepreneurship.

¹ After the 2009 general elections, the Department was divided into two separate departments which were the Department of Environmental Affairs and the Department of Tourism

South Africa was confronted with the challenges of reintegration into the global economy, as well as positioning itself to realise the high expectations associated with the new democratic order (Rogerson, 2004a). While, South Africa inherited the most developed economy in Africa on the one hand, it also inherited its major socio-economic problems on the other (Terreblanche, 2002 in Mosala, Venter and Bain, 2017). The need to stimulate economic growth through competitiveness and employment creation required a focus on the promotion and development of the SMMEs, developing policies aligned thereto and strategies that are in line with socio-economic reconstruction outcomes. Thus, for the economy to grow the adoption of various socio-economic policies intended to push the transformation of the economy had to be considered (Bhorat; Hirsch; Kanbur and Ncube, 2014).

1.2.2. Transformative SMME Development policy framework

The first policy framework adopted and implemented by the Government of National Unity (GNU) in 1994 was the Reconstruction and Development Programme (RDP). The RDP identified five major programmes:

1. Meeting basic needs:
 - To create infrastructure to meet needs such as housing, job creation, land and agrarian reform, water and sanitation, and so on.
2. Developing the human resource capacity of all South Africans:
 - To develop appropriate education and training programmes; proper recognition of previously disregarded skills, and an integrated approach to learning and training.
3. Building the economy:
 - To reverse the distorted South African economy where there were low levels of investment in productive enterprises; addressing worker's rights; and developing effective growth and development strategies for all countries in the SADC region.
4. Democratizing the state and society:
 - To strengthen the democratic institutions; establishing a single public service; and increasing efficiency, productivity and accountability.
5. Implementing the RDP:

- The establishment of effective RDP structures in government at national, provincial and local level.

(Government Gazette, 1994)

The building of the economy as one key focus area of RDP highlighted that small, micro and medium businesses do not receive enough support as a result they struggle to survive (Government Gazette, 1994). The RDP advocated for the support of SMMEs and entrepreneurship for purposes of employment creation, income growth and distribution (Amra, Hlatshwayo, and McMillan, 2013).

The promotion of SMMEs continues to influence economic policy in South Africa (Amra et al., 2013), for the creation of employment, and economic growth. Subsequent policies to the RDP such as the Growth Employment and Redistribution Plan (GEAR) launched in 1996; the Accelerated Shared Growth Initiative for South Africa (ASGISA), launched in 2006; the New Growth Path (NGP) launched in 2010, and more recently the National Development Plan (NDP) launched in 2012, have all placed emphasis on strategies focused on economic development.

The RDP had notable successes in social security and the establishment of an extensive social welfare programme, a free healthcare system and the provision of free meals in schools for children. Unfortunately, it had to be abandoned after two years due to insufficient economic growth to finance it during that period, thus its implementation proved to be difficult. (Luiz, 2007; Wallis, 1995).

Following the abandonment of RDP, the Growth Employment and Redistribution (GEAR) strategy was presented (and subsequently implemented) in 1996 as a macroeconomic policy framework intended to rebuild and reshape the economy in “keeping with the goals set in the RDP” (Jeffery, 2010: 245; Mosala et al., 2017:333). The aim of the GEAR included strengthening economic development, broadening employment, and redistributing income and socio-economic opportunities in favour of the poor (Knight, 2001). GEAR was based on free market principles. Its assumption was that accelerated economic growth can be achieved via supply side measures rather than demand side measures in order to stimulate the labour market (via increased labour market flexibility). It was believed that creating employment was the key to getting an equitable distribution of income and improved living standards for all (Karungu, Marabwa and Stettler, 2000; Mosala et al., 2017). In view of this, trade and industrial policy

was focused on making the market favourable to increased international competitiveness and emphasis was placed on creating employment in the tourism (and manufacturing) sector in particular via the creation of SMMEs (Karungu et al., 2000; Mosala, 2017).

In order to assist with the GEAR concept, the trade policy included the use of legislation and the establishment of small business support programmes promoting SMMEs (Karungu et al, 2000). This is evident in that the 1995 White Paper on Small Business Development was based on the framework provided by the principles of GEAR. This, together with the National Small Business Development Act of 1996 the way for the launch of a range of new support institutions and initiatives (Rogerson, 2004a; South Africa, 1995; Damane, 2003).

Both the RDP and the GEAR were landmark policy strategies, particularly for a developing country, which was in a volatile position as South Africa at the time. However, they still failed to address certain issues of national importance because there was no domestic policy experience on the government front when they were implemented, they relied largely on international ‘best practice’ with regards to policy objectives and the design of the support framework (Kesper, 2002; Rogerson, 2004a). This led to the GEAR being replaced by the Accelerated and Shared Growth Initiative of South Africa (ASGISA).

ASGISA was announced during the second half of 2005 by the then Deputy President of South Africa (Phumzile Mlambo-Ngcuka) as a new strategy for SMME development that would replace the policy approach of the time. ASGISA was a strategy to find solutions to challenges that South Africa was still facing, that were not adequately addressed by both the RDP and GEAR. As such, ASGISA was a set of limited interventions intended to assist in stimulating accelerated and shared growth and development. The aims of ASGISA focused on improving policy implementation and economic growth by dealing with challenges that were not addressed adequately by RDP and GEAR, namely:

1. The relative volatility of the currency
2. The cost, efficiency and capacity of the national logistics system
3. Shortages of suitably skilled labour, and the spatial distortions of apartheid affecting low-skilled labour costs
4. Barriers to entry, and limits to competition and limited new investment opportunities
5. The regulatory environment and its burden on SME's
6. Deficiencies in state organisation, capacity and leadership

(ASGISA Annual Report, 2006; South African Catholic Bishops Conference, 2006)

ASGISA also sought to intervene in sectors where the economy was not filtering through, particularly in the production and the services industries. The intervention aimed to address constraints such as barriers to entry, limits to competition and limited investment opportunities through strengthening industrial policies (as with GEAR) and developing sector strategies. Tourism was one of the three growing labour intensive sectors that received priority (Luiz, 2007).

In addition to the above, ASGISA also focused on reducing poverty by 2010, and halving unemployment by 2014 (Mosala et al., 2017). In order to achieve this, ASGISA had to prioritise skills development. This led to the implementation and development of the Joint Initiative on Priority Skills Acquisition (JIPSA), a programme that aimed to address scarce skills and to enhance policy implementation, in order to meet ASGISA's objectives and assist with its interventions. Even though there was some success with ASGISA, which included increased public sector spending through the infrastructure programme, unemployment and poverty remained unchanged (Mosala et al., 2017). ASGISA was eventually superseded by the New Growth Path (NGP) in 2010.

The New Growth Path was released in October 2010 after it became necessary for the Government to formulate a policy intervention due to a lack of national economic direction (Department of Economic Development [EDD], 2011; Meyer, 2013). The main objective of the policy was to tackle mass unemployment, poverty and inequality by accelerating economic growth in the country (Morris, 2013; Mosala et al., 2017). Furthermore, the NGP sought to reduce South Africa's economic inequalities (Habib, 2008). The core focus areas of the NGP were not necessarily different from the ones that were identified in previous socio-economic strategies. The NGP plan focused on building an inclusive economy; creating sustainable livelihoods; and eradicating poverty and income inequality (EDD, 2011). Over and above this, the NGP focused distinctly on job creation, with a secondary focus on improvement of inequality levels; reduction of poverty; improved coordination, and planning and implementation of economic policies across all three spheres of government (Meyer, 2013). The NGP encouraged partnerships between government, businesses, and communities, as well as improved cooperation with African countries and other emerging economies forming part of BRICS (Meyer, 2013; EDD 2011). The NGP is the only policy strategy that had specific

sectoral focus and identified sectors which had the potential for job creation. One of the sectors identified among others was tourism, as it was seen as having the potential to unlock economic and employment opportunities, and assist in the target of the NGP of creating five million jobs by 2020 (EDD, 2011).

The critique of the NGP concerns job creation because it focuses largely on government intervention, rather than on creating an enabling economic environment for successful private sector initiatives (Meyer, 2013; Prinsloo, 2011). Further, critics are of the opinion that the NGP is a vision rather than a plan and has no specific implementable steps (Meyer, 2013). Subsequently, at the beginning of 2013 the government introduced the National Development Plan (NDP) to replace the NGP.

The NDP is a long-term development plan which is viewed by government as a policy blueprint for eliminating poverty and reducing inequality in South Africa by 2030 (National Planning Commission; Edwards et al. 2014). In order to address the socio-economic imbalances, the NDP identifies key constraints to faster growth and consequently delivers a “roadmap” to a more inclusive economy (Edwards et al., 2014). The plan has four broad objectives which are described below:

1. Providing overarching goals for what South Africa wants to achieve by 2030.
2. Building consensus on the key obstacles to the nation achieving these goals and what needs to be done to overcome those obstacles.
3. Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.
4. Creating a basis for making choices about how best to use limited resources.

(Department of Cooperative Governance and Traditional Affairs [COGTA], 2018; South African History Online)

These objectives aim to achieve the following outcomes by 2030:

- Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality
- Encourage citizens to be active in their own development, in strengthening democracy and in holding their government accountable
- Raising economic growth, promoting exports and making the economy more labour absorbing

- Focusing on key capabilities of both the people and the country
- Capabilities include skills, infrastructure, social security, strong institutions and partnerships both within the country and with key international partners
- Building a capable and developmental state
- Strong leadership throughout society that works together to solve the nation's problems

(National Planning Commission)

The NDP is similar to the Sustainable Development Goals (SDG) identified by the United Nations (UN) as part of the 2030 Agenda. The SDG's are a collection of 17 interlinked goals which give a blue print for goals that ought to be achieved globally by 2030, most notably the eradication of poverty and inequality (UN General Assembly, 2015). Similar to the NDP, the SDGs are amongst other things aimed at:

- ending poverty and hunger (Goals 1 and 2);
- reducing inequality (Goals 5 and 10);
- strong leadership, strengthening democracy and holding government accountable (Goal 16)
- raising economic growth and job creation (Goal 8)
- building capabilities of citizens and country, and developing infrastructure (Goal 9)

(United Nations Development Programme [UNDP]).



Image 1: Sustainable Development Goals, United Nations Website

In summary, the plan offers a long-term perspective in terms of what the government would like to achieve. It has defined a desired destination, and has identified the role that different sectors in society will play in order to achieve its goals. Given the long-term outlook of the plan, it has been implemented in stages (COGTA, 2018).

Restructuring the strengthening the SMME sector as a whole is the cornerstone of the NDP (Edwards et al, 2014; Department of Small Business Development [DSBD], 2018). The NDP is also the first plan of its kind to recognise the need to separate the different types of firms that fall within the SMME sector, both the formal and the informal (Flowerday, 2013; DSBD, 2018).

Not only has entrepreneurship been at the forefront of policy reform in South Africa but it has been acknowledged globally. It is recognised that small businesses and entrepreneurship play an important role in any economy, due to their contribution towards innovation and job creation. It is acknowledged globally that small businesses, directly boost the gross domestic product (GDP) and economic growth of a nation (Tambunan, 2009).

1.3. ENTREPRENEURSHIP IN SOUTH AFRICA

According to the Small Enterprise Development Agency (SEDA) 2019 Quarterly report for quarter 3, the number of SMMEs in South Africa increased year on year by 3.8% to 2.65 million compared to quarter 3 of 2018 where there were 2.56 million. The report also found that compared to the same period in 2018, the number of SMMEs with less than three years in business increased significantly (SEDA SMME Quarterly Report Q3, 2019). These statistics potentially mean that over the 12-month period between the third quarter of 2018 and the third quarter of 2019, there has been an increase in the number of people venturing into entrepreneurship and establishing new businesses in South Africa.

Findings by the Global Economic Monitor (GEM) highlighted that levels of early stage entrepreneurial activity in South Africa increased from 6.9% in 2016 to 11% in 2017 (Herrington & Kew, 2018). Even though these figures show some improvement in pursuit of entrepreneurship, it is still far behind when compared to other African countries and other efficiency-driven economies (Herrington & Kew, 2018; 2016).

The GEM report also shows that even though, entrepreneurial intentions had increased from 10.1% to 11.7% between 2016 and 2017, there has been fluctuations and decreases over the years (Herrington & Kew, 2018). The GEM has also consistently found that there is a considerable gender gap in entrepreneurial involvement in South Africa (Herrington & Kew, 2016 & 2018). According to the 2016 report, in 2014 eight women were engaged in early stage entrepreneurship for every 10 male entrepreneurs, however in 2015 this number decreased marginally to only six women for every ten men engaged in early stage entrepreneurial activity. Further to this, the report has found that although black Africans still make up a bulk of South Africa's early-stage entrepreneurs, their involvement had increased only marginally from 2016 to 2017, moving from 65,6% to 65,7% (Herrington & Kew, 2018).

With all that has been mentioned above, it needs to be acknowledged that entrepreneurship is not an activity that happens in isolation, but is rather part of a social, economic and political system.

In South Africa key constraints in entrepreneurship development are centred around barriers to entry; the regulatory burden on government and policies; school level entrepreneurship education and training; research and development transfer; and cultural beliefs, social norms and values (Ayankoya, 2016; Herrington and Kew, 2016). However, three main critical constraints are government policy, access to finance, and education and training (Herrington and Kew, 2016). The 2016 GEM report found that inefficient government bureaucracy remains a major obstacle in entrepreneurial activity and business growth. The time taken to complete the necessary procedures to start a business in South Africa makes it difficult for aspiring entrepreneurs. This along with human resources, stimulating female entrepreneurship and encouraging an entrepreneurial culture are issues that need to be addressed (Herrington and Kew, 2016).

In spite of the constraints, South African government is encouraging entrepreneurship among its citizens, and has actively done so by adopting and implementing policy that it deemed favourable for entrepreneurial participation and growth. There are various government-aligned entities targeted at assisting entrepreneurs and more recently the establishment of the Department of Small Business Development (as of 2014), over and above the Department of Trade and Industry which has been in existence for years.

1.4. WOMEN AS ENTREPRENEURS IN RSA

1.4.1. The contemporary role of women vs. traditional role of women

South Africa is known for apartheid and patriarchy as black women were not only oppressed because of racial classification, but they also faced gender oppression that is rooted in patriarchy, as well as class oppression as workers in the system (Hassim, 1991; Kobo, 2018). This was the triple oppression or double jeopardy (King, 1988). Contributions of apartheid laws and patriarchy have disempowered women socially and economically. Entrepreneurship seemed to have elevated the social status of women, as they are the most disadvantaged group of the South African population (DTI, 2005). This is a major achievement since throughout history, women have been excluded from active roles in major institutions, including business (Karasi, Shambare, Nkondo, 2017). In South Africa female entrepreneurs are still confronted with socio-cultural challenges. This is due to the traditional role of women being identified primarily by the family purely for domestic responsibilities, due to socially constructed norms of the place of women in society (Iwu and Nxopo, 2015a). In the light of this, promoting female entrepreneurship becomes important because often women's identities, safety and security are tied to that of men. This is especially true in highly patriarchal societies as one of the main tools of acquiring (and maintaining) economic and political advantages is the subjection of women (Kevehazi, 2017).

1.4.2. The women focused agenda and the promotion of women in business and as entrepreneurs

Promoting and encouraging entrepreneurship among women decreases their dependency and helplessness (Kevehazi, 2017; Kalim 2019). They gain much more autonomy over their lives as they become more economically independent. It is also increasingly recognized and acknowledged that women-owned enterprises have a substantial contribution to economic growth; human development; and social mobility and integration (Kevehazi, 2017). The international organisations such as the International Labour Organization (ILO), the UN, the World Bank, and the United States Agency for International Development (USAID), have acknowledged initiatives that place female entrepreneurship as a priority. An acceptance of this has been prominent in progressive countries that welcomed business networks of female entrepreneurs and their contribution (Kevehazi, 2017; McCracken, Marquez, Kwong, Stephan, Castagnoli, & Dlouhá, 2015).

The United Nations Industrial Development Organization (UNIDO) has explicitly stated that gender equality is not only a fundamental human right, but it is also crucial in fighting poverty, and in enhancing economic growth and development (Mathapo, 2011). The UN supports this assertion via the SDGs. It is acknowledged that the SDGs are interdependent on each other, but in addition to this, there is consensus that progress on all the SDGs will be stalled if women's empowerment and gender issues are not prioritised (OECD, 2015). This further highlights the importance and urgency of including women in business and ensuring that they are provided with the necessary support to increase their chances of success in enterprising. This is particularly important for (black) women in South Africa given that they have throughout history been the most marginalised and oppressed group.

1.4.3. Realities of Women as Entrepreneurs in South Africa

A number of studies have found that women face more challenges in starting their own businesses and becoming entrepreneurs (Herrington and Kew, 2016; Deen et al., 2016; Iwu and Nxopo, 2015a; Iwu, C.G, and Nxopo 2015b; and Nomnga 2017). The reasons cited for this are that women:

- have more domestic responsibilities compared to men
- have lower levels of education (particularly in developing countries such as South Africa),
- lack female role models in the business sector,
- have fewer business orientated networks in their communities,
- lack capital and assets,
- have a lower status in society compared to men,
- are socialised by cultural norms and values that induce lack of assertiveness and confidence in their ability to succeed in business
- experience financial constraints

These reasons may prevent woman from identifying and acting on entrepreneurial opportunities (Herrington and Kew, 2016; Deen et al., 2016; Iwu and Nxopo, 2015a; and Iwu, C.G, and Nxopo 2015b). This view is in line with an estimation by the ILO in 2013 that women entrepreneurs accounted for a quarter to a third of all businesses in the formal economy (SBP Alert, 2013), this is despite the fact that they account for more than half the population at 51% (Statistics SA, 2016a).

Globally, studies show that while the number of women entrepreneurs has risen rapidly, their businesses tend to be concentrated in specific areas, which are typically those with lower entrance requirements such as retail and services (SBP Alert, 2013). However, there seems to be a disconnection between (female) entrepreneurs and the relevant entities linked to government department(s) which are able to provide support services to them. Female entrepreneurs, in particular, are facing multiple challenges in that they do not receive the assistance and services that they need. These challenges are not only related to the sociocultural aspects that are rooted in the inherent disadvantages that women tend to face as opposed to men, but they are industry-specific as well. This is because assistance and programmes offered by entities such as SEDA, municipal LED offices and departments tend to either have a generic approach, or to focus on particular industries with a tangible value chain (whose outcomes can be measured). This refers to industries such as agriculture, science & technology, as different from hospitality which due to its nature of being service-orientated, has an intangible value chain and its outcomes.

The National Department of Tourism in the country has also actively taken strides to encourage more female participation in the tourism sector through hosting the Women in Tourism conferences, which has been an annual event since 2014 (Department of Tourism). According to the NDT, the purpose of establishing the Women in Tourism forum is to address economic inequalities and challenges faced by woman within the sector, to elevate women representation in the sector and call for an equitable industry which promotes socio-economic transformation (Department of Tourism website, 2017).

1.5. THE TOURISM INDUSTRY AND THE ACCOMMODATION SECTOR

According to Ndabeni and Rogerson (2005), it has been acknowledged internationally that the tourism industry is comprised of a mixture of different sized enterprises, with different development potential. In most tourism economies the majority of enterprises are small firms, even though the activities of large, vertically integrated and often multinational firms often dominate (Thomas, 2000). As an economic sector, one of the most commendable features of the tourism industry is the fact that it is largely dominated by small-scale entrepreneurship, in the United Kingdom and Australia 99% and 95% of the enterprises in the travel and tourism industry would be categorised as SMMEs respectively (Ndabeni and Rogerson, 2005). In the South African context, government has maintained that SMMEs are key contributors to the

NDP goals of reducing poverty and inequality especially for vulnerable groups which includes women and children (Department of Small Business Development, 2016).

Interestingly enough, participation in the tourism sector is divided along gender lines. A study conducted by McElwee and Al-Riyami (2003), found that the majority of women who own businesses were predominantly within the services industry. As such it was concluded that women do prefer the services industry, of which tourism and the accommodation sector are a part.

It is argued that the B&B economy in South Africa dates back to the 1970s and 1980s, with a major surge of new establishments occurring in the 1990s, parallel with the national growth of the tourism industry (Rogerson, 2004b). The growth of the small bed and breakfast (B&B) sector as an alternative form of tourism accommodation in South Africa started in the late 1980s (Visser and Van Huyssten, 1997). A significant expansion of the B&B sector has taken place in the post 1994 period, which corresponds with the change in government and the re-integration of the South African economy into the international scene (Rogerson, 2005).

Visser and van Huyssteen (1999) noted the absence of black ownership within the small tourism accommodation sector, in research. The study focused on the Western Cape and in Kwa-Zulu Natal provinces (Mathfield, 2000). Rogerson (2004b; 276) made similar findings when he stated that, “ownership in the bed & breakfast sector mirrors the dominant white ownership in the tourism industry nationally”. However, in recent years there has been some change with the development of urban, township and rural tourism in South Africa, and more black people have become active in the tourism industry by way of ownership of tourism enterprises including B&B's (Deen et al., 2016; Vallabh and Kutsi, 2018).

1.5.1. The emerging black-owned tourism economy

Since 1994 (the change in the political dispensation), new government policy initiatives introduced supported goals for economic transformation and expansion in the ownership of the economy by the black majority (Rogerson, 2004b). Objectives of transformation within the tourism industry, through the Department of Environmental Affairs and Tourism (DEAT) included the introduction of policy initiatives, the development of a database of black-owned

businesses in tourism and publication of a handbook detailing government support programmes (Rogerson, 2004a).

The opening of untapped South African markets saw new markets emerging that opened for both local and international businesses and investors. This meant previously unexplored spaces in South Africa were now open to be explored, black townships emerged as new sites for tourism development and focal points for new tourism products (Nemasetoni & Rogerson, 2002). This also opened opportunities for the development of black-owned tour operating enterprises which strengthened the re-integration of South Africa in the global tourism economy (Nemasetoni & Rogerson, 2002). Growing the tourism sector has been the national government's main goal linked with its recognition of the tourism economy. The impact of the tourism economy can be seen in the fact that the tourism sector contributed 40,000 net new jobs from 2012 – 2016 (Statistics South Africa, 2016b). This is higher than jobs created in other sectors such as trade, utilities and manufacturing in the same period. Further, the sector contributed 2.9% to the country's GDP in 2016, which was more than the contribution made by the agricultural sector (Statistics South Africa, 2016b). As a result of the sector's growth potential, it has been included as one of the priority areas in the Industrial Policy Action Plan (IPAP, 2007), the New Growth Path (NGP, 2010) and the National Development Plan (NDP, 2013). Further, a stand-alone Ministry of Tourism was created after the 2009 general elections, as previously this sector was under the Ministry of Environmental Affairs and Tourism (National Tourism Sector Strategy, Department of Tourism, 2017). The creation of a this stand-alone ministry has been useful in so far as the ministry has been able to focus on transforming the South African tourism industry, prioritising the marketing of rural and township areas and their tourism offerings (Transformation Strategy for the Tourism Sector, Department of Tourism, 2018).

The government's approach to tourism is government-lead, private sector driven and community-based (White Paper on the Development and Promotion of Tourism, 1996; National Tourism Sector Strategy, Department of Tourism, 2017). The aspect of being community-based in the government's approach to tourism speaks directly to the fact that tourism happens at local government level. This means municipalities have the responsibility of driving and promoting tourism within communities, by supporting SMMEs that fall into this sector.

A unique feature of the South African tourism industry is that it is predominantly under the ownership of the white minority (Rogerson, 2004b; Transformation Strategy for the Tourism Sector, Department of Tourism, 2018), which is a result of the legacy left by the apartheid system of government. This is still the case even though it has been over 20 years since apartheid ended (Transformation Strategy for the Tourism Sector, Department of Tourism, 2018). As a result of this, small township tourism business owners operate at a significant disadvantage with regards to market power and economies of scale that are enjoyed by the large, white-owned tourism enterprises operating outside the townships (Rogerson, 2005; Koens and Thomas, 2015).

The National Department of Tourism (NDT) echoed the same finding in their report for the Transformation Strategy for the Tourism Sector where it is stated that: “The tourism sector is currently led by the white minority, creating a gap between them and the previously disadvantaged Black people in this sector” (Transformation Strategy for the Tourism Sector, Department of Tourism, 2018:13). The transition to democracy and inclusive dispensation, forced the government to recognise the unequal ownership structure. This led to its commitment to address and rectify the inequality through transformation and consolidation of support for the development of black-owned tourism enterprises, with special focus on the SMME sector (Rogerson, 2004b). The NDT has adopted and included provisions of the Broad-Based Black Economic Empowerment (B-BBEE) Amendment Act No.46 of 2013 in the National Tourism Sector Strategy as part of the Amended Tourism B-BBEE Sector Code for equity.

Both the government and the private sector as a vehicle for driving transformation forward in the sector (Transformation Strategy for the Tourism Sector, Department of Tourism, 2018) have endorsed the Act. The transformation of the tourism industry in South Africa will not only contribute towards equitable ownership and inclusion of previously disadvantaged groups, but will contribute towards gender equality as well, since historically black (African) people, and females were unable to participate in this sector.

1.6. MAKHANDA THE CREATIVE CITY AND ITS LOCAL ECONOMY

This study focuses on Makhanda (formerly Grahamstown), a town whose tourism activity is predominantly centered around the National Arts Festival, Science Festival and National

Schools Festival (Makana Municipality website, 2019; National Arts Festival website, 2020; Makana LED Strategy Part 1, 2009). These festivals demand a need for accommodation, a perfect opportunity for local residents to explore the B&B market and provide accommodation to the influx of visitors to the town, also known as the City of Saints. Linked to these is the location of the High Court, and home to Rhodes University and some of the top South African schools, namely, St Andrews College, Diocesan School for Girls, Victoria Girls High School, Victoria Primary School, Graeme College and Kingswood College. The primary reason for most entrepreneurs in the Makana Municipality to enter the tourism sector as B&B owners is to provide accommodation to those markets.

The Makana Local Municipality, under which Makhanda falls, has identified the growth and development of tourism as one of its goals in its Local Economic Development (LED) Strategic Development Framework (²Makana Municipality LED Strategy Part 2, 2009). Tourism is one of the nine main sectors driving the local economy, and estimated to contribute approximately 12.1% to Makana's Real-Gross Domestic Product (R-GDP) while also creating and supporting employment in the region (Makana Municipality LED Strategy Part 2, 2009).

The three main forms of tourism found in Makana are environmental tourism, educational tourism and cultural tourism. However, the majority of tourism activities is centred mainly around the National Arts Festival, while other attractions include public nature reserves, private game reserves, and outdoor adventure activities (Makana LED Strategy Part 1, 2009).

In 2013 the National Arts Festival contributed R90 million to the GDP of the city (Lancaster, 2014). This speaks to the fact that globally, festivals have been found to be significant contributors to local economies, and events such as these play an increasingly important role in local tourism (Vallabh and Kutsi, 2018; National Arts Festival, 2014). This in turn creates an opportunity for entrepreneurs to explore business opportunities within the tourism industry as visitors and tourists spend large amounts of money at festivals on a variety of products and services such as accommodation, restaurants, food stalls, shows, curios and transport (Vallabh and Kutsi, 2018). In addition to the National Arts Festival (NAF), Grahamstown also hosts two other festivals which are the National Schools Festival (which is a subsidiary of the NAF), and the National Science Festival. The city is also involved in the Creative City project whose aim

² The 2009 Makana Municipality LED Strategy (Part 1 & Part 2) are the latest publicly available documents covering LED issues in the municipality, other than the 2019/2020 IDP which does not speak to LED issues.

is to embrace a range of initiatives and projects, which collectively aim to make Grahamstown one of the most creative cities in the country (Makana Municipality). Given the economic impact of festivals, Vallabh and Kutsi (2018), are of the view that B&Bs can have a concrete and positive impact on the communities where they operate, this is particularly true in small communities (such as Grahamstown) where motel and hotel accommodation is rare and B&Bs are able to accommodate a large number of guests.

Research has confirmed that the Grahamstown township economy depends mainly on activities that take place during the National Arts Festival when there is an influx of visitors and tourists in the town (Vallabh and Kutsi, 2018). Research among B&B owners in Joza township (Grahamstown East) has shown that the NAF is of vital importance to tourism business in the town, more so to B&B owners (Vallabh and Kutsi, 2018).

To further capitalise on the NAF and encourage township tourism, the former premier of the Eastern Cape developed a township tourism strategy called Kwam eMakana as one of the key initiatives of the tourism development programme of the municipality. According to Kwaramba, Lovett, Louw and Chipumuro (2011), “Kwam eMakana Project was established in 2004 as a home-stay pilot project under the LED strategy for poverty alleviation by the South African Department of Sport, Recreation, Arts and Culture.” This project aimed at training women in Joza township in establishing and managing home-stays from their homes, which would later be upgraded to bed & breakfast establishments. (Makana Municipality LED Strategy Part 2, 2009; N Balindlela: Conference for Rural Development, 2007; Kwaramba et al., 2012). The initiative was built around the National Arts Festival (Kwaramba et al., 2012).

1.7. PROBLEM CONTEXT & PROBLEM STATEMENT

This study looks at support services needed by black female owned bed & breakfast establishments. Due to the multiple jeopardy of triple oppression of race, class and gender, faced by this group as owners of bed and breakfasts operating in an industry that has been dominated by the white minority in South Africa. Investigating the support required or received will help establish whether the government interventions available are sufficient for black women in this industry.

There is insufficient research that has been done on the challenges facing black female bed & breakfast owners in Grahamstown. Research that has been conducted, focuses mainly on SMMEs in the broad tourism sector, but the challenges that have been found include a lack of institutional support; access to finance/funding; limited capital; infrastructural development, and insufficient business skills training for the business. Similar research conducted in Grahamstown focused on the economic impact of the NAF on B&Bs that operate in Joza township (Vallabh and Kutsi, 2018).

In this study it is unclear whether black female entrepreneurs in the tourism sector who own B&Bs experience the triple threat or multiple jeopardy require unique support or whether they are offered sufficient support for their businesses.

1.8. JUSTIFICATION ON THIS FOCUS - BLACK FEMALE ENTREPRENEURS

This study is limited to Black female entrepreneurs in this sector but it does not deny the presence of female entrepreneurs of other races as owners of B&Bs in Grahamstown. Black females face a further disadvantage of being previously disadvantaged because of the history of apartheid in South Africa. As such, this then puts them at a lower footing than all other entrepreneurs due to:

- Gender
- Race
- Historical disadvantage
- Sector in which they operate

1.9. THE AIM AND OBJECTIVES OF THE STUDY

This research is an investigation to identify the challenges faced by black female entrepreneurs in the tourism industry. A specific reference to owners of bed and breakfast establishments both in suburbia and in the township.

Even though there is literature and research that has been done on female entrepreneurs and woman in business, there is currently none that focuses specifically on black female owned businesses in Makhanda and the challenges that they are facing. Research that is available on entrepreneurs in Makhanda focuses on the economic impact of the National Arts Festival on B&Bs (Vallabh and Kutsi, 2018), and on the emotional intelligence and confidence levels of

the woman involved in the Kwam eMakana project (Kwaramba et al., 2011). Outside of this, other research that has been done is on township tourism; B&B's in rural areas of South Africa, and the challenges and experiences faced by black and female tourism entrepreneurs in other areas of the Eastern Cape and South Africa (Auala, van Zyl and Ferreira, 2019; Lebambo and Shambare, 2017; Valla, 2001; Karasi et al., 2017; Nomnga, 2017; Henana, 2012; Sixaba and Rogerson, 2019; and Mtshali et al., 2017).

Given the dearth of research on black female entrepreneurs in Makhanda, the question, which this research seeks to answer is: What sector specific support services are needed by black female entrepreneurs in the Makhanda hospitality industry?

The main goal of this study is to investigate and identify the specific support services that black female bed and breakfast owners require.

The sub-goals are:

- To identify the challenges faced by entrepreneurs operating bed & breakfast establishments in Grahamstown East, which is the township area and Grahamstown West, which is the suburban area.
- To determine the needs of black bed & breakfast owners, and whether they require support services
- To establish whether existing support services are accessible to black B&B owners, and whether or not they meet the needs on entrepreneurs in this industry
- To provide recommendations on how existing support services can provide further support to entrepreneurs in this sector

1.10. SIGNIFICANCE OF THE STUDY

This study aims to influence policy that focuses exclusively on female entrepreneurs within the tourism sector. This is exceptionally important considering the fact that South Africa prides itself on its tourism economy and that tourism has been identified as a key area for both entrepreneurship and economic growth. It is also vital that the needs of black female B&B owners brought to the fore because the industry is likely to attract potential entrepreneurs given its low barriers to entry.

1.11.CHAPTER OVERVIEW

Chapter one, is the introduction of the study. The chapter lays out the study, and gives a brief background on what the study is about. The research question presented with a brief explanation of how the question came about. The aims and objectives of the study presented, followed by the significance of the study.

Chapter two is the literature review that looks at the following: entrepreneurship and female entrepreneurship in South Africa; the tourism industry; the accommodation sector; the emerging black-owned bed & breakfast economy; challenges faced by black female bed & breakfast owners; and lastly finance and financial support.

Chapter three deals with the research methodology and the research process of the study. The purpose of this chapter is to explain the logic behind choosing the research paradigm, data collection techniques, the ontology and epistemology of the constructivist / interpretative approach as the theoretical framework of the study. This chapter also explains how the sample was selected, the limitations of the study and ethical considerations that are adhered to.

Chapter four deals with the findings and entails presenting what came from the participants. This will be done as per the methodologies and techniques presented in chapter three. Since thematic analysis was used as a means of analysing the data, this chapter will discuss whether there are certain recurring themes that came out of the data collection. These findings will be compared to findings from literature interrogated during the study.

Chapter five discusses the findings and links new information and emerging trends to existing literature.

Chapter six is the conclusion drawn and recommendations made by the researcher. It should be noted that even though the focus of the research is on the hospitality sector, the findings and recommendations may in some cases be applicable to other industries and sectors given that that sample used was a particular demographic group within the South African population. Therefore, the findings may apply to entrepreneurs in that particular demographic across industries.

1.12. CONCLUSION

The South African government has actively encouraged entrepreneurship as a means to develop the economy and create employment opportunities, more particularly for the previously oppressed citizens of the country. Tourism was identified as one of the key areas for economic growth, and the relevant legislation to support this industry was drafted. The government in rebuilding the South African economy where SMMEs would thrive, opened new markets for tourism, and has adopted economic policies and strategies. All these to support SMMEs. An opportunity for local entrepreneurs to tap into that market and explore previously unexplored spaces such as township tourism, an opportunity for the black entrepreneurs to participate in previously white dominated industries, opportunities to own and run B&B establishments. It is within the tourism industry of accommodation that global markets can be accessed through (both local and) international tourists. Within this industry, black woman had an opportunity to participate along with all the triple treats / multiple jeopardy of race, gender and class. In conclusion, this chapter has presented the scope and the context to highlight the core issues that led to this study. The next chapter is the literature review, and it will focus on the existing research and literature on (female) entrepreneurship; the tourism sector, and the emerging black owned B&B economy.

CHAPTER 2

LITERATURE REVIEW

2.1. INTRODUCTION

This chapter reviews literature that refers to female entrepreneurship in South Africa; the history of the black-owned tourism economy in the country; as well as the support services needed by female entrepreneurs in the hospitality sector of the tourism industry.

2.2. FEMALES AND ENTREPRENEURSHIP

During the past century, accelerated entrepreneurial activity was accompanied by the significant participation of women in entrepreneurship across the globe, as a result of changing society (Ascher, 2012; Maziriri, Mapuranga, Maramura, and Nzewi, 2019). Basargekar (2007) supported by Meyer (2018) states that entrepreneurship is a driving force for economic development in any country, thus making women entrepreneurs and their overall participation vital to the development of the nation as a whole. Vera and Dean (2005) point out that more women are starting successful businesses and their daughters are increasingly becoming successors in family firms. Furthermore, Nxopo (2014) stresses that the existence of women entrepreneurs can assist with the eradication of poverty and unemployment in SA. However, historically there has been a misconception that women are less capable and less interested in running businesses compared to men (Morris, et al, 2006 in Deen et al, 2016; Meyer, 2018).

The commonly held view that women are incapable of successfully managing their businesses can be attributed to socialisation and culture of communities, which tend to shape the roles women are expected to play in society (Meyer, 2018). This view is confirmed by studies conducted by McElwee and Al-Riyami (2003) and Ojediran and Anderson (2020), which specified that the primary role of Islamic women is that of being a wife and a mother. They further go on to say that this role assignation can to some extent, be generalised in nearly all cultures worldwide. Karasi et al. (2017) when stating that, "...Socio-cultural challenges can be viewed as the negative attitude that society has towards women engaging in business" supported this. Karasi et al. (2017) further state that, "The double female burden of being a family person responsible for unpaid housework, bringing of children, and that of being an entrepreneur is a drawback to many females starting or running their own businesses". This then reduces the credibility of women intent on setting up businesses in a variety of ways,

notwithstanding the fact that entrepreneurship is greatly influenced by culture and social norms, in particular racial ethnicity (Minniti and Bygrave 2003; Mitchell. 2003).

In their study, Deen et al., (2016) found that the main reasons female B&B owners went into business was to pursue economic objectives. This finding is supported by both international and local studies, which verify that the majority of female entrepreneurs become involved in small business for a number of reasons, which include: the desire for self-actualisation; the opportunity to use in-born talent; the chance to obtain independence; and the ability to satisfy economic needs (Ojediran and Anderson, 2020; Maziri et al., 2019 and Bains and Bhatia, 2019). Secondly, Deen et al.'s study reveals that female entrepreneurs went into business for growth and the need for a better quality of life. The growth does not only relate to financial gain, but also personal development, as starting their own business allows them to be independent and economically self-sufficient (Iwu and Nxopo, 2015b). Thirdly, the study reveals that the women are on a quest for independence, hence their engagement in entrepreneurship. Lastly, women entrepreneurs create employment and boost the community (Meyer, 2018; Bains and Bhatia, 2019).

Carter, Anderson and Shaw (2001), Meyer (2018) and Xuan (2019) state that women tend to undercapitalise their businesses as a result of their cautious borrowing. This tendency is based on fear of the repayment terms more than business development. Allen, Elam, Langowitz and Dead (2007), Meyer (2018) and Bains and Bhatia (2019), argue that female entrepreneurs have to deal with poor access to finance, sub-standard infrastructure and regulations that create administrative burdens and costs. This ultimately makes survival and success in the entrepreneurial business world even tougher.

In addition to the above, black females further face the triple oppression of class, race and gender because they suffer both in law and in custom as opposed to black men (Nolde, 1991; Meyer, 2018).

2.3. GUIDING THEORETICAL FRAMEWORK

The guiding theoretical framework used in this study is the Resource Based View (RBV), which according to Akio (2005, in Hadi, 2017), "...focuses on the internal resources and capabilities of an organisation; internal resources are the main source of an organisation's

success.” Similarly, Rumelt (1984 in Harrison, Bosse and Phillips, 2007) states that, “Resource based theory suggests a firm’s competitive position is defined by its unique bundle of resources and relationships.” In essence, the RBV speaks to maximizing a firm’s competitive advantage based on resources that it has available as its disposal.

In the case of black female entrepreneurs in Makhanda, it is evident that the entrepreneurs identified their internal resources as:

- the property that they own which is used to operate run the accommodation establishments from;
- tacit knowledge based on individual experiences and travelling;
- previous work experience from other sectors.

These fundamentally make up the three core categories of human capital resources; physical capital resources, and organisational capital resources (Hadi, 2017). It is this unique bundle of resources and relationships that can provide sustainable competitive advantage for the entrepreneur and the business (Harrison et al., 2007)

Outside of identifying their own internal resources, the entrepreneurs were able to recognise opportunities and assemble the resources that they had at their disposal to exploit these opportunities. This speaks to the argument by Alvarez and Busenitz (2001) that “Entrepreneurial opportunities are thought to exist when different agents have insight into the value of resources that other agents do not, and the agents with the insight act upon these un-exploited opportunities”. The opportunities and enabling environment identified more specifically were:

- The gap within the Makana tourism sector;
- The demand for accommodation in Makhanda;
- The woman focused agenda and the promotion of woman in business as entrepreneurs;
- The government policies put in place to promote entrepreneurship amongst previously disadvantaged groups such as females and black people.

The issue woman entrepreneurs are currently contending with is that despite having the resources at their disposal and identifying opportunities, the environment is weakening their capabilities due to being historically disadvantaged, evidence of this can be seen in the literature reviewed below. As such, having support services and functioning systems in place

is necessary to further strengthen resources and competencies of these entrepreneurs so that they are able to maximise their competitive advantage so that their business remain sustainable.

2.4. THE HISTORY OF THE BLACK-OWNED B&B ECONOMY IN SOUTH AFRICA

Historically, tourism entrepreneurs were mainly middle-aged white females who were well capitalised and established citizens (Visser and van Huyssteen, 1997 and 1999). This is similar to findings in the United Kingdom and New Zealand where it was observed that on the whole, tourism entrepreneurs were “financially secure and engaged in this industry to augment existing income.” (Visser and Van Huyssteen, 1999). This is in stark contrast to the operations of the more recent black-owned B&B establishments that have surfaced in South Africa (Rogerson, 2004).

A study conducted by Rogerson (2004b) shows that the majority of black-owned bed & breakfasts are in the urban (versus) rural areas of South Africa. Within those urban areas, it has been found that these establishments are found predominantly in the townships, which were areas created by the apartheid government exclusively for black people as part of spatial segregation (Rogerson, 2004b). Some are cultural villages, which are geographically aligned to the former ‘homeland’ states that were created by the former government for particular ethnic groups (Rogerson, 2004b).

The largest clusters of black-owned bed & breakfasts are found in the black townships of Soweto (Johannesburg), Khayelitsha (Cape Town) and Inanda (Durban) (Rogerson, 2004b), which shows that they are integrated with the phenomenon of township tourism, which has opened up new tourism spaces in South Africa in the post-apartheid era.

Outside the main urban areas in South Africa (Johannesburg, Durban and Cape Town), in the smaller and medium sized towns, research has shown that the emerging bed & breakfast trade is dominated by domestic tourism, whereas in the urban centres it is dominated by international tourism. Domestic tourism happens for a variety of reasons including weddings, funerals, business travel and conferences (Rogerson 2004b; Nemasetoni & Rogerson, 2005). This shows that although the majority of black-owned B&B in urban areas are situated in the townships; they still have the benefit of attracting the international tourists. Their location is more

‘accessible’ by virtue of being in an urban area, whereas establishments in rural areas rely heavily on domestic tourism due to their geographically remote location.

The emergence of the black owned B&B economy was in part to transform the South African tourism economy, which is dominated by the white minority in the country (Rogerson, 2004b; Mofokeng, Giampiccoli & Jugmohan, 2018). The former apartheid government systematically excluded and disempowered black people from participating in business entrepreneurship ventures at the expense of the white minority (Mofokeng et al., 2018, and Makwara, 2019). Consequently, a legacy of economic inefficiency and challenges with job creation still prevail in South Africa (Lebambo and Shambare, 2017; Bvuma and Marnewick, 2020). During this period, black people could not own property, which meant that they could not have assets needed for surety purposes should they apply for financial assistance (Mtshali et al., 2017). As a result, the new government wanted to rectify this unequal ownership structure, particularly in view of the fact that tourism had been identified as one of the key economic drivers (Rogerson, 2005; Department of Tourism; Taskov, Metodijeski, Dzaleva and Filipovski, 2011, and Abrahams 2019).

2.5. PREVIOUS STUDIES DONE

Rogerson’s (2004b) research shows that women operate the majority of black-owned bed & breakfast establishments in South Africa. These findings are similar to those found in other parts of the developing world (Long and Kingdon, 1999; Hampton, 2003). Factors leading to business start-ups for entrepreneurs (mainly women) included:

- Interest or involvement in catering
- Actual experience of travelling and being a tourist
- Experience of formal work within the tourism industry

Research reveals that tourism enterprises started because of perceived market opportunities rather than a desperate search for survivalist income that stems from unemployment and retrenchment (Nemasetoni & Rogerson, 2005; Rogerson, 2004). Such enterprise owners fall into the definition of ‘opportunistic entrepreneurs’, as they saw an opportunity within the market and decided to exploit it. Unlike other sectors in the small enterprise economy in South Africa, very few accommodation establishments were founded due to crises. This group of black bed and breakfast owners are not classified as lifestyle entrepreneurs as is the case with white B&B and tourism small business owners in developed countries (Rogerson, 2004b).

A study by Rogerson highlighted challenges faced by black female bed and breakfast owners at start up to include access to finance, both for marketing and upgrading of premises, this is confirmed by Bvuma and Marnewick (2020). In most instances, capital obtained from retirement pay out of bed and breakfast owners who previously worked as teachers, nurses, or other health workers (and as such had no real link to the tourism industry). This further poses a challenge because they have no knowledge of the tourism industry and get little support from community, including neighbours who object to the business operating in the community (Rogerson, 2004b).

Rogerson (2004a) also found that at start up level, the vast majority of accommodation establishments receive no assistance from any private or public sector organisation. The findings are in line with international patterns for the start-up of small tourism enterprises both in well-developed and in developing countries (Thomas, 2000, 2004, and Hampton, 2003; Ngorora and Mago, 2018). This speaks directly to the weakness of existing government support programmes in South Africa to emerging black tourism enterprises, and particularly within the accommodation sector, in spite of the commitment made to BEE and transformation in the South African tourism industry (Mofokeng, et al., 2018; Abrahams, 2019). This further indicates that despite the policies put in place to encourage entrepreneurship, South Africa still lags behind when it comes to specific policies, more so those that focused on female entrepreneurship and addressing specific issues of women in business, and there is a need to promulgate more laws promoting female entrepreneurship (Nomnga, 2017). This could be the reason why women in the country still face challenges in business. Unfortunately, direct programmes to assist new and growing businesses at all levels (national, provincial and municipal) are either lacking, or are not effective and efficient enough to assist female entrepreneurs. It therefore becomes important that such policies put in place as more women are turning to self-employment to have better control of their personal and professional lives (Iwu and Nxopo, 2015a).

Even though women make up more than half of the business workforce, their skills are not nurtured adequately. The reason for this centred on obstacles such as poor access to finance; sub-standard infrastructure and regulations resulting from bureaucracy, administrative burdens and costs (Iwu and Nxopo, 2015a). This is over and above the prevailing negative socio-

cultural attitudes and gender discrimination stemming from male dominated sectors. To address this challenge, Iwu and Nxopo (2015a) suggest the following:

1. That government have female focused entrepreneurship policies
2. Implement a more responsive judicial and legal system that is sensitive to women and their particular needs and challenges
3. Create awareness of the available financial and government support for women (Iakovlesva et al, 2013)

Research has found that businesses owned by females tend to be smaller and less profitable than those headed by men (Jamali, 2009 in Deen et al., 2016; Ojediran and Anderson, 2020), this perception may lead to women experiencing a hard time obtaining external financing and general credibility as business owners and managers.

Based on the studies done across literature (Iwu and Nxopo, 2015a; Rogerson, 2004a; Rogerson, 2005), there is evidence that there are key areas that female entrepreneurs need support in. These are:

- Finance and financial support
- Training, knowledge and skills
- Business counselling and mentoring
- Legal support and female entrepreneurship policies
- Marketing and promotion of business

(Iwu and Nxopo, 2015a; Rogerson, 2004a; Rogerson, 2005; Tambunan, 2017)

2.6. SUPPORT SERVICES

2.6.1. Finance and financial support

The South African financial system has traditionally catered for large corporate clients and neglected small enterprises (Herrington, Kew & Kew, 2008). As tourism is a seasonal activity, the commercial banking sector has not been particularly supportive of lending to small tourism enterprises. As such, the start-up capital for most tourism firms is self- finance through the entrepreneur's own savings or financing through friends and relatives (Rogerson, 2005; SEDA, 2011). The International Finance Corporation found slight differences in sources of funding between women with small businesses in the informal sector, and those in the formal sector. Small businesses in the informal sector usually source start-up financing from savings or

investments, personal income, and from loans or gifts from family and friends; whereas those in the formal sector were found to source start-up finance via own savings and investments; bank loans or via a business partner (International Finance Corporation, 2020; UNDP, 2016). Applying for finance through commercial banks has also proved to be a challenge in that the application process tends to be complex since banks usually require a collateral, which some entrepreneurs are unable to provide, a credit history, and the prospect of high interest being charged (Lebambo and Shambare, 2017). As such, commercial banks not well placed to cater for the needs of small businesses. The Global Economic Monitor report (2011) further notes that finance is a key impediment to entrepreneurial development. This finding is in line with patterns observed in the start-up on tourism firms internationally, in both developed and developing countries (Rogerson, 2005).

Drawing from studies conducted in South Africa, the UNDP suggests that new funding approaches need to be explored to prevent over-burdening entrepreneurs with debt (UNDP, 2016). This is in view of the fact that the benchmark set by some institutions for funding is above the level that is accessible to most female SMME owners as the majority of their businesses occupy the lower to small end of the market. As a result, they do not have the capacity to absorb large amounts of funding through debt (UNDP, 2016). Alternative funding approaches that were suggested include:

- Private equity funding, which is important because it diversifies sources of funding for entrepreneurs who often cannot afford a lot of debt, especially in the infancy stage of the business;
- Venture capital funding, which was found to be still quite scarce in South Africa. This could however be an opportunity to develop this form of funding in the country, which could potentially assist with developing an entrepreneurial culture and encourage entrepreneurs to be innovative and take risks.
- Contract financing, which is a loan facility that funds the implementation of contracts from credible parties.
- Business angels, which according to the South African Business Angel Network (SABAN), has seen “phenomenal growth” in recent years.
(UNDP, 2016; SABAN).

Other factors that contribute to a lack of financial support can be attributed to: limited access to information about the different entities that provide financial support; the potentially

discouraging, lengthy and cumbersome application process; negative outcome or no feedback at all about the funding applications unless kickbacks are offered to speed up the process (Rogerson, 2005; Lebambo and Shambare 2017). This is over and above the red tape that comes with approaching financing agencies, and the systems that are not user-friendly when it comes to updating the applicants on the status of their applications, makes access to information even more difficult (Lebambo and Shambare, 2017).

2.6.2. Business training, knowledge and skills

Research shows that the majority of tourism entrepreneurs have no prior work experience and educational qualifications that are related to the industry, as a result most entrepreneurs were running their establishments based on their own travel experiences; running their households; skills learnt from previous employment or they were self -taught (Rogerson, 2005; Nomnga, 2017). Because of this, it has become apparent that most tourism entrepreneurs would like to receive either business management training, training related to hospitality and tourism and training for staff where possible (Rogerson, 2005).

In other provinces around South Africa, training offered by the LED units, in partnership with the NDT, SEDA and other partners to assist tourism entrepreneurs with skills development in different areas (Lebambo and Shambane, 2017). As progressive as this initiative has been, some tourism entrepreneurs indicated that the training is too general, and it would be more beneficial if training were tailor-made for the tourism industry and more specifically the accommodation sector (Lebambo and Shambane, 2017). Occasionally though, it would happen that some entrepreneurs would contact the agencies directly and request training in specific areas or subjects.

Smith and Perks (2006, in Mtshali et al., 2017), have argued that a significant portion of the population in South Africa are not skilled, moreover black entrepreneurs in particular need skills that are related to: personal skills, technical skills, business operations and management skills. Nkosi et al. (2015 in Mtshali et al., 2017) also found that many entrepreneurs in Soweto did not have the management, marketing, financial, legal, entrepreneurial and technical skills which are essential for running a successful enterprise.

2.6.3. Business counselling and mentoring

Regarding business management training that is needed, research findings reveal that; (female) entrepreneurs would benefit from coaching that focuses on strategizing and developing business management strategies in a dynamic and competitive environment and the ability to make use of information to build the SMMEs' competitive edge, and the ability to analyse the industry for potential market opportunities and niches (Mtshali et al., 2017; UNDP, 2016). Based on this, it can be concluded that it would be beneficial for tourism entrepreneurs to have business coaching and mentoring available to them so that they are able to maximise on the market opportunities available to them, and work the business landscape to their advantage. Business coaching and mentoring may also assist entrepreneurs with finding and exploring business opportunities outside of the primary business.

2.6.4. Policies and legal support for female entrepreneurs

Adopting a policy and a legislation that is not only pro-SMME but also pro-female entrepreneurship would be beneficial for female entrepreneurs who are not only in the accommodation sector but in other industries available in South Africa (Iwu & Nxopo, 2015; UNDP, 2016). Iwu and Nxopo (2015) claim that in countries such as Russia, Ukraine and India, there are female-focused policies that address specific issues of women in business (Datta & Gailey, 2012; Daymard, 2015; Sorsa, 2015; Iakovleva et al., 2013). However, South Africa has no female-focused policies or those that are specific to female entrepreneurs. The B-BBEE act speaks on accelerating the extent to which black women own and manage (current and newly established) enterprises. Linked to this is expanding access to economic activities. Infrastructure and skills training (IFC, FinMark & DTI, 2006) is not doing much to provide female support and pro-female entrepreneurship because female entrepreneurs are still marginalised as far as ownership to access finance and preferential procurement (IFC, Finmark & DTI, 2006; Colin, 2008). Although the BEE states clearly that woman need to be equal beneficiaries as their male counterparts, the general view is that BEE is a male-dominated space that treats women as minor partners or as mere add-ons (IFC, 2006). This perception is linked to the fact that women face a unique set of challenges as victims of poverty, social prejudice, and limited access to health services and education (ILO, 2007 in Mathapo, 2011).

In the light of the above, it becomes important to have a policy that addresses female entrepreneurs and create an environment that enables them to address challenges that come

with starting a business. Women have an additional set of challenges that they face based on gender lines, as articulated by the OECD when stating, “woman’s entrepreneurship depends on both the situation in society and the role of entrepreneurship in that same society” (2005:51). This is further amplified by the fact that some female entrepreneurs are mothers, alternatively some females choose to pursue entrepreneurship once they become mothers in a bid to balance motherhood while combining it with paid work and making an income outside of formal employment (Nel, Maritz, and Thongprovati, 2010; Foley; 2015). This is known as ‘mumpreneurship’. Mumpreneurs are usually faced with the challenge of balancing their role as a mother, and their role of being a businesswoman and meeting the demands of both (Nel et.al, 2010; Sheikh and Yousafzai, 2015; Harris, Morrison, Ho and Lewis 2008; and Ekinsmyth, 2013).

According to Sheikh and Yousafzai (2015), there is consistent evidence that women pay the price of becoming mothers by not only losing out on financial independence and career progression, but also face considerable role conflict and strain, termed as the ‘motherhood penalty’. Based on this, it can be said that it is not easy starting a business while also being a mother, as Maritz and Thongprovati (2010) have pointed out, the challenge of the ‘double burden’ faced by woman in being responsible and successful in being both a mother and a worker has been evident from as far back as the 1930’s.

In view of this, the government and its institutions need to provide more support to female entrepreneurs by having policy and legislation that caters specifically female entrepreneurs and consider the female condition. This is particularly important since females entrepreneurs face a set of challenges that is unique and different to their male counterparts.

2.6.5. Marketing and advertising of the business

SMMEs in South Africa have a lower survival rate (by up to 42 months) than any other country (Herrington and Kew, 2016; Mtshali et al., 2017). Marketing plays an important role for the growth and success of a business, as inadequate marketing skills affect tourism operators in developing countries (Byamukama, 2014 in Mtshali et al., 2017). Thus, upskilling in marketing contributes in increasing survival chances of the business (Mtshali et al., 2017). The entrepreneur will reach a much bigger potential market base that attracts both domestic and international clientele. To do this, entrepreneurs need to be equipped with the necessary skills

and the ability to view the marketing activity as a holistic approach rather than a fragmented one. This means that they will have to consider both their internal environment (factors in business) and the external environment (factors outside the business) (Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliott, Klopper, 2015). This speaks to the fact that marketing by definition is, “the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large” (Lamb et al, 2015).

2.7. CONCLUSION

Despite black female entrepreneurs having resources and capabilities, the environment in which they operate has made it difficult for them to have sustainable competitive advantage. This is due to a lack of support services. Literature highlights the significance of financial and legal support, development via training or upskilling, mentoring and access to markets.

Access to finance remains the biggest challenge for entrepreneurs in the accommodation sector. New funding approaches should be explored given the rigid nature of the commercial banking sector that is not accommodating to SMMEs. Legal support should not only cater for SMMEs in general, but have a specific focus on female entrepreneurs who face a different set of challenges to their male counterparts. Similarly, business training needs to have a more sector specific approach. This may be far more useful for tourism entrepreneurs as it may also equip them with the necessary skills to market and advertise the type of business they are operating, and assist in maximising market opportunities that are available to them.

The next chapter will be looking at the research methods used in conducting this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter provides an overview of the research methods, techniques and procedures, which were followed in conducting this study to show how these have been aligned with the goals, aims and objectives. In order to be able to meet research goals, the study used a qualitative research approach using the interpretative paradigm. In this chapter, the logic behind choosing the research paradigm, data collection techniques, the ontology and epistemology of the study is explained. An elaboration of the option between constructivist and interpretative approach is done to justify why the selected approach. Then a description of how the sample was selected, including ethical considerations that this study adhered to.

3.2. RESEARCH PARADIGM (ONTOLOGY AND EPISTEMOLOGY)

A research paradigm is a “set of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done, and how results should be interpreted” (Bryman 1988: 4; Bryman 2012: 630). Shwandt (2001) supported by Kaushik and Walsh (2019), further defines a research paradigm as, “a shared world view that that represents the beliefs and values in a discipline and that guides how problems are solved”. In layman’s terms, this means that a research paradigm is simply beliefs or theories used by scientists or researchers to inform how their research or studies will be conducted. There are three main paradigms or set of beliefs, used to inform research, and they are namely: (de Vos, Strydom, Fouché & Delport, 2011; Kivunja and Kuyini, 2017)

- Positivism / Objectivism
- Interpretivism / Modernism / Realism
- Constructivism / Postmodernism / Impressionism

This research used the interpretative theoretical framework. Interpretivism is of the belief that the subject matter of the social sciences is fundamentally different from that of the natural sciences (de Vos et al., 2011: 309; Pham, 2018)). Interpretivism differs from objectivism which is based on the premise that, “there is an external reality that can be studied objectively”, and constructionism which is of the belief that “there is no one ‘truth’, on a narrative reality changes continuously” (de Vos et al., 2011: 309; Rehman and Alharthi, 2016). Selecting an

interpretivist approach was based on the view that reality should be interpreted through the meaning that research participants give to their world, and not through pre-construed notions and ideas of what reality is.

According to Guba (1990), Chilisa and Kawulich (2012) and Kamal (2019) research paradigms can be characterised by the following:

- Ontology: what is reality / what do we believe about the nature of our reality?
- Epistemology: how do we know something / how do we know what we know?
- Methodology: how do you go about finding it out / how should we study the world?

Within the interpretivist framework, the ontological position taken is that there is no single reality or truth. De Vos et al., (2011), state that, “the real world can be discovered by means of a systematic, interactive methodological approach”, therefore there are multiple realities socially created by individuals in groups, and truth is context dependent (Chilisa and Kawulich, 2012; Kivunja and Kuyini, 2017). The epistemological position according to De Vos et al. (2011) is that, “knowledge arises from the understanding of symbols and meaning (symbolic interactionism), therefore reality needs to be interpreted, as it is used to discover the underlying meaning of events and activities (Crotty, 1998).

For simpler understanding, Chilisa (2011) further broke down interpretivism as follows:

CONSTRUCTIVIST/ INTERPRETATIVE PARADIGM	
Reason for doing the research	To understand and describe human nature
Philosophical underpinnings	Informed by hermeneutics and phenomenology
Ontological assumptions	Multiple socially constructed realities
Place of values in the research process	Values are an integral part of social life; no group's values are wrong, only different
Nature of knowledge	Subjective; idiographic
What counts as truth	Truth is context dependent
Methodology	Qualitative; phenomenology; ethnographic; symbolic interaction; naturalistic
Techniques of gathering data	Mainly interviews, participant observation, pictures, photographs, diaries and documents

3.3. METHODOLOGY AND RESEARCH APPROACH

As stated above, the researcher applied a qualitative research approach using the interpretative theoretical framework in conducting the study. This was done via semi- structured interviews with the research participants, which is in line with the interpretative framework. The reason for this was to enable the researcher to encapsulate the participants' own views and truth, which are unique and subjective to them as they come from different contexts and face different realities. This option is suitable for the study as it gave participants an opportunity to express their views freely and openly, without and preconceived notions or ideas of what those maybe. Further, it enables the researcher to compare what the participants had to say and see if there are any commonalities and similarities in their responses.

3.4. STUDY POPULATION

From a population of 39 accommodation establishments in Makhanda (Makana Tourism), a sample of eleven (11) establishments was selected using the purposive sampling method. The purposive (also called non-probability or judgemental) sampling method is defined as a type of sampling that is based entirely on the judgement of the researcher. This sampling method was selected because it composes elements that contain the most characteristics, representative or typical attributes of the population that serve the purpose of the study best (Grinnel & Unrau, 2008; Monette et al., 2005; De Vos et al, 2011; and Etikan, Musa and Alkassim, 2016). What this means is that the research participants (samples) were not chosen on a random basis, but rather they were chosen in a strategic manner so that they are relevant to the research question being posed based on characteristics and attributes that they may share.

The criteria consisted of:

- Accommodation establishments owned by black females and registered on the Makana Tourism database;
- Establishments that have been operating for over 12 months;
- Five (5) of the establishments located in the suburban Grahamstown West; and
- Six (6) located in the township in Grahamstown East.

The purpose is to establish if the challenges experienced by these black female entrepreneurs are unique to the sector at large, or whether there is a correlation to the geographical location of their establishments, given the history, the spatial planning (and the reasons behind that), as well as the vast economic differences between townships and suburbs in South Africa. One location (Grahamstown West) has historically been viewed as more affluent, with more

economic inflows, and the other location (Grahamstown East) is the opposite, as a result of apartheid spatial planning and exclusion.

3.5. DATA COLLECTION AND TECHNIQUES

Paradigms may also inform which methodologies may be used in a study, and typically, an interpretative paradigm typically uses a qualitative methodology, as is the case for this research (Chilisa and Khawulich, 2012; Rehman and Alharthi, 2016). Methods of research and data collection in a qualitative study usually include: participant observation, archival source analysis, interviews, focus groups and content analysis (Struwig and Stead, 2004; Kamal, 2019).

In this study, data was collected via semi-structured interviews with the participants, and through the analysis of research papers and policy documentation.

The interviews mainly focused of the challenges B&B owners face (if any); what their needs are; whether they know of any support services available to them as SMME owners; and whether they had previously received any kind of support from government and government entities.

Interviews were recorded and transcribed to document recurring themes.

3.6. DATA ANALYSIS

Content analysis was applied to identify recurring core themes (Bryman, 2012; Erlingsson and Brysiewicz, 2017). Underlying perspectives derived from the participants' responses were; identified, produced, and coded into categories or concepts (De Vos et al., 2011; Erlingsson and Brysiewicz, 2017). The categories were clustered together to form themes in the data, a process known as thematic analysis, which involves constructing an index of themes and sub-themes which are found as recurring motifs in either text or interviews, and are then applied to the data (Bryman, 2012; Maguire and Delahunt, 2017).

From the responses given by the participants in the interviews, the researcher compared the findings in literature as well as documentation on tourism entrepreneurship and small business support.

3.7. TRUSTWORTHINESS, TRANSFERABILITY AND CONFIRMABILITY

In order to test the trustworthiness and authenticity of the study, the following criteria will be used: credibility, transferability, dependability and confirmability. Each criterion seeks to answer the following questions:

- Credibility – how believable are the findings?
- Transferability – do the findings apply to other contexts?
- Dependability – are the findings likely to apply at other times?
- Confirmability – has the investigator allowed his or her values to intrude to a high degree?

(Bryman, 2012; Nowell, Morris, White, and Moules, 2017)

In terms of dealing with credibility, the researcher first explained the purpose of the research to the participants, so that the participants are put at ease and are fully aware that their identities and the responses they give will remain confidential. Secondly, the researcher used the same questionnaire for all the participants and conducting the interviews, and used both English and IsiXhosa (depending of the preferred language of the participant) in order to ensure that nothing is lost in translation, and that the participants have a proper understanding of the questions. Thirdly, in instances where the researcher was not clear on the response, she would repeat the response to the participant to confirm that she has indeed understood the participant. Lastly, the researcher also clarified any confusion that the participants may have had about the questions to ensure that they are clearly understood.

About transferability, the research is based on a similar study conducted in the Western Cape titled “Determining the specific support services required by female entrepreneurs in the South African tourism industry” (Iwu and Nxopo, 2015). As such the researcher wanted to establish if the outcome of this study will be similar to the one previously conducted. Further, the researcher used literature already in existence about SMME entrepreneurs both locally and globally to make a comparison, as well as literature on the emerging black owned tourism business in South Africa.

As far as dependability is concerned it may be assumed that the findings are likely to apply at other times as literature has shown that globally, entrepreneurs operating in the SMME sector face similar challenges.

Regarding confirmability, as previously mentioned above, this research is based on a similar research that was conducted in the Western Cape province of South Africa. As such, other researchers such as Nieman, Visser and van Wyk (2008); Iwu and Nxopo (2015), and Mtshali, Mtapuri and Shamase (2017) who have conducted similar studies can corroborate the research.

3.8. ETHICAL CONSIDERATIONS

The fundamental ethical rule of social research is that it must bring no harm to the participants (Babbie, 2007; De Vos et al, 2011). The researcher also has an ethical obligation to protect participants within all possible reasonable limits from any form of physical discomfort that may emerge from the research project (Cresswell, 2003; Vos et al., 2011).

In view of this, in conducting this research, the researcher informed the participants of what the research is about and the objectives of the research.

The researcher also ensured the following:

- Voluntary participation – participation was voluntary, no individual was forced to partake in the research
- Voluntary withdrawal – participants were allowed to withdraw at any time during the research should they have wished to do so, or should they have felt uncomfortable in proceeding with the research
- Minimal harm – the interviews were conducted in the participants' space so that they are in an environment in which they feel comfortable and secure
- Minimal risk – ensuring that participating in the research will not bring any risks to the participant
- Informed consent – the participants were advised of what the research entails so that they are well aware of what they are agreeing to by participating
- Protection of identity – participants were asked to give pseudonyms that will be used for the research to protect both the individuals' identity as well as that of the establishment they own or manage

(De Vos et al, 2011; Arifin, 2018)

3.9. CONCLUSION

This chapter outlined the research design and methodology and justified why the selected approach was used in conducting this research. It can be concludes that the methodology used is informed by the paradigm and ontology of the research as well as the qualitative research approach. The following chapter presents the data and findings of the research.

CHAPTER 4

DATA PRESENTATION AND RESULTS/ FINDINGS

4.1. INTRODUCTION

The purpose of this chapter is to present research results based on data collected from the participants via interviews based on semi-structured questions. The results are presented under key themes, in the same order as the interview questions, and each theme is followed by the interpretation. Tables that show the questions and sub-questions relating to each main theme are used to present the participants responses. Patterns between their responses, key words that capture the core of the participants' responses, key phrases or sentences are included to give the responses a context.

4.2. PARTICIPANT DEMOGRAPHIC INFORMATION

ID	Age	Qualifications	Sector	G'town E/ W	Operation Years
TTG	28	Incomplete Bachelor's degree	None	West	2
LBB	71	B. Ed	Education	West	10
KNH	57	Standard 10	Hospitality	East	14
TTB	53	M.Ed	Education	West	17
BKH	52	Post grad (not specified)	Health	West	6
EKH	70	Standard 4	³ Informal business	East	14
MHS	49	Standard 10	⁴ Formal business	East	13
EHS	50	Standard 6	⁵ Vendor	East	14
NNB	68	B.Prim.Ed	Education	East	10
NHS	58	Standard 10	NGO	East	14
EBB	62	B.Ed Hons	Education	East	9

4.3. RESULTS

The following findings on challenges, needs and support have been highlighted and are presented below:

³ The participant used to be a vendor who sold various goods and merchandise.

⁴ The participant used to be a shopkeeper.

⁵ The participant used to be a vendor who sold various goods and merchandise.

4.3.1. On Challenges

1. Describe the major challenges that you face as a business owner?

TTG:

1. Personnel. Lack of exposure to the professional business by employees.
2. The seasonality of business. There are 4 (four) major times during the year when the demand is for accommodation is high.
3. Grahamstown business is still predominantly white, resulting in racist undertones from potential guests coming via referral upon hearing accent of owner (participant) over the phone.
4. Having the dual role of owner manager because of the size of business.
5. Lack of funding, and not owning property.

LBB:

1. Lack of financial support.
2. White dominance of business in industry, and occasional incidents of passive racism: incidents where a white person books and then cancels a few days before they are due to arrive. Assumption is that this decision is influenced upon hearing the owner's (participant's) accent over the phone.

KNH:

1. The small size of the town. It has no tourists and too many B&B's, including Kwam eMakana, eNtabeni Homestays and other private B&Bs.
2. Complaints from government officials about security and standard of B&B's that are part of Kwam eMakana.
3. When complaints were addressed and standards and requirements were met, prices increased. Guests now complained that it was too expensive.
4. Guests are seasonal and come mostly during the NAF, or sometimes people book and then cancel.
5. Getting financing / funding.
6. Disagreements within the Kwam eMakana group due to funding issues among other things.

TTB:

1. Seasonality of business, main peak periods being O-week; SciFest; graduation, and NAF
2. HR issues: lack of commitment and constant absenteeism from employees
3. Getting funding: difficulty getting support from DTI, SEDA etc due to tedious and lengthy process of completing and providing documentation.
4. Infrastructural growth.

BKH

1. Establishment not formally registered, making it difficult employing people as it depends on guests who are also not regular.
2. Would love to formalise business, however that entails rezoning house from residential to business which has cost implications which I cannot afford at the moment.
3. Informal booking system mostly relying on AirBnB

EKH:

1. Not many, other than the fact that was quite old when I got into this industry, as such I have to use little pension money I get to make B&B work and get it up to standard.

MHS:

1. Peak period for business is during NAF, and SciFest. As a result, during the rest of the year I am busy with catering because it is more consistent, and payment for it is never an issue as opposed to B&B industry.

EHS:

1. Implementation of Kwam eMakana project was abrupt in 2004 as such it was not quite successful in its first year
2. Inspections of houses by DSRAC was done without prior notice, some people had not prepared their houses for business and this put them at a disadvantage as officials were not happy.

3. Glitches in payments in the early years and some people never received their payments.
4. Conflict within members of the project after it became independent from the Tourism office (due to conflict) because of irregularities in financial management.
5. Decrease in allocation of funds from DSRAC, and rumours that it may be scrapped in the foreseeable future.
6. Financial constraints of not being able to pay for business plans.

NNB:

1. Current economic climate resulting in decline in business.
2. Location of B&B in previous Coloured township, and the stigma attached to it. Compared to Coloured townships notorious for crime such as Mannenberg, resulting in safety concerns.
3. Competition in industry.
4. My age, I am ready to retire and cannot afford to over invest in business that may not yield as much as I hope for.

NHS:

1. Getting guests, we rarely find people...They are few and far between. Mostly during the NAF, but even so one may have 1 -2 guests during that whole period. Even during the year guests are hard to come by.
2. Water crises also a challenge
3. DSRAC no longer books for officials through Kwam, they book in other establishments in town who are not part of Kwam.

EBB:

1. Not getting as much support as we'd like to get.
2. Business is difficult due to competition in GHT, and most B&Bs are well-established already.
3. Most people go for those that have been rated/graded and which they know, especially ones on suburban areas.

The researcher observes that the main challenges faced by the B&B owners across the board are mainly: the seasonality as businesses in Grahamstown, as most active during the National Arts Festival - this takes place once a year, of which even during that period business is not guaranteed; Lack of funding and financial support for businesses in the sector; Competition between the B&Bs as a result of the supply exceeding the demand, and which led to the market being over-saturated.

4.3.2. Challenges linked with being a black female entrepreneur

1.1. Do you think these challenges are linked to the fact that you are a black female?

TTG:

Yes, as far as the racism part is concerned. Also, security from some male guests who try cross professional once they see me alone after hours.

LBB:

Yes, I once applied to a government entity for funding, and was given the run around and they were dismissive.

KNH:

No, I don't think so. We do get tourists from overseas, even local white guests come to my B&B.

TTB:

Partly so, especially in terms of domestic staff they are more loyal and respectful to white employers.

BKH:

Yes. If I had good credit, I would be able to get money to formalise business and get funding to expand...white counterparts have easier access to credit and more credit worthy, so they are able to get funding. This was confirmed when I tried approaching entity used by white counterparts to get funding, the process was difficult as I did not have as much surety as my white counterparts.

EKH:

Yes, it's not easy getting affordable quality items in the township (such as linen and crockery), as such one needs to travel to urban areas or out of town to get the necessary stock/items for business. Age and being previously disadvantage as a black female resulted in missed opportunities, such a learning to drive etc and have to rely on my children.

MHS:

No, they have nothing to do with race and gender.

EHS:

Not as such as project is being run by black officials. So officials choose selected establishments and book their people there.

NNB:

Definitely. Perception that white is better, as a result that white owned establishments provide better service.

NHS:

Not even as a female but just being black. Guests are booked into town and no longer township as it has become the preference.

EBB:

Of course. Unlike white counterparts, we have no inheritances of money and wealthy families and other gains, so we have no capital to start, this results with us starting on a backfoot and start small. There is also the historical oppression of black women. As a result, there are perceptions by guests that white owned establishments are better and have more to offer.

The researcher finds that the majority of the B&B owners are of the opinion that the challenges that they are facing in the business are linked to the fact that they are black females. They cited a number of reasons for this, which ranged from guests crossing the professional line once they see that the establishment is black owned; employees not showing as much loyalty as they do to white counterparts; access to finance is more difficult for black people; and having no previous resources in terms of generational wealth. Some of the participants also felt that potential guests held the perception that white owned businesses provided a better service, as such this directly brings a direct challenge to black females running B&Bs.

4.3.3. External factors contributing to identified challenges

1.2. Are there any other factors in the external environment that bring challenges to you and your business?

TTG:

1. Politics or the running of the municipality.
2. Certain companies not making deliveries in Grahamstown.
3. Things like load shedding and water restrictions.

LBB: No, other than the fact that there is not much business during December.

KNH: The bad state of the water...municipality has cited lack of funds with regard to assisting with this.

TTB:

Yes.

1. Mostly how government handles their supply chain, you can never be certain that an equal opportunity is given to all service providers.
2. Municipal business initiatives no longer really exist. In the past LED office used to work with SEDA and TEP to provide business training support, but there hasn't been anything like that since around 2011.
3. Government tends to undermine black owned business: always insists on viewing and checking establishments prior to booking, which they do not do in white owned establishments; senior staff is sent to 'better' establishments', implying that there is a lack of trust in service we give.
4. Undermining and exploitation, and expectation of certain favours such as cashing out vouchers.
5. Long payment turn-around times.

BKH:

1. Yes, seasonality of business in Grahamstown, mostly during O-week, opening of (private) schools, NAF and Highway Africa Conference.
2. Lack of efficiency from municipality such as delays in approving building plans because of water shortages.

EKH:

1. Yes, mostly attitude from people regarding security issues that come with operating from the township area.
2. Attitude from guests because safety concerns about being in a B&B without proper fencing, as opposed to B&Bs in town areas, regardless of how beautiful the house is.
3. In some instances, it's the environment around which is untidy (such as a neighbour's yard) or the neighbourhood itself.
4. Weak electricity line.

MHS:

1. Only the sewerage pipe servicing the area, it used to burst, but it is currently being fixed.

EHS:

1. Administration in different government departments are not using all Kwam homes as was encouraged, and instead use their preferred establishments and side line the rest.
2. Certain establishments in Grahamstown West (town) are now part of Kwam which is not how it was intended as it was meant for homestays and B&Bs in Grahamstown West (township) only, and this brings disrepute to project.
3. Rumours that Kwam homes are dirty which have not been investigated or verified.

NNB:

1. The area where the B&B is situated, there is a tavern close and the noise levels becomes a problem and disturbance over weekends and impacts guests. So I don't take guests on weekends.
2. Litter problem in the area.
3. Water interruptions are a cause for concern for when there are guests.

NHS:

1. Guests and officials being booked out of town (in surrounding areas) because 'there are no rooms available' where as they are here and vacant and municipality no longer supports us.

EBB:

1. Proximity of my B&B to the township and the perceptions surrounding that. Some people look at the area, no matter how well established you are because of safety concerns.
2. The water problem in town.

All but one of the participants listed a number of external factors that contributed to the challenges that they are facing. Based on the responses from the interviews, the understanding is that the challenges that the participants are facing are mostly linked to governance and service delivery within the local municipality, for example the water crisis in Grahamstown. Others cited external environmental factors, which would be difficult for them to change such as where the establishments are located, or issues in their neighbourhoods, which have a direct impact on their businesses.

4.3.4. Uniqueness of challenges with to the hospitality industry

1.3. Do you think these challenges are unique to the hospitality industry, and why?

TTG:

No, hospitality is affected by governance, economy, water and sanitation which are challenges specific to business in general.

LBB:

Yes, especially since Grahamstown is not a tourist destination.

KNH:

No, I think they are similar. The high unemployment rate makes it difficult to run a business...businesses don't support each other.

TTB

No, seasonality of business is not unique to hospitality, especially because Grahamstown's economy also depends on the student's presence. Also the staffing issues seem to be common to small businesses in general.

BKH:

No, challenges faced by black females are more or less the same in the SMME sector, especially since because the black population generally does not have the economic capacity to support their own in business. Black

clientele who are able to support want to either negotiate prices or some other negotiation. So one has to find creative ways of sustaining business.

EKH:

Yes, such security issues as a host (as different to security concerns for your own family) and concern about not having proper fencing around property. From a community level it may not be an issue, but since I am in this industry it becomes amplified. Challenges can also be similar across industries but not the same,, and perhaps entrepreneurs in those industries are able to mitigate the challenges.

MHS:

No, there is no business I can compare with but I don't think they are unique.

EHS:

No, the industry maybe different in different locations e.g. an establishment in Knysna.

NNB:

Most of them, such as tavern and littering, and water outages etc, are common challenges people face in neighbourhood that establishment is located.

NHS:

No they are not, they are similar for all of us. The water crises affects us all. We also don't support each other for example, I will go to a salon further away rather than the one next door

EBB:

Yes, most of them. But some challenges apply as long as competition is with white owned businesses irrespective of the business.

The general perception by the majority of the participants is that the challenges that they are contending with are not unique only to the hospitality industry but are common across SMMEs in all sectors. It seems that the participants are of the view that SMMEs face a similar set of challenges because they are directly linked to the provision of municipal and government services. This is in addition to accessing finances and preferences of certain suppliers over others.

4.3.5. Similarity of challenges to SMMEs in other industries

1.3. How do they differ from SMME's in other industries?

TTG:

Property is a challenge in this industry (as one needs it to operate).

LBB:

I am not sure, but possibly linked to the sector.

TTB:

There is not much of a difference.

BKH:

I don't think there is a difference, for example, demand in business is dependent on seasons, making it difficult for them (other SMMEs) to expand as well.

EKH:

It's worse for hospitality, as there is the added responsibility of the security of guests and protecting them, and ensuring their safety

MHS:

I used to own a shop, so the increase in foreign owned shops in the community made it difficult to stay in the business as customers preferred the foreign owned shops, which is why I chose to move into hospitality.

NNB:

Some challenges maybe common, but water issues and the economy affect all small businesses. With hospitality people must experience establishment, and may turn away when they see you are black. As opposed to retail where they will buy regardless of race

NHS:

They do not differ.

EBB:

Challenges unique in some ways, but generally at disadvantage when you a black business owner as background counts against you.

The participants held different views about the similarity of challenges between B&Bs and SMMEs in other industries. While some of the participants were not certain whether there are similarities or not, some participants were of the opinion that there were certain similarities, more especially those which are a result of the external environment such as the economic climate or seasonality. However, the general view was that there are some similarities, while some challenges are unique to the hospitality industry.

4.3.6. Location and contribution to challenges faced

1.5. How does the location of your business contribute to the challenges you are currently facing?

TTG:

It doesn't, my location speaks to my target market, and it is central.

LBB:

No, it's easy getting to my location. There are directions to my place.

KNH:

People want or prefer staying in or near the CBD, not the township.

TTB:

It does not contribute, the establishment is well placed.

BKH:

Yes, it would be better if my establishment was located in a more scenic place like near a dam or close to recreational facilities and be able to use the venue for events, and conferences as well. Limitations because of residential area and spatial issues including rezoning.

EKH:

Not much of a contribution, because of hardships faced in growing up, one is grateful for the little they get via the business. Even though there is competition in hospitality, business is still sustainable.

MHS:

Location not a problem, cheaper working from home as it saves rent.

EHS:

It doesn't really. Some people make an effort to support black-owned businesses in the township, and 3 months never passes without hosting guests.

NNB:

Safety and security concerns.

NHS:

Support tends to go to B&Bs in town as opposed to ones in the township, perception of service in suburban area being better.

EBB:

Yes, proximity to township causes concern for guests.

The researcher notes that the contribution of the location to the challenges faced by the participants was almost equally divided. While some of the participants expressed satisfaction with the location and accessibility of their establishments to their target market, others realised that they are at a disadvantage because their establishments were either in the township (Grahamstown East), or were close to the township which made guests concerned about safety.

4.4. IDENTIFIED NEEDS IN BUSINESS

2. What needs have you identified in your business?

TTG:

1. Money to use for marketing, branding and uniforms.
2. Exposure to larger institutions facilitated by business chambers so SMMEs can interact with more established businesses.
3. Funding, more particularly to purchase a property. And other infrastructural needs.

LBB:

1. Property, however application by entity (does not remember which one) was denied as there was no funding for property and infrastructure upgrades. At the time I had also wanted funding for small things such as linen.

KNH:

1. Security because establishment is in the township area
2. Infrastructure, additional bedrooms and bathrooms.

TTB:

1. Infrastructure and space: more rooms and facilities for children needed; make the establishment more disability friendly; and a proper office space.
2. Staffing, assistants for: housekeeping; catering; receptionist; grounds and gardens and caretaker on permanent basis.

BKH:

1. Financial needs to assist in building en-suite bathrooms and getting TV's for each room which need money.

EKH:

1. Infrastructural needs: need to extend house for more space.
2. A stronger and more stable electricity connection, so both my geysers can be on concurrently.

MHS:

1. Premises to operate from that can have accommodation, conference facilities as well as storage for catering equipment.

EHS:

1. Infrastructure (building of extra showers) and some more linen.

NNB:

1. Need for land for expansion. Space issues in terms where you can extend building, result of land allocation during apartheid where black people were given smaller amount of land as opposed to white erfs and plot sizes.
2. If I were younger would invest more, but age and being close to retirement makes it difficult to invest in B&B.
3. Financial constraints and restrictions make it difficult doing infrastructural changes desired.

NHS:

1. Financial support to improve the standard of business.
2. Support from municipality, and DSRAC: not only during NAF but other events hosted locally. Previously guests used to be split among Kwam owners, that no longer happens.
3. Previously the municipality was rumoured to have support to improve business, but when we followed up we were told there is no such. Municipality at advantage as they have resources to assist and advise how businesses can be improved

EBB:

1. Infrastructure: Need for expansion, to include en-suite bedrooms for privacy.

The main needs that were identified by the participants were funding, infrastructure and property needs. The researcher got the impression that finance or funding was the most urgent and primary need for the participants as having access to money would allow them to take care of the other needs identified such as making infrastructural changes to the business to build more rooms for guests or purchasing property for expansion purposes. Other minor needs

included security, linen, staffing, electrical wiring, and more support from local government and exposure via business chambers. Even though the other needs are minor, they still require financing which speaks to the overarching need for funding and financial assistance.

4.4.1. Meeting identified needs (Internally)

2.1. Can the needs be met internally or do they require external interventions?

TTG:

External interventions, which take a while. So whatever I make now is generated back into the business.

LBB:

I was able to meet them internally. I can manage my needs, I would not take a loan because business fluctuates and I may not be able to repay well.

KNH:

The building and infrastructure can be met internally, however security would need external interventions.

TTB:

Both. Infrastructure would need business to either save or secure loan; for staffing it would need to be internal. Predominantly internal.

BKH:

Registering and formalising the business (including marketing) can be done internally. Funding would need an external intervention.

EKH:

External interventions, have gone up and down seeking assistance but it amounted to nothing. But have heard of people (in other industries) benefitting from government, who have made promises to us which have amounted to nothing

MHS:

Externally, particularly for funding.

EHS:

External interventions, especially with the water crises we need Jojo tanks.

NNB:

They can be met internally such as maintenance which I do myself. However age is a restriction, if I was younger I would have bought a bigger place...the B&B will have to stay the way it is.

NHS:

We once got training when we started we got training. We were told that we would get things like TV's and geysers to assist in bringing our businesses up to standard. But so far, I am doing things myself, and every time I get money I buy things like irons and kettles to improve the standard of my B&B.

EBB:

Both externally and internally. I've tried getting funding via the DTI and other entities with no success, and ended up business myself.

The participants felt that some of the needs can be met internally, while others require external interventions. This varied from participant to participant. It is worth noting that in instances where external intervention was initially sought and was unsuccessful, the participants made an effort to meet those needs internally. The participants also allude to the fact that external interventions would either take a while (due to the administrative processes involved) or they would end up amounting to nothing, as a result most the participants have taken it upon themselves to do whatever is within their means when they are able to.

4.4.2. Meeting identified needs (Externally)

2.2. What external support services can meet your identified needs?

TTG:

All of them.

1. SEDA would cover branding and training of staff.

2. Larger ones like the IDZ could assist with grants or loans for infrastructure.

However, any kind of support is welcome and necessary...particularly from local institutions for SMMEs.

LBB:

None, as I have managed to meet the needs in the business internally

KNG:

We had planned to apply for funding from Eskom, however that did not materialise due to internal conflicts within the Kwam eMakana group.

TTB:

Not sure since funding is main need for infrastructure, I may need to go to the bank. I don't think government support institutions give funding for building and infrastructure, or maybe ECDC, but I'm not sure.

BKH:

A business Indaba to assist with workshops and training on marketing and funding. However municipality should be first point of call for local businesses.

EKH:

I'm not sure, but assistance is needed.

MHS:

Not the municipality, maybe institutions that assist SMMEs such as SEDA.

EHS:

Shoprite assists SMMEs and the municipality.as the first point of call.

NNB:

Since municipality is facing challenges, one cannot depend solely on the local tourism office. One can possibly advertise more on the internet via the marketing companies, however I am apprehensive about being bound by contracts. At my age I also do not want to take out a loan. I am not sure what government offers, but possible idea and SANDF has also helped.

NHS:

I don't know any other institutions except the municipality and DSRAC.

EIBB:

DSRAC in EC, needs to focus more on upcoming and black owned business, especially during the NAF. It's the only time they can benefit, because it's quiet during the year.

There is no uniform response in which external support service provider can meet the business needs of the participants. However, what is clear and apparent is that most of the participants want and need external support to assist them in meeting their identified needs. The majority of the participants identify government departments and entities as institutions that can provide support services, while some participants identify the private sector. Only one participant is of the view that she no longer needed any external support services as she had managed to meet all her business needs internally.

4.4.3. Institutional support received for business

2.3. Have you ever received any kind of institutional support for your business?

TTG:

No. I've always thought that one must first implement their idea, get it running and prove that they are operational. Now I have financials and relations with other businesses.

LBB:

Only one entity a long time ago, I was assisted with invoice books business cards, files, folders and branding material.

KNH:

Yes, we received sheets, urns and towels from DSRAC....during the NAF they also give us R1,000-00 to assist with buying groceries for guests etc.

TTB:

In the past we did: we got training on legalities, financial management and others through SA Host, TEP and a tourism related SETA. But in the last 5 - 6 years there has been nothing, last training I remember was round 2011.

BKH:

No, but I have never approached any either. But the university has sent an invitation to offer accommodation for their events, which I view as a form of support as it refers potential guests to you. This also shows the university is aware that there are other role players in the hospitality sector.

EKH:

No, except for 2 blankets we got from the former premier of the province when this project was initiated. Back then DSRAC also ensured we as Kwam received guests and our establishments were booked and benefitted equally. Their support has since dwindled and we don't know any of the other places that can assist.

MHS:

Yes, from SEDA (PE office). They assisted with business cards, quotation books and marketing and branding.

EHS:

None, as DSRAC support was only support at that time and nothing after that, starter pack later deducted from profits made) was useful but they intend on discontinuing it as a result it is a cause for concern.

NNB:

No, not all. I've never applied. You never know where to go. I think such organisations should liaise with the local tourism office so they can relay the information.

NHS:

None so far, except when project was initially implemented by DSRAC, supported by getting linen and blankets. I have been advised to improve, however difficult to do so without guarantee of business

EBB:

Yes, from the municipality, for the signage outside.

Based on the participants' responses, it seems that some received institutional support at one time or another from different entities. The support came from some government departments and government entities (including the municipality). However, based on the responses from the participants, it appears that the institutional support has dwindled over the last 3 – 5 years. Two participants indicated that they have not yet tried getting institutional support, one said she wanted to the business to be fully operational first; the other also was not sure where to start looking for institutional support, and the last one did not give a reason.

4.4.4. Status of support institutions

2.4. Are these entities private or public?

TTG:

They are public.

KNG:

Public, it's a government department.

TTB:

Not sure, but I would imagine public as SETAs are funded by government and also because I did not have to pay.

BKH:

The university is private.

EKH:

Public, a government department.

MHS:

It's a public entity.

EHS:

Public, a government department.

NNB:

None.

NHS:

Public, government department.

EBB: Public, municipality.

All but one of the institutions, which have previously provided support to the participants were public entities. This shows that SMME support is indeed primarily the mandate of government and the related entities, which have been created to do this. However, based on the response from question 2.3 above, it seems that the support services are not reaching SMME owners the way that they are supposed to be, which is a cause for concern as it implies that they are not meeting their mandate.

4.4.5. Awareness of support services (within /outside Makhanda)

3. Are you aware of any existing SMME support services available both in and outside Grahamstown?

TTG:

Municipal LED office has a SEDA representative coming in once a month to support SMMEs based in Grahamstown...I believe these government driven support structured are not impactful...There needs to be a programme where people are taught how to take advantage of the support services. Everyone registers a business but don't know what to do after. I think the staff (at these entities) don't know how to get the information to the SMME's.

LBB:

Yes, there was one government program during 2009 at the LED offices that gave support (SEDA). They assisted in getting things such as invoice books, business cards and files. Some people got business plans and branding.

KNH:

SEDA sometimes holds workshops on running a business...the Makana LED office and tourism department from Nelson Mandela Bay helped with brochures.... other than that, no.

TTB:

Yes, TEP, SESA, ECDC, Eastern Cape Tourism Board.

BKH:

Only one, a SEDA satellite office which closed down.

EKH:

No, all we know is that help comes from Bhisho, where are not sure where exactly.

MHS:

Only SEDA and the Department of Agriculture.

EHS:

No.

NNB:

No, not aware of any.

NHS:

No.

EBB:

I am aware that there are, such as DTI and others. But I got discouraged when I applied without success.

Half of the participants expressed that they are aware of support services both in and outside of Grahamstown, while the other expressed that they were not. Of those who were aware of these services, SEDA was the main support institution that the participants knew of. All the other institutions /entities mentioned were either government departments, or entities overseen by either local, provincial or national government. Results here are similar to those observed in 4.4.4 above, it seems that other government SMME support institutions are not visible to SMME owners the way that they should be.

4.5. ACCESSIBILITY OF SUPPORT SERVICES FOR BUSINESSES

3.1. Are these support services accessible to you for your business?

TTG

Yes, the ones provided via the LED office, and the SEDA representative who comes once a month.

LBB:

No because I don't know them. SEDA once came and got me in touch with other SMME owners. However I was not successful in getting support from them...TEP also used to come and assisted us at the beginning with workshops etc...but the rest are not.

KNH:

They probably are, but they don't communicate well enough. People don't know about them.

TTB:

No, because they are outside town, making it difficult just going there to enquire because you have to travel because of cost implications. Sometimes they say it must be a group of entrepreneurs. You find that some branches go out and service rural areas, so I'm not sure why the branch that is supposed to service Grahamstown is not servicing the area. The LED office is quite discouraging.

BKH:

If it was still based here it would be accessible, but I have never heard of anyone that got support. It was not visible to business owners.

EKH:

No, they are not.

MHS:

Yes, they are accessible. Previous SEDA business advisor was quite helpful, and was assisting with business cards, logo's etc. It was around 2008.

EHS:

No, but SEDA has come in the past on three occasions to provide training on customer care.

NNB:

No, perhaps they should come to local tourism office and invite B&B owners to present themselves.

NHS:

No, they are not accessible.

EBB:

No, and I don't know anyone who has received assistance from them.

In terms of accessibility of support service, the general feeling among the entrepreneurs was that they are not accessible to them. One participant has indicated that a representative from SEDA is available from the municipal LED office once a month, however, the majority of the participants do not seem to be aware this. With that said, some of the participants have indicated that in the past they have had access to SEDA and TEP, who for some managed to provide support. Some of the participants were also of the view that the institutions providing SMME support services were not doing enough to be visible to SMME owners so that they may be accessible.

4.5.1. Accessibility in meeting industry needs

3.2. To what extent do these support services meet the needs of entrepreneurs in the hospitality industry and particularly in Grahamstown?

TTG:

I think the support structures are great administratively, but on the operational side of the business they're lacking. More than registering and tax certificates, people need to be trained on how to run a successful business.

LBB:

Yes, I used the stationery (business cards, invoice books etc) that I got all that time ago from that support. I still use skills I learnt in the workshops provided by TEP such as payslips for employees.

KNH:

Yes, the ones mentioned from previous experiences and currently...however the challenge as the Kwam group is that we are old.

TTB:

If they are inaccessible it means that they are not meeting the needs...stories of success are few and far between, I've only heard of two people who have received assistance.

BKH:

They don't. I know people who were interested in farming, but LED was unable to assist with funding and referred them to provincial government even though the mandate is to support black farmers.

EKH:

Well usually the officials from Bhisho come to view the establishments to see if everything is up to standard. This is fine as it assists in knowing what B&B standards should be. Further it ensures that business owners are accountable should they get funding so that officials can see that money is being used for properly.

MHS:

They only meet them partially. After the representative from SEDA left, we never got any other assistance. The LED office has also been useful in assisting with CIPRO (present CIPC) and BEE certificates. I have never tried approaching any other places for assistance even though I have heard about them.

EHS:

Maybe they would have had I followed up with things such as business plans etc. The business is registered but does not go to SARS for filing etc.

NNB:

They don't as they are not visible to people.

NHS:

I have not made an effort to find out SMME support services, however even places like SEDA have not made an effort to make themselves known and find out what our needs are.

EBB:

No, I do not know of any people who have benefitted one-on-one. But only heard on TV about youth benefitting makes one aware that something is happening out there. However some of the youth (and elders) complaining that they are not getting support.

The general view held by the participants is that the support services available are not really meeting the needs of entrepreneurs in the hospitality industry. This can be attributed to a number of things, namely, that the entrepreneurs are either not making an effort to find out about support services available or they are not aware thereof; and the institutions are not doing enough to make themselves visible to entrepreneurs as a result, it becomes difficult to for the entrepreneurs to benefit from them.

4.6. CONCLUSION

From the data presented above, it can be seen that females operating in the hospitality industry face a number of challenges. The challenges are not necessarily unique to SMMEs in the accommodation sector, however they are linked to the fact that they participants are black female entrepreneurs, while they are also amplified by environment factors.

Needs that have been identified require external intervention, even though an effort has been made to meet some of them internally. Awareness and access of SMME support institutions that could assist with external intervention is an ongoing challenge. Findings suggest that the

institutions are not communicating and making themselves visible to SMME owners, secondly, these institutions are based in bigger towns such as Port Elizabeth and East London, and as a result getting to them is a challenge as it requires travel and money. As a result of this, these institutions are effectively not meeting the needs of entrepreneurs in the hospitality industry in Grahamstown.

The following chapter is the data analysis and discussion; where the data will be explored further to establish whether findings from this research are similar to other research that has been conducted on tourism entrepreneurs in the hospitality industry. Links will also be made to chapter 2 where existing literature was explored.

CHAPTER 5

DATA ANALYSIS AND DISCUSSION

5.1. INTRODUCTION

The analysis will ascertain the following key themes based on the participants' experiences: a) challenges they face and whether they are linked to the fact that they belong to a particular demographic group of the population and whether the location of the business has an impact on this. In this analysis the researcher explores themes and determine if; a) they are unique to the hospitality industry or not, b) whether they are as a result of internal or external factors, c) identified needs within their businesses require external interventions and support or not, d) existing SMME support services available are accessible, and if so to determine if these meet the required needs for entrepreneurs in the hospitality industry.

5.2. DATA ANALYSIS

5.2.1. Challenges facing entrepreneurs in the hospitality industry

The research participants both in Grahamstown East and Grahamstown West identified the following as the main challenges they face, (that are common among all of them) as entrepreneurs in the tourism industry:

- lack of finance and funding;
- seasonality of business due to Grahamstown being a small town
- lack of property and infrastructure;
- impact of race and the resulting perception on the quality of service
- (dis)advantage of location

In addition to the above, some of the challenges mentioned are; the town is small; there is an oversupply of the B&B in the market; and not enough demand throughout the year. Due to the said challenges, the research participants often have to find other ways to supplement or sustain the business outside the peak periods. The peak seasons include the months of January and February each year when parents bring their children to the local private schools and Rhodes University. During March for the Science Festival, in April for the Rhodes University

graduation. The last week of June and first week of July for the National Arts Festival and in September for the Highway Africa conference.

The demand for accommodation during the National Arts Festival poses a challenge because most residents in Grahamstown rent out their houses to make extra income, regardless of whether they are B&Bs or not. In other words, there is no guarantee that registered B&B owners will secure accommodation bookings at that time, as other competitors have come in.

Seven out of the eleven participants believe that some of the challenges they face are linked to them being black and female. These include; a) occasional cases of subtle racism, where they felt bookings may have been cancelled when potential guests realised they will be booking into a black-owned B&B, b) the legacy of apartheid where guests had the perception that white-owned establishments provided a better service, c) that in terms of finance and capital, white counterparts were better off because of credit ratings (allowing them better access to finance and credit) and, d) a historical family wealth resulting from land and property ownership. The rest of the participants are of the opinion that the challenges have nothing to do with race and gender but rather with the location that guests prefer in the suburban areas including challenges experienced by SMME owners across the board.

Other challenges result from the external environment. The major challenges include the water crisis in Grahamstown, the economy overall, and factors such as government and municipal administration. However, the general consensus is that both internal and external challenges are not particularly unique to the hospitality industry, but are rather applicable to SMMEs in general. This was for a number of reasons, namely, the economy, the water crisis and the perceived difficulties of being a black business owner with less capital and resources compared to white counterparts who are experienced and well established in most industries.

5.2.2. Needs identified in business

The main needs identified by the participants are financial (funding), and infrastructural (property ownership, renovations, extensions). Other needs identified include equipment and staffing needs. The general feeling is that the needs can be met both internally and externally, although external interventions would be welcomed should it be possible.

There are mixed responses regarding which interventions or external support services are needed to meet identified needs. Participants are distinctly aware of SEDA whose mandate is to support and assist entrepreneurs. Beyond that, some research participants believe that either local government or DSRAC should assist them. The over-arching response is that it is either the state or a state-aligned entity they believe has a responsibility to support them with their needs. With that said, most of the participants received some training and workshops from either SEDA or TEP in the past (via the LED office or DSRAC) for the Kwam eMakana project. But in more recent years the training stopped, which makes it difficult for entrepreneurs who are newer to the industry with no previous experience in business.

In addition to training and workshops, none of the participants received any kind of institutional support. Some have tried and were not successful in their application and became discouraged, some have never attempted, and others did not know where to go. The few participants that received help in one way or another indicated that it was from either a public entity, or government department.

5.2.3. Existing SMME support services available

In terms of the existing support services, some participants mentioned being aware of SEDA, the municipal LED office, TEP, ECDC and some government departments and not any others. In terms of accessibility of the support services, the participants largely felt that they were inaccessible for the following reasons: no information about them; geographic location as they are based outside of Grahamstown, or lack of sufficient marketing to put their establishments in the public domain that reaches potential customers.

5.3. THEMES

The challenges that black female B&B owners face, as revealed in the interviews with the research participants, are consistent with findings in literature. The main themes that come up from the interviews are:

- a) Availability of finance and funding
- b) Seasonality of business
- c) Industry dominance by white counterparts and being previously disadvantaged as black women
- d) Internal and external environment support
- e) Inaccessibility and unavailability of support services

These themes are discussed and analysed using literature to support discussions below.

5.4. DISCUSSIONS

5.4.1. Availability of finance and funding

Among challenges mentioned by the participants, the availability of finance and funding was the main and most urgent one. The general view from the participants was that having access to funding would sort out the majority of their problems and enable them to fulfil any other business needs they may have. Access to finance would allow them to re-invest by improving marketing and advertising; upgrading linen and equipment; alternatively making infrastructural changes and property upgrades to their premises to benefit the business. The challenge of finance is not unique to this group of entrepreneurs. This is consistent with a finding by Rogerson (2004b)) that at start-up, challenges faced by black female B&B owners included access to finance, both for marketing and upgrading of premises. Similarly, Allen et al. (2007) and Iwu and Nxopo (2015a) put forward the argument that female entrepreneurs have to deal with poor access to finance, sub-standard infrastructure and regulations that create administrative burdens and costs. This is partly rooted in the fact that traditionally, the South African financial system has traditionally catered for large corporate clients and neglected small enterprises (Herrington et al, 2008). This is evident in the literature when it elucidates that applying for funding through commercial banks tends to be complex due to the required collateral, that some entrepreneurs are unable to provide (Lebambo and Shambare, 2017). As a result of this, start-up capital is usually obtained from retirement pay-outs, savings, personal income and from loans or gifts from family and friends (Rogerson, 2004b; International Finance Corporation, 2020 and UNDP, 2016).

Based on this it evident that the challenge of access to finance and funding is not unique to the research participants, but it is a challenge largely experienced by SMME owners across the board.

5.4.2. Seasonality of business

The second hindering factor that the tourism entrepreneurs and the participants of this research identified is the seasonality of the business. Although the Makana Local Municipality, under which Grahamstown falls, identified the growth and development of the tourism industry as

part of its LED plan (Makana Municipality LED Strategy Part 2, 2009), the research participants are of the view that business is extremely seasonal and mainly picks up during the NAF. Outside the NAF, entrepreneurs rely on hosting parents and families who are bringing their children to the university for orientation at the beginning of the year or either during graduation, alternatively school groups or exhibitors attending the Science Festival. Outside of those peak seasons B&Bs in the town relies on hosting private tourists who are in town for business, work or attending weddings, funerals and so forth. This is consistent with a finding made by Rogerson (2004b) and Rogerson and Nemasetoni (2005) that outside the main urban centres in South Africa (Johannesburg, Durban and Cape Town) bed and breakfast economy is dominated by domestic tourism, as different from the urban centres where international tourism dominates. This domestic tourism mostly revolves around weddings, funerals, business travel and conferences. Unfortunately, because of its rural geographical location, Grahamstown does not have the benefit of attracting international tourists. This goes for both tourism entrepreneurs whose establishments operate in the affluent suburban Grahamstown West and those who operate in Grahamstown East, a township area reserved for black people during the apartheid era. This is in contrast to black owned B&Bs operating in urban areas that benefit from international tourists by virtue of their proximity to bigger city centres. Further, the majority of black owned B&Bs operating in urban areas were found to be operating in the black townships of Soweto (Johannesburg), Khayelitsha (Cape Town) and Inanda (Durban), which indicates that they are integrated into township tourism, and not have to only rely on seasonality to operate.

5.4.3. Role of race and previous disadvantage

While conducting the research, a number of participants expressed that they still experience subtle racism in the industry either from guests or from employees. The latter make the participants feel undermined as employers because they believe the employees would not demonstrate the same attitude to white employers. This is further compounded by the fact that the hospitality industry is largely still white dominated (Rogerson, 2004b; Department of Tourism, 2018), even though it has been more than 20 years since apartheid ended. The views expressed by the research participants speak to the fact that historically, tourism entrepreneurs were predominantly white middle-aged females who were both well capitalised and well established (Visser and van Huyssteen, (1997 and 1999). The legacy of this foundation of tourism entrepreneurs is still quite evident despite the transformation efforts of the tourism

industry. Moreover, some of the participants feel that this legacy has spilled over not only in low service expectations from guests, but in terms of business establishment and reputation, where white owned are already well-established and have a reputation that speaks for itself. Over and above this, some participants felt that access to business support and finance also linked to them being black and being female to some degree, for example getting support from financial institutions requires providing collateral or having a surety. Unfortunately, because the apartheid system sought to disenfranchise black people, it also excluded them from participating in entrepreneurial ventures and made it difficult for them to own property (Lebambo and Shambaro, 2017; Mtshali.Mtapuri. Shamase, 2017). It is for this reason that the research participants are unable to provide collateral or provide surety when applying for financial assistance.

5.4.4. Internal and external environment support

Receiving institutional support from both the public and private sector has been difficult for the entrepreneurs. The majority of the participants have been operating in the sector for a period of 10 years and above, but based on their responses it is evident that support from state entities has dwindled over the years. The majority of the participants indicate that in the early years of their operations, there was some support received from SEDA via the municipal LED office, DSRAC and the TEP. The support received was mainly business skills training, acquiring equipment, bed linen, branding and marketing items. However, in the last 3 – 5 years the support has become less and less. This is slightly different from findings by Rogerson (2004a) that at start-up level, the vast majority of accommodation establishments receive no assistance from any private or public sector organisation. The difference may be attributed to the fact that the Kwam eMakana project was initiated by the provincial government in conjunction with the DSRAC in order to encourage tourism entrepreneurship by Grahamstown township dwellers hence there was involvement from some government entities. Further, it was during that period that the Makana Local Municipality developed its LED strategy (Makana LED Strategy Part 1 & Part 2, 2009), that included tourism development in the area. Consequently, the LED office was proactive in providing support for the participants who were not part of the Kwam eMakana project, which facilitated them receiving assistance through SEDA.

Another issue that came about was that some participants had either reached out to support institutions at one time or another, but the process of trying to get support (namely funding)

was filled with difficult processes and bureaucracy, which resulted in most people feeling disheartened and not pursuing it. Similarly, Iwu and Nxopo (2015a) found that women's business skills were often inadequately nurtured because of a number of obstacles, which include regulations resulting from bureaucracy that goes with administrative burdens and costs. The GEM also found that inefficient government bureaucracy and the regulatory measures on government policy remains a major obstacle in entrepreneurial activity and business growth, notwithstanding the fact that the time taken to complete the necessary procedures to start a business in South Africa makes it difficult for aspiring entrepreneurs (Herrington and Kew, 2016; Ayankoya, 2016).

Further, it was also mentioned that it is also difficult to ascertain whether these support institution do actually assist people since none of their 'success' stories go public in the community, about both hospitality and non-hospitality.

It appears that despite the government policies that are in place to support female entrepreneurship, and the creation of SMME support entities, receiving support is still an issue for entrepreneurs in the accommodation sector. A positive aspect though is that when the participants did receive support, it was from government entities, which indicates that at some point there was some action and interest in supporting entrepreneurs, but as indicated the support has become less and less over the years.

5.4.5. Inaccessibility and unavailability of support services

The general view of the research participants is that SMME support entities are inaccessible and this makes support services unavailable. Half the participants expressed that they were aware of support services available both inside and outside of Grahamstown, but the other half expressed that they are not aware of any. The overall feeling from participants was that the support services are no longer available at all (for those who had previously had access to them and subsequently benefited). Part of the problem mentioned is that these support institutions are based in larger city centres such as Port Elizabeth and East London so to access them has financial implications. As much as the municipal LED office has been helpful, for example in applying for CIPRO and BEE certificates, other than that there has not been much else. It seems as if the municipal LED office is no longer engaging with government SMME support entities that are based in bigger city centres, and neither is the office engaging with local entrepreneurs.

Furthermore, these support institutions are not making themselves visible enough to allow entrepreneurs to know about their existence and accessibility.

The experiences of the research participants regarding support are a cause for concern considering that SMMEs in South Africa have a lower survival rate than in any other country (Herrington and Kew, 2016; Mtshali et al., 2017). Moreover, (black) female entrepreneurs specifically face a unique set of challenges because the majority are unskilled in business management and operations, and they are the main victims of poverty, social prejudice and lack of access to health services and education (Mathapo 2011; Mtshali et al, 2017). Similarly, the professional and the educated minority of black female entrepreneurs have no qualifications, training or work experience related to the tourism and hospitality industry, as a result most of them run their establishments based on their own travel experiences; managing their own households; skills learnt from previous employment or being self-taught (Rogerson, 2005).

The above information shows that it is vital for SMME owners to have access to support services that equip them with the necessary training and coaching required to manage a business. This includes any other essential business skills to ensure longevity of their businesses. Other than that, support services can provide holistic support that could assist with business development and growth. The majority of tourism entrepreneurs including those who participated in this study did so due to perceived market opportunities rather than as a desperate search for survivalist income due to unemployment and retrenchment (Nemasetoni & Rogerson, 2005; Rogerson, 2004b).

It is evident that there is ineffectiveness of the existing government support programmes in supporting emerging black tourism enterprises. This is despite the fact that policies and legislation are in place to support entrepreneurship. Various government departments and agencies have a mandate to support SMMEs. However, there are still gaps that need to be filled. This is attributed to the fact that South Africa still lags behind when it comes to specific policies that focus exclusively on female entrepreneurship and addressing specific issues of women in business (Iwu and Nxopo, 2015a). This lack of efficacy results in physical inaccessibility of support services. The support that they provide is generic and therefore does not fully benefit female entrepreneurs.

5.5. CONCLUSION

This analysis and discussion of the key themes that emerged from the research show that the experiences and challenges of black female entrepreneurs are not unique to this group of entrepreneurs but are consistent with findings presented in literature from previous studies conducted locally and globally.

The majority of entrepreneurs have difficulty, accessing funding to develop their businesses. This is largely due to the cumbersome administrative requirements that go with funding applications. Unfortunately, the majority of black female entrepreneurs do not have credit history or collaterals to secure funding. Equally so, they do not have business financial statements to support funding applications from government institutions, as a result they tend to source their own financing either through saving, pension payouts, or loans from family and friends.

Another challenge in Grahamstown is the seasonality of the business for tourism entrepreneurs. This is despite the fact that the municipality identified the growth and development of tourism as part of its LED strategy. Most tourism entrepreneurs predominantly rely on the NAF and the smaller festivals that happen during the course of the year. Outside of this, are university events like orientation week, graduation and conferences? Out-of-season business opportunities can be rare. This is not surprising given that the majority of the participants alluded to the fact that there was no solid local municipal support despite the municipal LED office's mandate to assist entrepreneurs and developing the local economy.

In spite of the efforts made by government to transform the tourism industry, black female entrepreneurs in this industry still experience racism especially from potential guests. Black entrepreneurs feel that they are held under more scrutiny in terms of the operations and services they provide in their establishments. As indicated previously, this is due to the accommodation sector being historically white-dominated. There has been an increase in black female entrepreneurs getting into the industry since 1994.

Getting institutional support is still a problem, despite the government's efforts to set up institutions that provide support services to entrepreneurs. Findings indicated that support institutions are inaccessible because there are no local offices, but equally so they do not make themselves visible to entrepreneurs. Furthermore, in instances where some of the entrepreneurs

reached out to the institutions they were not satisfied with the level of service that they received, as a result some have become disheartened.

The following chapter will give a conclusion of the research and provide recommendations.

CHAPTER 6

CONCLUSIONS & RECOMMENDATIONS

6.1. INTRODUCTION

In this chapter conclusions are drawn and recommendations are made by the researcher. It should be noted that even though the focus of the research is on the hospitality sector, the findings and recommendations may in some cases be applicable to other industries and sectors given that that sample used was a particular demographic group within the South African population. Therefore, the findings may apply to entrepreneurs in that particular demographic across industries. This chapter will also present an overview of the study and ascertain whether the goals of the study were met or not.

6.2. OVERVIEW OF THE RESEARCH GOALS

The goal of this research was to investigate and identify the specific support services that black female B&B owners require. While the sub-goals were:

- To identify and describe the challenges faced by entrepreneurs operating bed & breakfast establishments in Grahamstown East and Grahamstown West
- To determine the needs of black bed & breakfast owners and whether they require support services
- To establish whether existing support services are accessible to black B&B owners and whether or not they meet the needs of entrepreneurs in this industry
- To provide recommendations on how existing support services can provide further support to entrepreneurs in this sector

The goal and sub-goals of this research were achieved.

The research findings discussed in Chapter 5 identify and describe the challenges faced by entrepreneurs operating B&Bs in Makhanda East and Makhanda West, they also establish the needs of the black female B&B owners. The following are some of the findings highlighted from this study:

- Challenges:
 - Lack of funding and financial support
 - Seasonality of business

- Competition (as a result of over-saturation of market)
- Needs:
 - Funding
 - Infrastructure development
 - Property (for expansion purposes)

It is evident from the findings that support services are required to assist in catering for the needs of the entrepreneurs, however, they are currently unavailable and inaccessible

Through these findings we can claim that black female entrepreneurs who operate B&Bs face a number of challenges which need the intervention of support services. The inaccessibility of these support services has made it difficult for them to receive the support that they need.

6.3. CONCLUSION

It is clear from the study that black female entrepreneurs face a number of challenges, this is despite government intervention over the years to stimulate and support entrepreneurship at large. In spite of the tourism industry being identified as a key area in economic growth and development, there is no provision or support available to meet the specific needs of entrepreneurs in this sector. Based on the literature review, it is quite apparent that the challenges faced by the entrepreneurs who participated in this research are not unique to them, instead similar challenges are found in other countries across the world. However, over and above the common set of challenges they face, they get disadvantaged by being black and female. Such disadvantage is indicated in chapters 1 and 2 as a 'triple oppression' in terms of, race, class and gender which is a larger systematic problem.

6.4. RECOMMENDATIONS

Based on the findings in the literature and the subsequent analysis done with the data, the researcher supports the suggestions and recommendations put forward by Iwu and Nxopo (2015a) to provide a stronger support basis for black female (tourism) entrepreneurs:

- That government have female focused entrepreneurship policies
- Implement a more responsive judicial and legal system that is aimed at addressing women's particular needs and challenges
- Create awareness of the available financial and government support for women (Iakovlesva et al, 2013)

The following are recommended:

1. On administrative processes: A reduction in the cumbersome administrative processes for applications and business registrations. Processes should be minimal yet effective for easy access and processing by entrepreneurs.
2. On funding: More opportunities for alternative sources of funding should be made available to accommodate those without collaterals. Alternatives such as funders having equity in the business or funding SMMEs as part of CSI initiatives should be explored.
3. Providing SMME specific business mentoring where possible, along with providing the relevant business training for the first 3 years of the business. This should include more checks and balances in place to hold both parties more accountable to the programme to ensure that they participate fully for maximum benefit.

Recommendations that were suggested by the research participants included:

- Providing more support for young people wanting to pursue entrepreneurship, and ensuring that they are certain about the sustainability of the business they are pursuing;
- Ensuring that funding that is provided is properly accounted for by SMME owners, to prevent misuse of funds as this may jeopardise SMME funding;
- Exploring black-owned accommodation co-operatives as part of BEE mandate, which may strengthen the position of black-owned B&B establishments in the market. This may assist in:
 - i. building relationships with funding institutions, which may be easier as a collective rather than individual business owners;
 - ii. accessing training and up-skilling one other to ensure that all black-owned business are on par with one other, especially for newcomers in the market.

6.5. LIMITATIONS OF THE STUDY

The first limitation of the study is not having enough research participants to interview within the desired sample for the study.

The second limitation is a possible lack of objectivity on the side of the researcher due to having a family background in this industry, and as such, the researcher may have areas of subjectivity.

6.6. CONCLUDING SUMMARY OF THE STUDY

Chapter one is a background of the study and the context within which the study takes place. It gives the history and evolution of the SMME sector in South Africa and explains the development of the transformative SMME policy framework. It traces how different policies have been adopted over the years since 1994 to transform and grow the economy in terms of ownership and in having more citizens participate in the economic activities. The chapter went on to explore entrepreneurship in South Africa and the position and perception of female entrepreneurship in the country. Following this the tourism and accommodation sector were interrogated to see what role they play in economic development, and the role of entrepreneurs in this sector. Lastly, the emergence of the black-owned tourism economy and the role of woman entrepreneurs in this sector was discussed.

Chapter two reviews the literature that is available on entrepreneurship and black female entrepreneurship. It provides in-depth insight into female entrepreneurship, and the history of the black owned B&B economy in South Africa. It brings to the fore challenges faced by female entrepreneurs globally, and draws parallels to similar challenges faced by female entrepreneurs in South Africa.

Chapter three outlines the research methods used in conducting this study and provides the basis for thematic analysis that is used in the study.

Chapter four presents the findings of the study, and chapter five is an analysis and discussion of the study where links were made with the literature reviewed in chapter two. The findings are discussed in chapter five.

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ANNEXURE A
INTERVIEW QUESTIONNAIRE

Personal / Demographic details:

Name (Pseudonym): _____ Age: _____

Highest qualification: _____

Previous career experience: _____

Business details:

Name (pseudonym) of establishment: _____

Number of years in operation: _____

Location (please tick appropriate box): Grahamstown East ☐ Grahamstown West ☐

1. Please describe the major challenges that you face as a business owner?
 - 1.1. In your opinion, are these challenges linked to the fact that you are a black female?
Please elaborate.
 - 1.2. Are there any other factors in the external environment that bring challenges to you and your business? Please explain.
 - 1.3. Do you think these challenges are unique to the hospitality industry and why?
 - 1.4. How do they differ from SMME's in other industries?
 - 1.5. How does the location of your business contribute to the challenges you are currently facing?
2. What needs have you identified in your business?
 - 2.1. Do you think that these needs can be met internally within the business itself, or do they require external interventions?
 - 2.2. What external support services can meet your identified needs?
 - 2.3. Have you been receiving any kind of institutional support for your business?
 - 2.4. If so, is it from a public or private entity?
3. Are you aware of any existing SMME support services that are available in or outside Grahamstown?
 - 3.1. Are these support services currently accessible to you for your business?

- 3.2. To what extent do these support services meet the needs of entrepreneurs in the hospitality industry?
4. What suggestions would you give to existing support services on how they can further support entrepreneurs in the hospitality industry?

ANNEXURE B

UNIVERSITY ETHICAL CLEARANCE



Rhodes Business School
Leadership for Sustainability

Rhodes Business School
PO Box 94
Grahamstown
6140

2nd May 2018

Dear Dr Mohapeloa and Ms Mdluli

Research Ethics Application: Reference: 2018/02/70

This serves to confirm that on **2nd May 2018**, ethical clearance was recommended by the Rhodes Business School Ethics sub-committee for the research project with the following provisional title: **An investigation of sector specific support services for black female entrepreneurs in the Grahamstown hospitality industry.**

The application was recommended for approval with the stipulation that gatekeeper permission should be obtained before commencing with data collection.

Please ensure that the Rhodes Business School Ethics sub-committee is notified of any substantive changes that are made, for whatever reason, during the research process.

Please note that this application expires on 31 December 2018. A progress report is required in order to renew the approval for the following year.

Yours faithfully,

Prof Noel Pearse
Chair: Rhodes Business School Ethics sub-committee

ANNEXURE C
INFORMED CONSENT FORM



RHODES UNIVERSITY

INFORMED CONSENT FORM
Department: Rhodes Business School

Research Project Title:	An Investigation of sector specific support services for black female entrepreneurs in the Grahamstown hospitality industry.
Principal Investigator(s):	Lukhona Silubonile Mdluli

Participation Information

- I understand the purpose of the research study and my involvement in it
- I understand the risks of participating in this research study
- I understand the benefits of participating in this research study
- I understand that I may withdraw from the research study at any stage without any penalty
- I understand that participation in this study is done on a voluntary basis
- I understand that while information gained during the study may be published, I will not be identified and my personal results will remain confidential
- I understand that I will receive no payment for participating in this study

Information Explanation

The above information was explained to me by: [Lukhona Mdluli](#)

The above information was explained to me in: ☐English ☐Afrikaans ☐isiXhosa ☐isiZulu
☐Other:

and I am in command of this language


OR, it was comprehensibly translated to me by: [name of translator]

Voluntary Consent

I,....., hereby voluntarily consent to participate in the above-mentioned research.

Signature:

OR, right hand thumb print



Date: / /

Witness signature:

Investigator Declaration

I, **Lukhona Mdluli**, declare that I have explained all the participant information to the participant and have truthfully answered all questions ask me by the participant.

Signature:

Date: / /

Translator Declaration

I, [full name of translator], declare that I translated a factually correct version of:

1. all the contents of this document
2. all questions posed by the participant
3. all answers given by the investigator

In addition, I declare that all information acquired by me regarding this research will be kept confidential.

Signature

Date: / /

Notes to Researcher:

- The informed consent must explicitly **exclude** minors and other vulnerable populations that need bystanders