

**THE ROLE OF GOVERNMENT AGENCIES IN EMPOWERING WOMEN-OWNED
SMMEs IN SELECTED MUNICIPALITIES IN THE CAPRICORN DISTRICT OF
LIMPOPO PROVINCE**

BY

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DECLARATION

I the undersigned declare that: THE ROLE OF GOVERNMENT AGENCIES ON EMPOWERING WOMEN SMMEs IN SELECTED MUNICIPALITIES WITHIN CAPRICORN DISTRICT, OF LIMPOPO PROVINCE is my original work and the result of my investigation and research and that it has not been submitted in any part or full for any degree at any other university. All sources have been duly acknowledged.

Signature.....

Date.....

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DEDICATION

This work is dedicated to my late daughter Basetsana, her untimely death has left a void in my life that gave me no choice but to fill it by going back to school. My husband Reggie and two daughters Thabile and Lerato, their words of encouragement ensured that I succeed in my studies. My mother and siblings for being there for me, especially in my hour of need.

To my Lord and Saviour for giving me the strength to go on.

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I would like to take this opportunity to acknowledge and thank:

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My late baby daughter Basie. Your precious memories give me confidence to approach life with courage.

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My daughters, Thabile and Lerato, for ensuring that I am your role model and lay a better foundation for you.

My mother, Manale Mashiane, for being my role model and laying a good foundation for me.

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ABSTRACT

The high unemployment rate in South Africa encourages citizens to be job creators rather than job seekers. It is often said that small businesses hold the key to economic growth. The South African government endeavours to accelerate economic growth, job creation and to address inequalities, through enterprise development and support. It created and enacted laws that seek to create an enabling environment for the growth and support of predominantly black, women, youth and people with disabilities owning small, medium and micro enterprises (SMMEs) and cooperatives.

In ensuring support for SMMEs, the government of the Republic of South Africa promulgated the National Small Business Act (NSBA), Act 102 of 1996, which clearly outlines the support that national, provincial, local governments and private sector entities are compelled to develop and implement - programmes geared towards the support and promotion of SMMEs. Since 1996, these entities have developed programmes and projects that aim to implement support of SMMEs. Similarly, the government agencies that operate in the Capricorn District Municipality (CDM) have developed programmes in support of SMMEs and cooperatives as per the above-mentioned Act.

Most business owners are constantly faced with challenges, especially women-owned SMMEs. The role of government agencies and the implementation of relevant programmes and strategies to empower women-owned SMMEs are explored. Despite the above-mentioned government initiatives, women-owned SMMEs are still facing challenges such as lack of financial support, inadequate infrastructure, access to market and other related problems. These challenges hinder their business initiatives and economic growth in the CDM.

This research contributes to the public discourse regarding empowerment of SMMEs, with particular reference to women-owned businesses, and also to contribute to policy development in the promotion and support of SMMEs. A conceptual framework is also reviewed in the study, regarding the importance of government agencies, SMMEs and women empowerment to the development of the South African economy.

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LIST OF ABBREVIATIONS AND ACRONYMS

SMMEs:	Small, Medium and Micro Enterprises
NSBA:	National Small Business Act
CDM:	Capricorn District Municipality
BEE:	Black Economic Empowerment
GEM:	Global Entrepreneurship Monitor
GDP:	Gross Domestic Product
SMEs:	Small and Medium-sized Enterprises
TVEs:	Township and Village-based Enterprises
SOC:	State-Owned Companies
DTI:	Department of Trade Industry
NEF:	National Empowerment Fund
IDC:	Industrial Development Corporation
SEFA:	Small Enterprise Finance Agency
SAMAF:	South African Micro Apex Fund
NYDA:	National Youth Development Agency
IWF:	Isivande Women's Fund
LEDA:	Limpopo Economic Development Agency
SEZ:	Special Economic Zones
BASA:	Banking Association South Africa
ILO:	International Labour Organisation
RDP:	Reconstruction and Development Program
GEAR:	Growth, Employment and Redistribution
ASGISA:	Accelerated Shared Growth Initiative for South Africa
NDP:	National Development Plan
IDP:	Integrated Development Plan
LED:	Local Economic Development
SEDA:	Small Enterprises Development Agency
IPAP:	Industrial Policy Action Plan
NGP:	New Growth Path
NIPF:	National Industrial Policy Framework
PICC:	Presidential Infrastructure Coordinating Committee
B-BBEE:	Broad-Based Black Economic Empowerment

MDGs: Millennium Development Goals
GWE: Gender and Women Empowerment
BPD: Broadening Participation Division
TWIB: Technology for Women in Business
SAWEN: South African Women Entrepreneurs' Network

CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE PROBLEM

1.1 Introduction

Recent changes in South Africa have exerted pressure on its citizens to change their attitudes towards job creation, economic growth and development. This was the result of the lack of employment in various provinces and local governments. Women too, have been affected by the lack of employment opportunities. To resolve the problem, the government has started programmes to support women who want to embark on business initiatives.

The high unemployment rate in South Africa, encourages the citizens to be job creators rather than job seekers. It is often said that small businesses hold the key to economic growth. The South African government endeavours to accelerate economic growth and job creation to address inequalities through enterprise development and support. It has created and enacted the law that seeks to create an enabling environment for the growth and support of predominantly blacks, women, youth and people with disabilities who own small, medium and micro enterprises (SMMEs) and cooperatives (Mawila, 2015:5).

In ensuring the support for SMMEs, the government of the Republic of South Africa ratified the National Small Business Act (NSBA), Act 102 of 1996, which clearly outlines that national, provincial, local governments and private sector entities are compelled to develop and implement programmes geared towards the support and promotion of SMMEs. Since 1996, these entities have developed programmes and projects that aim to implement the support of SMMEs. In line this Act, the departments and state-owned entities that operate in the Capricorn District Municipality (CDM) have developed programmes in support of SMMEs and cooperatives.

1.1.1 Definition of Concepts

The concepts at the core of the study are explained below:

1.1.1.1 *Small, Micro and Medium Enterprise (SMME)*

Meggison, Byrd & Meggison (2006: 9) state that a small, micro and medium enterprise (SMME), is also known as a “small business”, is any business that is independently owned and operated, is not dominant in its field, and does not engage in many new or innovative practices. It may never grow large, and the owners may not want it to, as they prefer a more relaxed and less aggressive approach to running the business.

1.1.1.2 *Small businesses*

Small businesses include tiny one-person firms as well as firms that have up to 100 employees. In most cases, however, they are drastically different in their structure and operation from large corporations (Longenecker, Moore, Petty & Palich, 2006: 7).

1.1.1.3 *Government or State agency*

According to Macleavy and Gay (2005:8) a government or state agency, often an appointed commission, is a permanent or semi-permanent organization in the machinery of government that is responsible for the oversight and administration of specific functions, such as an intelligence agency. There is a notable variety of agency types. Although usage differs, a government agency is normally distinct both from a department or ministry, and other types of public body established by government. The functions of an agency are normally executive in character, since different types of organizations (such as commissions) are most often constituted in an advisory role—this distinction is often blurred in practice however. A government agency may be established by either a national government or a state government within a federal system. The term is not normally used for an organization created by the powers of a local government body. Agencies can be established by legislation or by executive powers. The autonomy, independence and accountability of government agencies also vary widely.

1.1.1.4 Women empowerment

Mosedale (2005: 252) suggests that women empowerment is “the process by which women redefine and extend to what is possible for them to be and do in situations where they have been restricted, compared to men, from being and doing”.

1.2 Background

Before 1994, the apartheid regime focused its initiatives on white males and other designated groups, such as Indians and coloureds. However, these designated groups received minimal assistance from the apartheid regime, unlike their white counterparts. Blacks and women were not involved in the mainstream of economic growth. Parastatals, such as Eskom, Transnet, Telkom, Land Bank, Post Office and others were manned by white males. Whites were also awarded lucrative tenders from different sectors.

Black women were only regarded as domestic workers, and some were without jobs. It was difficult for women to get business licences. Those who wanted to start small businesses did not get support from either parastatals or other agencies (Nyathi, 2014:8).

After 1994, the democratic government came into power with various programmes to support black women and youth to start their own businesses without collateral. These people are only required to develop business plans to satisfy the requirements of the agencies. Many women have taken advantage of these above-mentioned opportunities which have liberated many black women from poverty and unemployment.

1.3 Problem Statement

Most business owners are constantly faced with challenges, especially women SMME owners. The role of government agencies and the implementation of relevant programmes and strategies in empowering women SMMEs needs to be explored.

In the years before South Africa attained democracy in 1994, the apartheid government methodically excluded most of the black, coloured, Indian and Chinese people from actively participating in the economy of the country.

Despite present day government initiatives, women-owned SMMEs are still facing challenges, such as lack of financial support, inadequate infrastructure and access to market. These challenges hamper their business initiatives and economic growth in the Capricorn District Municipality.

Some of the women-owned SMMEs regard some of the government support through different agencies, meant for exclusive entrepreneurs like Black Economic Empowerment (BEE), with suspicion. In support of this statement, Kruger (2011:207) states that most respondents disagreed with the notion that the adoption of BEE practices would improve the performance of their companies in any of the ten dimensions of business performance listed; overall domestic and global competitiveness, service excellence and client satisfaction, quality and acceptance of products and services, productivity, entrepreneurial spirit, production performance, human development and staff morale, business ethics, sales and access to markets and financial performance.

1.4 Aim

The aim of the study is to explore the role of government agencies in empowering the development of SMMEs in selected municipalities in the Capricorn District, with the emphasis on those owned and managed by women.

1.5 Objectives

The above aim has been achieved through the following objectives:

- To explore the role of government agencies for empowering women-owned SMMEs;
- To identify the challenges that face women-owned SMMEs;
- To identify factors that hinder women-owned SMMEs in succeeding in their initiatives;

- To suggest strategies that can be used by government agencies to empower women-owned SMMEs.

The research questions that follow arise from the above-mentioned problems facing women-owned SMMEs in the CDM:

1.6 Research Questions

The study addresses the following questions:

1.6.1 Main Question

- To what extent do government agencies empower women-owned SMMEs in the CDM?

1.6.2 Sub-Questions

- What are the challenges faced by women-owned SMMEs?
- What factors hinder the success of women-owned SMMEs?
- What strategies can be developed by government agencies to enhance the empowerment of women-owned SMMEs?

1.7 Significance

The study of the role of government agencies for women empowerment will assist the stakeholders in the following ways:

- The study will assist the stakeholders to realise the role of government in the empowerment of women-owned SMMEs.
- It will assist stakeholders to identify challenges faced by women-owned SMMEs in the area of study.
- It will assist the stakeholders to identify factors that hinder the success of women-owned SMMEs.

- The study will also assist the government to develop relevant strategies that can be used to empower women-owned SMMEs in the area of study.

Lastly, the study will contribute to the public discourse regarding the empowerment of women-owned SMMEs and policy development related to SMMEs.

1.8 Research Methodology

Moodley (2001:30) attests that research methodology is a “systematic process of collecting and logically analysing information for some purpose”. In this study, the researcher reviews relevant documents such as government policies, Acts of Parliament, research articles and other related literature. These sources of information are supplemented by empirical research and semi-structured interviews. These methods and techniques are discussed in full in Chapter 3.

1.9 Outline of the Study

The research outline includes the following:

Chapter 1: Introduction and Background

An orientation to the background of the problem, purpose of the study, research questions and significance are presented. This chapter includes an outline of the study.

Chapter 2: Literature Review

The chapter serves to locate the present study within the existing body of knowledge and reviews literature related to SMMEs and the empowerment of women by the government.

Chapter 3: Research Design and Methodology

The research design, methods and research techniques are described and outlined in this chapter.

Chapter 4: Data Collection, Analysis and Discussion of Results

Data collected from the participants is analysed and interpreted.

Chapter 5: Conclusions and Recommendations

This chapter includes an overview of the study, findings, recommendations, limitations and recommendations for further research and conclusion.

1.10 Conclusion

In this chapter, the background to the problem of the role of government agencies in the empowerment of women-owned SMMEs in the CDM is presented. The purpose of the study, significance of the study and the outline of the study are also presented.

In chapter two (2), literature on government agencies' role in empowering women-owned SMMEs is reviewed and discussed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this study, the researcher seeks to review literature related to the role of government agencies in empowering women-owned SMMEs. A conceptual framework of the importance of agencies, SMMEs and women empowerment in the development of the South African economy is reviewed. This is followed by a critical analysis of research and literature. This, places the current study in an appropriate context in terms of the research questions stated.

Since the dawn of democracy, the South African government has identified the SMME sector as a route for addressing some of its basic economic development goals. Those basic goals are job creation, poverty alleviation, equity and participation, wealth creation, and social stability. With the inability of the public and private sectors to productively absorb all the current labour force, the SMME sector is seen as a means of mopping up the excess labour (Kingdon and Knight, 2007: 2).

2.2 Entrepreneurship and SMME as a concept

“In recent years, researchers have proposed entrepreneurship as the critical solution to South Africa’s high unemployment and unsatisfactory level of poverty. They argue that South Africa needs to absorb a culture of entrepreneurship as it provides the engine for innovation and growth which creates jobs and alleviates poverty”, (Dlamini, 2004: 13). In 2006, a study conducted by the Global Entrepreneurship Monitor (GEM), the largest and most rigorous longitudinal study of entrepreneurship in the world, ranked South Africa low on entrepreneurial activities when compared with other developing countries such as Peru, the Philippines, Thailand, Chile, India and Argentina. The study states that only 5,29% of South Africans aged between 18-64 years were actively involved in starting or managing a business which they wholly or partly own and which is less than three-and-a-half years old. “This means that only five out of every 100 South African adults own or manage their own businesses, compared with other developing countries such as Peru, the Philippines, Thailand,

Brazil and Argentina, where more than 10% of the adult population own or manage an established business”, (Maas, Court, & Zeelie, 2001: 27).

2.3 The need for and roles of SMMEs in Socio-Economic life

2.3.1 The importance of having SMMEs in our economy

Small businesses are created to serve a purpose in different parts of the world, including South Africa. One of the objectives is to add value to the South African economy. These small businesses work together to generate the wealth that contributes greatly to the Gross Domestic Product (GDP) in South Africa. To enhance the impact of SMMEs on economic development, the South African government has developed the following key strategic objectives for SMMEs:

- The state established a conducive climate for SMMEs.
- The policy of equal distribution of income and opportunities to create wealth was implemented.
- The state enhanced the cohesion and the quality of SMMEs in South Africa.
- The SMMEs were equipped to comply with the challenges of the world competitive market.
- A process was put in place to address the legacy of apartheid-based disempowerment of the SMMEs.
- This process was intended to support the advancement of disadvantaged groups, in all business sectors.
- The state established long-term jobs.
- SMMEs were supported and stimulated to improve economic development.
- The gap between bigger and small businesses, for example, between rural and urban SMMEs, was minimised (Nieman, Hough & Nieuwenhuizen, 2007:166).

SMMEs have created more jobs in South Africa. Statistics South Africa (Stats SA) confirms that more people are employed by SMMEs than in large businesses. In 2001 more than R2100 million was made and accrued by this sector alone (Stats SA, 2013).

The above-mentioned sector also assists the country to reduce the high unemployment rate in South Africa. This stood at between 30 and 41 percent in 2002 (Rwigema & Venter, 2005:10).

To show its significance in the South African economy, 3.3 million South Africans are trying to make their living through informal sector (South Africa, 2003:4). Many are taking up informal trading as a last resort. Most of these traders are between 15 and 34 years old. These are young people who are trying to earn a living in the above-mentioned sector (Stats SA, 2010:18).

The above examples show clearly that small-scale businesses have an impact on employment and wealth creation. From the above statement, it is evident that SMMEs contribute significantly to both economic growth and development in South Africa. To support the above information Nieman (2006:14) attests that the SMME sector contributed to more than 55.9% of employment than the public sector. He further states that other small companies, including retailers, were the major contributors to job creation. The contribution of SMMEs to employment plays a significant role in the economic growth and development in South Africa.

2.3.2 The importance of SMMEs to the GDP

According to Malagas (2003:35) SMMEs contributed to 36.1% of the GDP in 2002. SMMEs in agriculture, building industries, transport storage, communication and the tourism sector also contribute greatly more than 30% of the economic development. All these services are offered by SMMEs in the South African economy.

Marx, Van Rooyen, Bosch and Reynders (2009:730) outline the following importance of SMMEs to business management and economy:

- ***Management experience***

SMMEs are also empowered in management which means that they will be able to lead medium and large enterprises at a later stage. This process can indirectly contribute to economic growth and development.

- ***Innovation***

Small enterprises present opportunities that enable them to transform and to enhance economic development.

- ***Interdependence***

Large enterprises often depend on small business enterprises and vice versa. The relationships between the two sectors contribute to economic growth. For example, the sub-contract work of SMMEs to large companies creates employment. This in turn contributes towards economic growth and development.

- ***Employment***

SMMEs are regarded as the most important source of employment. This sector creates more jobs than large enterprises. Employment leads to economic growth and job creation.

- ***Effectiveness of SMMEs***

It has been found that SMMEs are more effective than some well-established enterprises. SMMEs have a higher rate of return than big manufacturing enterprises.

- ***Small enterprises keep larger enterprises competitive***

Smaller enterprises cannot always beat large enterprises in terms of cost, however, SMMEs are known for adapting rapidly to consumers' needs. This process assists the economy to grow rapidly.

- ***Small businesses develop risk takers***

The owners of SMMEs can join or leave the business sector at any time. The managers of SMMEs accept risk more quickly than those in large companies. This process enables SMMEs to move quickly to other ventures rather than staying in one company without profit. Profit making always contributes to economic growth and development.

From the above information, Marx et al (2009: 731) state that it is evident that SMMEs play an important role in the growth and development of the South African economy. They contribute to both employment and the increase of GDP in the South African

economy. If the above sector can get enough financial support, it can grow into bigger enterprises in South Africa. This calls on both the public and private sectors to give enough support to SMMEs to accelerate economic growth in South Africa.

2.4 Small Businesses

Wikipedia describes small businesses as privately owned corporations, partnerships, or sole proprietorships that have fewer employees and/or less annual revenue than a regular-sized business or corporation. What businesses are defined as "small" in terms of being able to apply for government support and to qualify for preferential tax policies varies, depending on the country and industry. Small businesses range from fifteen employees under the Australian *Fair Work Act 2009*, fifty employees according to the definition used by the European Union, and fewer than five hundred employees, to qualify for many United States Small Business Administration programs. While small businesses can also be classified according to other methods, such as annual revenues, shipments, sales, assets, or by annual gross or net revenue or net profits, the number of employees is one of the most widely used measures.

Small businesses in many countries include service or retail operations such as convenience stores, small grocery stores, bakeries or delicatessens, hairdressers or tradespeople (e.g., carpenters, electricians), restaurants, guest houses, photographers, very small-scale manufacturing, and Internet-related businesses such as web design and computer programming. Some professionals operate as small businesses, for example, lawyers, accountants, dentists and medical doctors (although these professionals may also work for large organisations or companies). Small businesses vary a great deal in terms of size, revenue and regulatory authorisation, both within a country and from country to country. Some small businesses, such as a home accounting business, may only require a business license. On the other hand, other small businesses, such as day care facilities, retirement homes and restaurants serving liquor are more heavily regulated, and may require inspection and certification from various government authorities.

2.4.1 Entrepreneurship and Small Business Globally

Small businesses are core to America's economic competitiveness. Not only do they employ half of the nation's private sector workforce – “about 120 million people – but since 1995 they have created approximately two-thirds of the net new jobs in our country” (Mills and McCarthy, 2014: 3).

2.4.1.1 Entrepreneurship and Small Business in Canada

According to (Reuber, Business & Branch, 2010: 3) “entrepreneurs have always existed in Canada. From the earliest days, aboriginal people traded among themselves, and when Europeans arrived on these shores, a lucrative global fur trade was launched. Vast fortunes were later amassed by Canadian entrepreneurs who have become household names, such as Roy Thomson, Timothy Eaton and John Molson. But in recent years, more people than ever are becoming, or thinking of becoming, entrepreneurs”. What are the reasons for this trend? Three stand out:

- The implicit understanding between employers and employees has changed. In the past, people expected to be retained as employees as long as they did their jobs. Recent economic downturns, though, have been accompanied by downsizing and people want to regain control over their pay cheques by starting their own businesses.
- People, especially younger people, increasingly prefer an independent lifestyle. They want to do work they like and have autonomy over their hours and working conditions.
- Entrepreneurs have become influential. Canadian entrepreneurs are celebrated in their communities and in the media, and, in an age where people are cynical about many public figures, they are becoming new role models.

Entrepreneurial activity, though, is not just good for entrepreneurs themselves. It benefits all Canadians. Entrepreneurship is a powerful force driving innovation, productivity, job creation and economic growth. Countries with a high level of entrepreneurial activity tend to be better off economically. At the same time, entrepreneurship is challenging. Young firms face uncertain markets, unproven technology, and uneven organisational processes. The fate of entrepreneurial firms is

at least partially determined by characteristics of the business environment, such as access to finance, access to international markets and consumer spending power. Individual entrepreneurs have little control over these characteristics. As a result, the survival rate of young firms throughout the world is low, and the proportion of firms with high-growth rate is even lower.

“Given the significance of entrepreneurship to Canada, it is important to understand how well Canadian entrepreneurs are meeting these challenges. How does Canada fare in comparison with other countries, and how is this changing over time?” Opinion on the matter is divided. For example, while a recent study of Canadian competitiveness suggests that we lack ‘entrepreneurial ambition’ as a nation, a study published in 2006 by the Danish government identifies Canada as one of the top countries in terms of entrepreneurial activity. Which of these assessments paints a truer picture of Canada’s entrepreneurial activity? This is the question that has prompted this report (Reuber et al, 2010: 4).

2.4.1.2 Entrepreneurship and Small Business in China

Over the past 25 years, the direction and extent of small business development in China can be viewed as indicative of the impact that entrepreneurship can have upon the socio-economic transition of a country, from a relatively closed and stagnating economy to sustainable growth and dynamic industrial expansion. It is well documented that small and medium-sized enterprises (SMEs) have become a major driving force in China’s unique brand of economic growth (Li & Matlay, 2006:248).

The contemporary form of Chinese entrepreneurship originated from a variety of sources. The dominating forms during the 1980s were the township and village-based enterprises (TVEs), which were supported by local governments. A second form of entrepreneurship involved the activities of private entrepreneurs who set up either small family-based businesses (with fewer than six employees) or private enterprises (employing six or more individuals). There also existed small state-owned enterprises that were taken over by entrepreneurs through ‘subcontracting’ or ‘management buy-outs’. Other small-scale entrepreneurial activities co-existed in the form of joint ventures and shareholding cooperatives. To determine how and why entrepreneurship in China has grown and developed from such modest beginnings during the 1980s to

its present scale and impact, will require an empirically rigorous approach to this rapidly expanding topic (Li & Matlay, 2006:249).

China's recent path to growth and development has proved to be distinctive and SMEs appear to have been a major driving force in this country's "economic miracle". In this context, industrial and collective enterprises, as well as TVEs, emerged as dominant players in the new Chinese economy (Li & Matlay, 2006:249).

According to Li & Matlay (2006:250) the emergent fiscal contracting system appears to have provided a fertile economic foundation for rapid, local government-led economic growth, by giving officials both the incentive and the investment funds to become effective promoters of localised entrepreneurship. This underlines two important aspects of potential economic growth:

- That entrepreneurial behaviour is not solely the domain of private businesses.
- That there is a close link between entrepreneurial behaviour and motivation, in both private and public organisations.

The Chinese experience highlights the importance of creating "bottom up" development capacities in growth-oriented entrepreneurial outlets by placing key actors and stakeholders in leadership roles. From a leadership position, they can develop and implement new and/or innovative strategies, behaviours and organisational forms in an embedded "way of doing things", to work together more efficiently and profitably (Li & Matlay, 2006:250).

Recent research on entrepreneurship and small business development in China has provided a wealth of empirically rigorous results on a variety of pertinent issues. Some of the research attempts to build a generic theory of entrepreneurship and small business development that would apply specifically to the Chinese economic phenomenon. During our review of research studies pertinent to this topic, it became obvious that there is a bias towards an institutional perspective on Chinese local entrepreneurship. The 'local entrepreneurial state' theory, and the related 'local state corporatism' approach identifies decentralisation as the main source for local

empowerment. In turn, local empowerment is construed as the main motivating factor that promotes local entrepreneurship involving multiple stakeholders. “This theoretical model also identifies both the micro-economic conditions and the likely causal links that impact upon community-based resource mobilisation for new venture creation and risk-sharing” (Li & Matlay, 2006:258).

2.4.2 Small Business in Africa

Obeng & Blundel, (2015: 1) indicate that enterprise policies play a central role in economic development across Africa, but more effective, evidence-based policy evaluation is required to inform future interventions.

2.4.2.1 Small Business in Ghana

SMEs in Ghana provide about 85% of the manufacturing employment of Ghana. They are also believed to contribute about 70% to Ghana’s GDP and to account for about 92% of businesses in Ghana (Abor & Quartey, 2010:218).

According to a recent study by Obeng & Blundel, (2015: 5), it is estimated that Ghana has about 2.3 million non-farm enterprises, and that about 99.4% of these enterprises fall within the category of micro enterprises (Masakure, Henson, and Cranfield 2009: 417). In 2006, Ghana was ranked among the top 10 reformers on the ease of doing business by the World Bank and International Finance Corporation, with the most recent indicators suggesting a steady improvement in the business environment for entrepreneurs over the last five years (World Bank 2006: 2; World Bank 2010: 6). However, Ghana still faces many challenges in promoting more economically, socially and environmentally sustainable forms of entrepreneurial activity, particularly, in relation to promoting the growth of ‘informal sector’ enterprises, while also respecting traditional values (Dia 1996: 155).

The study by Obeng & Blundel (2015) has conducted a comparative analysis of business support policies focusing on the reasons for non-use of external support services by small firms in Ghana. In doing so, it has addressed the broader question of how enterprise policy interventions might be enhanced by developing appropriate evaluation techniques, grounded in the relevant literatures. Many of the survey results for the reasons for non-use of the National Board for Small-Scale Industries (NBSSI)

and Empretec (the Empretec Ghana Foundation - a broad product portfolio organisation) services reflect the findings of studies conducted in other countries (Gorman, Hanlon, & King 1997: 70).

The main reasons given for non-use of service, which included a lack of awareness about the existence of services, the high cost of service fees, and support not relevant to their needs, may appear unsurprising from a developed country perspective. However, it makes an important contribution as one of the first detailed surveys to evaluate this aspect of small business support service provision in an African context. This exercise also encourages critical reflection on the design of enterprise policy evaluation methodologies. It has demonstrated the value of quantitative approaches in countries that still lack detailed, reliable, comprehensive and current small firms' datasets. However, though the survey reveals interesting patterns in the data, the interview evidence indicates the presence of complex influences, which are unlikely to prove amenable to large scale quantitative methods. Surveys should therefore be one element in an evaluation design, which could be more fully integrated with in-depth, ethnographic approaches to probe the underlying causal factors. The use of an 'other reasons' category, in combination with the face-to-face interviews, enabled respondents to indicate some of the distinctively Ghanaian influences, ranging from reputational issues and perceptions of government interference in the work of some public support agencies to the fear of losing trained staff. Ghana's geography and transport infrastructure were also significant influences, with businesses located in the small towns being more likely to indicate 'lack of awareness' as major barrier, as compared to their counterparts in conurbations. Education is another area with resonances in Ghana, where resources are constrained, and demand is outstripping capacity (Obeng & Blundel, 2015: 12).

2.4.2.2 Small Business in Kenya

The Informal Sector is increasingly viewed as an important engine for employment creation and economic growth. This has been necessitated by the increasing awareness of the government that large projects in the industrial sector are less likely to generate the requisite employment opportunities, given the high capital-intensity of output in the sector. The role of finance has been viewed as a critical element for the performance of small and medium-sized enterprises. The solution for solving

problems of economic growth in developing countries often resides in the performance of small scale industries. It is expected that the gains to be derived from the establishment of small-scale industries will be translated into the generation of employment at a low investment cost. The focus of the study by Kinyua (2014: 80) was on the factors which affect the performance of SMEs in the Jua Kali sector of Kenya.

The term “informal sector” was popularised by a 1972 study of Kenya, but Kenyans have another term for the sector: Jua Kali, literally “under the hot sun” (ILO, Geneva 1972: 5). It is indicative of the severe conditions under which micro-entrepreneurs and their employees labour. This unstructured sector has emerged because of the incapacity of formal, regulated industries to absorb new entrants. The Jua Kali sector encompasses small scale entrepreneurs and workers who lack access to credit, property rights, training, and good working conditions. Originally restricted to artisans, the term has come to include many professions, including auto mechanics and market vendors. Some studies estimate that informal businesses account for 35-50% of GDP in many developing countries. Similarly, in Kenya, the informal sector is quite large, estimated at 34.3% and accounting for 77% of employment statistics. Over 60% of those working in the informal sector are the youth, aged between 18 and 35 years, and 50% of these are women. The first 1993 SME baseline survey revealed that there were approximately 910,000 SMEs, employing up to 2 million people. The second SME baseline survey (1995), estimated the size of the SME sector at 708,000 enterprises employing up to 1.2 million people. Compared to the other sectors of the economy, the contribution of the SME sector to the country’s GDP increased from 13.8% in 1993 to over 18% in 1999, (Sessional Paper No. 2 of 2005). Currently, it is estimated that the contribution to the GDP by this sector stands at over 25% (Economic Survey, 2012) (Kinyua, 2014: 81).

In Kenya, the Jua Kali as an informal sector, was traditionally run in the form of small industries in a few African homes which mainly dealt with blacksmithing activities. The advent of the Asian community to Kenya at the turn of the last century, marked the gradual shift of 'home-based' Jua Kali activity to urbanised enterprises. Among the initial urban Jua Kali enterprises introduced were motor-mechanics, carpentry, masonry, tinsmithery and blacksmithery. With time, the indigenous Kenyans soon

entered the market and gradually expanded the industry by producing a wide range of such items as jikos (braziers), cooking and frying pans, steel windows, tin lamps, motor spares and leather artefacts. Today the Jua Kali industry represents an enormous conglomeration of products in many towns and villages across the Republic of Kenya. Despite the critical role played by the small enterprise sector, it is faced with numerous challenges and constraints that include unfavourable policy, access to financial services and markets, inadequate business know-how and linkages with large enterprises, gender inequality, job quality deficits, limited access to information, impact of the HIV/AIDS pandemic and unsatisfactory occupational health and safety standards. These constraints have not been well-addressed resulting in a weak base for industrial take-off and sustainable development. Nevertheless, the field of small businesses remains attractive because the creative enterprising individual likes to be independent and be in control of action and issuing instructions (Sessional Paper No. 2; 2005). Access to finance has been identified as a dominant constraint facing SMEs (Kinyua, 2014: 81).

2.4.3 Small Business in South Africa

Abor & Quartey (2010:218) indicate that in the Republic of South Africa, it is estimated that 91% of the formal business entities are SMEs. They also contribute between 52 to 57% to GDP and provide about 61% of employment.

The most widely used framework in South Africa is defined by the NSBA. It defines five categories of businesses in South Africa. The definitions use the number of employees (the most common mode of definition) per enterprise size category combined with the annual turnover categories, the gross assets excluding fixed property. The definitions for the various enterprise categories are as follows:

- Survivalist enterprises: The income generated is less than the minimum income standard or the poverty line. This category is considered pre-entrepreneurial, and includes hawkers, vendors and subsistence farmers. (In practice, survivalist enterprises are often categorised as part of the micro-enterprise sector).

- Micro enterprises: The turnover is less than the VAT registration limit (that is, R150 000 per year). These enterprises usually lack formality in terms of registration. They include, for example, *spaza* shops, minibus taxis and household industries. They employ no more than 5 people.
- Very small enterprises: These are enterprises employing fewer than 10 paid employees, except mining, electricity, manufacturing and construction sectors, in which the figure is 20 employees. These enterprises operate in the formal market and have access to technology.
- Small enterprises: The upper limit is 50 employees. Small enterprises are generally more established than very small enterprises and exhibit more complex business practices.
- Medium enterprises: The maximum number of employees is 100, or 200 for the mining, electricity, manufacturing and construction sectors. These enterprises are often characterised by the decentralisation of power to an additional management layer (Abor & Quartey, 2010:218).

2.5 Different types of Business Entities in South Africa

In May 2011, the Companies Act No. 71 of 2008 was introduced, replacing the Companies Act of 1973 and the Close Corporations Act of 1984. Entrepreneurs initiating new start-ups should be aware of the different types of business entities under which they can now operate.

2.5.1 Profit versus non-profit organisations

The Companies Act 2008 distinguishes between profit and non-profit companies. A non-profit organisation is incorporated for public benefit, and its income and assets are not to benefit the organisation's stakeholders, but rather used to pursue the organisation's charitable goals. Profit companies, on the other hand, exist to generate a profit for their stakeholders.

The Companies Act 2008 specifies the following profit business entities:

- Sole Proprietor
- Private Company – (Pty) Ltd
- Personal Liability Company – Inc.

- Public Companies (Ltd.)
- State Owned Companies – SOC

Below is a description of each of these business entities in further detail:

Sole Proprietor – the simplest of business entities, a sole proprietor, trades under its own name, with no separation of assets and liabilities. For example, Joe Soap, an accountant, trades as Joe Soap Accountants. There being no separation between Joe Soap's personal assets and liabilities and those of his business, Joe Soap Accountants, he benefits from all the profits and assets accumulated through his business. However, he is also held personally liable for any debts that the business incurs. In other words, his sole proprietorship does not enjoy limited liability.

Unlike sole proprietorships, the following business entities are distinct juristic persons, with separation between the assets and liabilities of the owners/shareholders, and those of the company. In other words, they do enjoy limited liability.

Private Company, or (Pty) Ltd – this business entity may be founded and managed by just one director (known as a One-Man Company), and must have at least one shareholder, but no more than 50. For example, Soap Accounting Services (Pty) Ltd.

Personal Liability Companies (Inc.) – are business entities in which both current and previous directors may be held jointly and severally liable for any debts and liabilities which occur during their time in office. This form of business enterprise is most often used for firms of professionals, such as doctors, lawyers and accountants.

Public Companies (Ltd.) – are business entities which issue shares and are often listed on a stock exchange. Public companies are liable to shareholders and management is invested in a Board of Directors. For example, Joe Soap takes his company public, and sells shares on the Johannesburg Stock Exchange. He names this business enterprise Soap Enterprises Ltd.

State Owned Companies (SOC) – are business entities which are either state-owned, like Metrorail, or owned by a municipality, like eThekweni Electricity.

2.6 Factors that influence the management of SMMEs

2.6.1 Internal factors

Mawila (2015:8) outlines the internal factors as follows:

- ***Managing Finance***

Financial managerial skills assist SMMEs to develop successfully within the market economy. Organisational development depends on the way the managers of SMMEs channel their resources in the business environment. If funds are well channelled towards business activities, this leads to smooth operational activities, which in turn lead to increased productivity.

- ***Adequate Capital Funding***

Most SMMEs use funds from their savings accounts, family members and loans from friends. These sources of funding make it difficult for them to operate their businesses. As a result, they call on other agencies to help them.

- ***Marketing Management***

Some SMMEs do not know how to access and to choose the target market for their products. For them to succeed, they need to develop a market mix, to achieve their goals in the market environment.

- ***Operational Management***

This revolves around the creation of goods and services. It involves the activities of the production system that transform inputs into finished goods and services.

- ***Talent Management***

The prime objective of talent management is to recruit, appoint and retain good employees with the relevant qualifications to achieve the intended goal of the organisation.

- ***Regulatory Requirements***

SMMEs need to know all the procedures and requirements, to register their businesses in a legal and professional manner. All the acts and laws associated with registrations need to be properly followed before their businesses can be recognised as legal entities.

- ***Business Skills and Adequate Business Knowledge***

Entrepreneurship is needed to enhance development of the business. Entrepreneurs with irrelevant managerial skills create more problems than solutions in organisations; hence entrepreneurial skills are required to deal with the various challenges of the business.

- ***Competent Entrepreneurs***

In-service training and relevant education can always support and enhance the competency of the entrepreneurs.

- ***Governance and Sound Political Development***

Corporate organisations need a good political climate to start and manage their businesses. Hostile environments lead to challenges to businesses and economic growth.

- ***Economic Variables***

Unstable economic challenges affect the smooth running of SMMEs. Businesses cannot operate if there is instability in the labour market, or the society.

- ***Reserve Bank and Fiscal Policies***

SMMEs are compelled to change their prices because of the inflation rate in the country. This may impact negatively on monetary systems and the exchange rate with foreign currencies. These anomalies negatively affect both consumers and entrepreneurs in the competitive market.

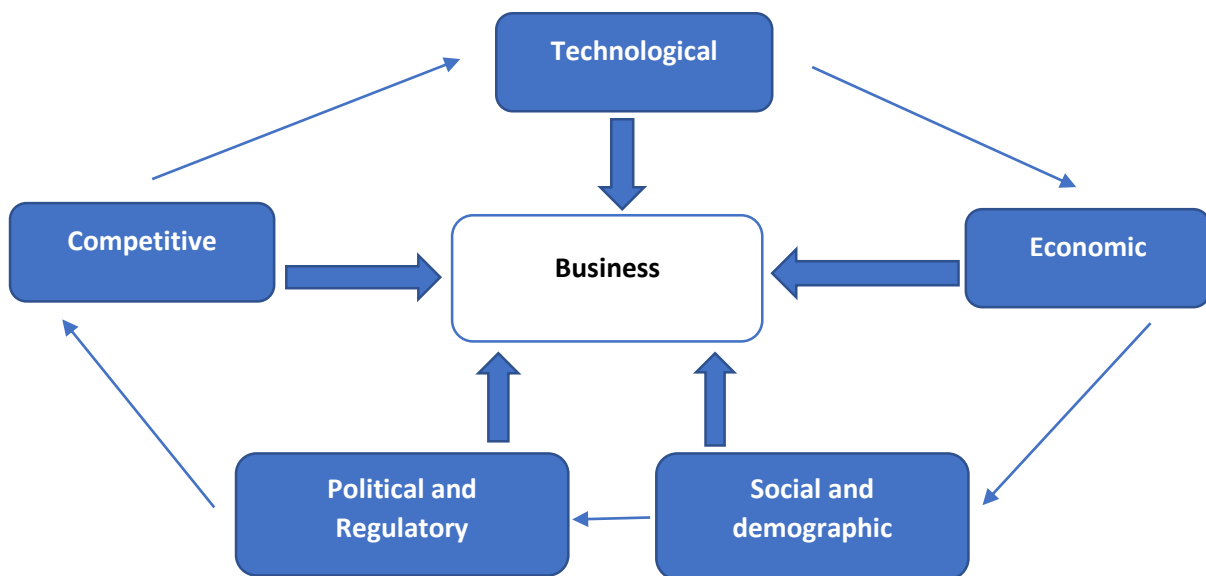
- ***The Expansion and Development of Economic Wealth***

The growth and contribution to the GDP can determine the size of economy in the country. SMMEs must be given a conducive and favourable environmental climate,

to operate freely in. This will result in a greater contribution to the GDP and positive economic growth of the country.

2.6.2 External factors

Figure 2.1 External Market Forces



Nyathi (2014:9)

2.6.2.1 Economic

- Enterprise growth and development
- Fiscal policies
- Reserve Bank and its inflation rate
- Lack of jobs and relevant skills
- Monetary system and foreign exchange
- Taxation
- Economic transformation (Nyathi, 2014:6).

2.6.2.2 Governance and Public-Sector Management Variables

- Fiscal policies and taxes
- The legal systems and interference
- Administrative structures and leadership

- Non-adherence to budgetary rules
- Lack of citizenship and understanding to government operation
- Political instability and hostility
- Societal issues and values
- Lack of enough space and accommodation for new businesses
- Lack of financial support to grow business
- Neither businesses nor community members have internet in their locality
- Lack of relevant skills in the labour market
- Lack of awareness related to economic realities and assistance
- High rate of delinquency and transgression law
- High mortality rate and poor health
- Lack of diversity and cultural management (Nyathi, 2014:6).

2.7 Different opportunities that can assist in the success of SMMEs

Opportunity refers to a range of favourable conditions which are, or which will generally be present in the market macro-environment and which stimulate effective exploitation of the opportunity (Marx, van Rooyen, Bosch and Reynders, 2009:42).

There are different variables that contribute to the development of SMMEs in various countries (Labuschagne, Nieuwenhuizen and Kroon 2001:132). Most SMMEs have gained a lot from the above factors. Some opportunities that may assist the SMMEs grow in their sphere of operation:

- SMMEs create more important employment opportunities than larger business organisations. This means that SMMEs have a greater positive impact on job creation and sustainable livelihood.
- The work of scholars proves that SMMEs have improved the social standing and the dignity of the people.
- SMMEs create changes to improve the lives of human beings. Entrepreneurs in this sector bring innovation from the traditional industries to the current knowledge-based economy.

- The success of SMMEs leads to new ventures and industrial growth and development. Those with resources can move from small or medium businesses into larger businesses.
- Many SMMEs have been developed by entrepreneurs who are in turn managing large industrial sectors today. Sub-contracting leads to SMMEs having a good relationship with bigger industries, hence the creation of more employment.
- SMMEs play a pivotal role in attracting businesses to South Africa and creating jobs for people in the country. This sector encourages people with new ventures to be more entrepreneurial (Labuschagne, Nieuwenhuizen and Kroon 2001:132).

Apart from the above-mentioned opportunities, there are also certain risks that SMMEs face in their day-to-day operations. The DTI (2002:6) outlined the risks that may be encountered by SMMEs.

2.8 The risks that may be encountered by SMMEs in their sphere of operation

2.8.1 Risks faced by SMMEs:

According to the DTI (2004: 4) most SMMEs survive for fewer than four years. Nyathi (2014:8) claimed that SMMEs do not last longer in most developing countries because of various challenges, as well as the lack of financial support. Lack of access to finance and poor profitability are at the top of the list of reasons why SMME close shop. The Reserve Bank interest rate is a risk to SMMEs.

In accordance to the above, Rwigema and Venter (2004:57) regard the following as risks that may be encountered by SMMEs:

- Financial risk
- Career risk
- Family and social risk
- Psychological risk.

Apart from the above-mentioned risks, there are also challenges that need to be taken into consideration by managers of SMMEs. The next section outlines some of the challenges that can be experienced by the small business managers.

2.9 Challenges faced by SMMEs in their sphere of operation

Despite of the positive contributions that SMMEs make in the economy, they may fail because of many reasons. These reasons include the following:

- Inadequate financing
- Lack of business knowledge
- Poor management
- Inadequate planning
- Inexperience (Megginson, Bryd & Megginson, 1994:15).

Fatoki and Garwe (2010:729) divide the challenges into two factors: External factors (challenges), which include the following:

- Financial constraints
- Management, and

Internal factors such as:

- Economic factors
- Market
- Infrastructure

Bowen, Marara and Mureithi (2009:22) cited competition, insecurity, debt collection, lack of working capital and power interruption as the main challenges that cause small businesses to fail to prosper.

The DTI, in its evaluation of SMMEs after ten years of democracy in the country identified the following challenges:

- SMMEs need to be acknowledged for their positive contribution. They need to be supported to improve their impact.
- SMMEs need to be aware of all the agencies that are available to support their businesses. For them to survive, they need to know various logistics and various support mechanisms.
- The state should give assistance to all SMMEs, regardless of their location. The distribution of resources should be equal for all entrepreneurs in various regions.
- State agencies should distribute funds according to the needs of different SMMEs in various provinces. Gender equality and equity also needs to be taken into consideration when state funds are to be distributed.
- Most SMMEs do not get the assistance from banks because of a lack of collateral.
- Most officials do not have clear responsibilities; hence, it is difficult for them to coordinate state funds. Money that is allocated to assist SMMEs is returned to the Treasury because of red tape and it's not being customer-orientated (DTI, 2004:22).

The lack of participation of some members of business forums defeats the intended objective of the funds. Awareness and roadshows are needed to raise awareness of SMMEs about available funds (DTI, 2004:22).

Mawila (2015:9) states the following as some of the solutions to the above-mentioned challenges:

- Both the government and the private sector should assist SMMEs with adequate finance.
- The government and well-established business managers should be encouraged to train SMMEs in management skills. For example, Business Management, Financial Management, Marketing Management and Customer Relations Management.

The main challenge that SMMEs face is access to funding hence the government-established agencies to resolve this challenge.

2.10 The role of Public Financial Agencies in the Growth of SMMEs

2.10.1 The National Empowerment Fund (NEF)

The National Empowerment Fund (NEF) was promulgated by the National Empowerment Fund Act, 1998 (Act No. 105 of 1998). The NEF is a driver and thought leader in promoting and facilitating black economic participation by providing financial and non-financial support to black empowered businesses and promoting a culture of saving and investment among black people. It provides business loans, from R250 000 to R75 million across all industry sectors, for start-ups, expansion and equity acquisition purposes (<https://www.thedti.gov.za/agencies/nef.jsp>).

2.10.2 Industrial Development Corporation (IDC)

The Industrial Development Corporation (IDC), established in 1940, is a self-financing, self-sustaining, state-owned national development finance institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens (<https://www.idc.co.za/>).

The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles. Supporting industrial development capacity and promoting entrepreneurship are therefore key objectives of the IDC. It funds start-up and existing businesses up to a maximum of R1 billion (<https://www.idc.co.za/>).

2.10.3 Small Enterprise Finance Agency (SEFA)

Small Enterprise Finance Agency (SEFA) Ltd, commonly known as SEFA, was established in 2012 because of the merger of the South African Micro Apex Fund (SAMAF), Khula Enterprise Finance Ltd and the small business activities of the IDC. SEFA's mandate is to foster the establishment, survival and growth of SMMEs and to contribute towards poverty alleviation and job creation (www.sefa.org.za/).

2.10.4 Land Bank

The Land Bank of South Africa is a specialist agricultural bank, wholly owned by the Government, and is a key financial player in agriculture. It is guided by a government mandate to provide financial services to the commercial farming sector and to agribusiness, and to make available certain financial products which would facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds. The Land Bank offers a wide range of loans for all financial needs like buying land, equipment and working capital for agricultural projects (www.landbank.co.za/).

2.10.5 The National Youth Development Agency (NYDA)

The National Youth Development Agency (NYDA) is a South African-based agency established primarily to tackle challenges that the nation's youth are faced with. The NYDA was established by an Act of Parliament, Act no 54 of 2008. The institution was established to be a single, unitary structure, established to address youth development issues at National, Provincial and Local government level. The existence of the NYDA should be located within the broad context of South Africa's development dynamics. Like many developing countries, South Africa has a large population of youth, those between the ages 14-35 represent 42% of the total population. Given the youthful nature of the South African population many of the socio-economic challenges faced by the nation, i.e. poverty, inequality and joblessness, poor health, etc, are borne by the youth. The gravity of challenges South Africa is faced with, requires multipronged efforts, that simultaneously promote the development of sustainable livelihoods, reduce poverty, inequality and prioritise the development of policies which create an enabling environment for youth development (www.nyda.gov.za/).

The NYDA plays a leading role in ensuring that all major stakeholder's, i.e. government, the private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges (www.nyda.gov.za/).

2.10.6 Isivande Women's Fund (IWF)

The Isivande Women's Fund (IWF) is an exclusive fund that aims to accelerate black economic empowerment by providing more affordable, usable and responsive finance than is currently available. It was originally aimed at women only but has now opened to all black persons in South Africa. The IWF assists with support services to enhance the success of businesses. It pursues deals involving start-up funding, business expansion, business rehabilitation, franchising and bridging finance. The Fund is managed by the IDC on behalf of the DTI, through a development fund manager. The development fund managers are SME financiers aimed at supporting the creation of self-sustaining black-owned businesses in South Africa by providing primarily financial, but also non-financial support to investee companies (https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?)

2.10.7 The Limpopo Economic Development Agency (LEDA)

The Limpopo Economic Development Agency (LEDA) was established in terms of the Limpopo Development Corporation Act, Act No.5 of 1994, as amended. It complies with the Public Finance Management Act (PFMA) as a Schedule 3D Agency. It was established as a special economic and development vehicle, culminating in the amalgamation of four agencies; namely:

- Trade and Investment Limpopo
- Limpopo Business Support Agency
- Limpopo Agribusiness Development Corporation
- Limpopo Economic Development Enterprise.

LEDA's core functions are: industrialisation; Special Economic Zones (SEZ) & Corridor Development; Property and Infrastructure Development (Commercial and Industrial 640 000 square metres); and Agri-business Development (<http://lieda.co.za/Wordpress/>).

2.11 The role of Private Financial Agencies in the Growth of SMMEs

Many major companies operating in South Africa are involved in small business development initiatives.

2.11.1 Anglo American Group

The most well-known is the Anglo Zimele Empowerment Initiative Limited, the Anglo-American Group's enterprise development fund. Anglo Zimele operates as a catalyst to empower entrepreneurs in South Africa through the creation and transformation of SMMEs, particularly in rural areas. Since its inception 18 years ago it has invested in numerous SMMEs across a variety of industries and provides loan and equity finance to support start-up or expanding businesses (SBP Alert, 2009: 7).

2.11.2 The banking sector involvement in small business development

According to the website of the Banking Association South Africa (BASA), various banks in South Africa are involved in the development of small business. BASA is the mandated representative of the banking sector and addresses industry issues through:

- Lobbying and advocacy
- Policy influence
- Guiding transformation in the sector
- Acting as a catalyst for constructive and sustainable change in the sector
- Engagement with critical stakeholders.

The role of BASA is to facilitate the enablement of a conducive banking environment through robust engagement with government and relevant stakeholders. A critical role of BASA is to work with its members to enable this role within the context of the transformation challenges prevailing in South Africa (<http://www.banking.org.za/>).

BASA points out that banks are expected to make a profit. As a result, they can lend only to viable initiatives that are aimed at the growth and expansion of the respective sectors. The role of banks includes the promotion of capital formation, investment in new and existing enterprises, balanced development of different regions, and influencing economic activity by increasing amounts of money in circulation, through credit creation and adjustments in interest rates. The banks recognise the importance of the SME sector, and set out their initiatives, including co-operation agreements with Khula and participation in forums to address the advocacy gap (<http://www.banking.org.za/>).

The definition of SME varies from bank to bank, and this impacts on how they approach entities. The various initiatives offered are described as, ranging from short-

term loans to overdrafts, invoice discounting and equity finance. However, there is a need for a review of the evaluation criteria: the lack of diversity of SMEs should be addressed, and the lack of quality business development support should be addressed through grading and accreditation. The interventions proposed and already undertaken by BASA were delineated: There is a need to professionalise the sector and to create industry standards, although BASA has also lobbied to prevent regulation 'overload' and supports the creation of an SME Champion. Government should address structural constraints, improve outreach of credit guarantee mechanisms, promote greater engagement and lending by non-bank financial institutions or cooperatives, as well as establish debt and equity markets, improve information access and conduct studies (<http://www.banking.org.za/>).

2.12 Small Business in South Africa Related to Women

The emergence of a growing community of women entrepreneurs has been described by Professor Brush, Chairperson of Entrepreneurship at Babson College, as one of the most significant economic and social developments in the world. This is no exaggeration as women are stepping up to own and run businesses in numbers that would have been hard to imagine a mere few decades ago. The International Labour Organisation (ILO) estimates that women entrepreneurs now account for a quarter to a third of all businesses in the formal economy worldwide. This is not merely redefining women's economic roles; it is reshaping the modern global economy. In an increasingly interconnected world, national economies face stiff competition for markets, resources and skills. Consumers, in turn, are more demanding of originality and innovation. The importance of tapping all potential talent in all possible spheres is self-evident. (SBP, 2009:3).

Much of the available data on women entrepreneurs comes from studies in developed economies. In the developing world - and in South Africa specifically - research in this area has tended to focus on the informal sector. Investigations of the motivations and aspirations of South Africa's formal sector women entrepreneurs have been relatively limited. (SBP, 2009:3).

2.12.1 Legislation

2.12.1.1 Small Business Act No. 102 of 1996

According to the South African Small Business Act No. 102 of 1996, SMMEs are regarded as separate small business entities owned by one or more owners; operating in various sectors of the national economy (Prinsloo, Walker, Botha, Bruwer and Smit, 2015: 63).

To address the problem of poverty, the government of SA has been assisting the SMME-sector through its national socio-economic developmental policies such as the Reconstruction and Development Program (RDP), Growth, Employment and Redistribution (GEAR), Accelerated Shared Growth Initiative for South Africa (ASGISA), the New Development Path and the most recent, the National Development Plan (NDP). At provincial and local levels, the Integrated Development Plan (IDP) and Local Economic Development (LED) seek to address and support small development initiatives (DTI, 2008). Having acknowledged the significant contribution of the small business-sector to income-poverty alleviation, the government of SA has been supportive of this conspicuous plausible renewed strategy towards tackling urban poverty through income generation and job creation (SEDA, 2009). The White Paper on National Strategy for Development and Promotion of Small Business of 1995, states that the SMME sector plays a key role in South Africa's socio-economic transformation (DTI, 1995). There are quite a few SMME support agencies that were formulated to foster the development and growth of SMMEs through the Integrated Small Business Development Strategy by aiding with financial and institutional support. These include: Small Enterprises Development Agency (SEDA), Ntsika Enterprise Promotion Agency, SAMAF, Khula Enterprise Finance Limited, NYDA and NEF. Surprisingly, in the midst of such policies and support agencies, women-owned SMMEs still fail to grow. This may be attributed to the lack of proper information dissemination about their existence as highlighted earlier, compounded with other internal and external challenges (Muzondi, 2014: 637).

2.12.1.2 Co-operatives Act, No 14 of 2005

The Co-operatives Act, No. 14 of 2005 provides for the formation and registration of co-operatives, the establishment of a Co-operatives Advisory Board, the winding up of co-operatives and matters connected therewith. The Co-operative Amendment Act, No. 6 of 2013, was signed by the President in August 2013 but the commencement date is still to be gazetted.

The Draft Regulations for the practical implementation of Co-operatives Amendment Act, No. 6 of 2013, as well as the Principles of Good Governance for Co-operatives appeared in Government Gazettes numbers 39019 (Regulations) and 39029 (Principles of Good Governance) on Friday 24 July 2015 for public comment by 4 September 2015.

2.12.2 Policies

South African economic policy places a high value on entrepreneurship. Government looks to entrepreneurship as a critical driver of growth and job creation. However, if efforts to encourage and support entrepreneurship are to succeed, we need to move beyond a focus on informal sector survivalist enterprises and understand more about what drives success in the formal sector. It is these entrepreneurs whose efforts are likely to have the greatest all-round impact, in terms of wealth-creation, economic growth and innovation. Properly harnessed, policies' contribution could be truly transformatory (SBP, 2009:3).

2.12.2.1 The National Development Plan (NDP)

According to the National Planning Commission (2013), the National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and to reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The NDP is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, and enhance the capability of the state and

leaders working together to solve complex problems. The plan is the product of hundreds of interactions of South Africans, input from tens of thousands of people, extensive research and robust debate throughout the country.

South Africa's transition from apartheid to a democratic state has been a success. In the past 22 years, South Africa has built democratic institutions, transformed the public service, extended basic services, stabilised the economy and taken its rightful place in the family of nations. Despite these successes, too many people are trapped in poverty and South Africa remains a highly unequal society.

Too few South Africans work, the quality of school education for the majority is poor and the state lacks capacity in critical areas. There has been significant progress, but the country remains divided, with opportunity still shaped by the legacy of apartheid. In particular, young people and women are denied the opportunities to lead the lives that they desire. The Constitution obliges all South Africans to tackle these challenges (National Planning Commission, 2013. National development plan vision 2030).

2.12.2.2 Industrial Policy Action Plan (IPAP)

South Africa's long-term vision of an equitable society is defined by the NDP. The IPAP is informed by this vision and is both framed by and constitutes a key pillar of the programmatic perspectives set out in the New Growth Path (NGP). Its core objectives remain as set out in the National Industrial Policy Framework (NIPF) of August 2007:

- To facilitate diversification beyond our current reliance on traditional commodities and non-tradable services. This requires the promotion of increased value-addition per capita characterised particularly by movement into non-traditional tradable goods and services that are competitive in both export markets and the domestic economy.
- The long-term intensification of South Africa's industrialisation process, and movement towards a twenty-first century knowledge economy.
- The promotion of a more labour-absorbing industrialisation path with an emphasis on tradable labour-intensive goods and services and economic linkages that catalyse employment creation.

- The promotion of a broader-based industrialisation path characterised by greater levels of participation by historically disadvantaged economic citizens and marginalised regions in the mainstream of the industrial economy.
- Contributing to industrial development in Africa, with a strong emphasis on building regional productive capabilities.

But reality changes all the time. The programmes set out in the IPAP 2014 reflect a continuing process of response and readjustment to the shifting demands and opportunities that must be confronted to keep this mandate alive and vital; most recently, a much closer alignment of IPAP priorities with the National Infrastructure Plan currently being implemented under the guidance of the Presidential Infrastructure Coordinating Committee (PICC). This very large and ambitious infrastructure-built programme – consisting of 18 Strategic Integrated Projects - is specifically designed to underpin industrial development across the economy unblocking critical bottlenecks and - provided that maximum localisation of inputs is achieved – promising to massively increase domestic demand (www.dti.gov.za/industrial_development)

2.12.2.3 Local Economic Development (LED)

Local Economic Development (LED) aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life for everyone by realizing a locality's full comparative advantage. LED is the result of joint planning by a municipality, its community and business sectors. This means that all economic forces in the local situation must be brought on board to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive.

The fundamental difference between LED and traditional one-dimensional approaches to economic development (like the National Industrial Policy, technology transfer or SME support initiatives) is that LED combines different approaches to local development into one integrated concept thereby cross-cutting many different portfolios. At national level, such a holistic and multidisciplinary approach would produce enormous complexity regarding issues and actors. In contrast to this, the focus that LED puts on the local and regional levels reduces this complexity and allows

actors to pursue an integrated path of economic development. Thus, LED recognises that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth required to create jobs and to reduce poverty (www.cogta.gov.za/programmes=local-economic-development)

2.12.2.4 The Preferential Procurement Policy Framework Act (PPPFA)

Organisations wishing to do business with organs of state need to prepare for changes to become effective on 1 April 2017. This follows the issuing of new Preferential Procurement Regulations on 20 January 2017, in terms of the Preferential Procurement Policy Framework Act, 2000. The Regulations, issued by the Minister of Finance, were revised to align with certain changes to the Broad-Based Black Economic Empowerment (B-BBEE) legislation. They encourage procurement from Small Enterprises, particularly through sub-contracting if a tender is set above the R30 million threshold.

The Regulations focus on the need by all organs of state and public entities to specify conditions that only locally produced goods or locally manufactured goods meeting the stipulated minimum threshold for local production and content will be considered for certain designated sectors. They also afford organs of state the freedom to choose to apply pre-qualifying criteria to advance certain designated groups. If applied with the pre-qualifying criteria and sub-contracting requirements, the Regulations could have the far-reaching empowerment effect which its predecessors sorely lacked. If not utilised, there will be pressure on organs of state to motivate why these qualifying criteria and sub-contracting requirements are not being applied.

Small businesses that have been battling to get Government departments to accept their B-BBEE Affidavits when tendering, will be pleased to note that the Regulations now clearly stipulate that an Affidavit as prescribed by the B-BBEE Codes of Good Practice is acceptable proof of B-BBEE status. Sworn Affidavits and SANAS Accredited B-BBEE Verification Agency certificates are the only acceptable forms of proof of B-BBEE status.

All tender documents must: stipulate the preference point system applicable; determine whether pre-qualification criteria are applicable; determine whether the

goods or services are in a designated sector for local production and content; determine whether compulsory sub-contracting is applicable; and determine whether objective criteria are applicable.

One major area of change is the freedom which the Regulations afford the organs of state to choose to apply pre-qualifying criteria to advance certain designated groups. This will allow them to focus for example on promoting Women Empowerment, Small Business Empowerment, Disability Empowerment or Black Empowerment. Any tender which does not meet with this pre-qualification will be unacceptable (www.treasury.gov.za/ocpo/PPPFA)

2.12.3 Women Empowerment and Economic Development

Women empowerment and economic development are closely related: in one direction, development alone can play a major role in driving down inequality between men and women; in the other direction, empowering women may benefit development. (Duflo: 2012: 1052).

In contrast, many emphasise the second relationship, from empowerment to development. The Secretary General of the United Nations, Kofi Annan, for example, has argued that achieving gender equality is a “prerequisite” to achieving the other Millennium Development Goals (MDGs), including eliminating poverty, reducing infant mortality, achieving universal education and eliminating the gender gap in education by 2015 (United Nations 2005). In its report, “Engendering Development,” the World Bank (2001) calls for policies to address gender imbalance in “rights, resources, and voice,” and recommends that institutional structures be overhauled to promote equality, and that specific measures, such as girls’ scholarships and quotas for women in parliament, be adopted. These measures are justified, according to the report, not only because they promote equity, but also because they are necessary to accelerate development. Interestingly, the 2012 World Development Report (World Bank 2011) adopts a much more nuanced message. While it emphasises the “business case” for women empowerment, it mainly takes it as given that the equality between women and men is a desirable goal and policies should aim to achieve that goal.

Duflo (2012: 1076) concludes that “women’s empowerment and economic development are closely interrelated. While development itself will bring about women’s empowerment, empowering women will bring about changes in decision making, which will have a direct impact on development. Contrary to what is claimed by some of the more optimistic policymakers, it is, however, not clear that a one-time impulsion of women’s rights will spark a virtuous circle, with women’s empowerment and development mutually reinforcing each other and women eventually being equal partners in richer societies. On the one hand, economic development alone is insufficient to ensure significant progress in important dimensions of women’s empowerment, in particular, significant progress in decision-making ability in the face of pervasive stereotypes against women’s ability. On the other hand, women’s empowerment leads to improvement in some aspects of children’s welfare (health and nutrition), but at the expense of some others (education). This suggests that neither economic development nor women’s empowerment is the magic bullet it is sometimes made out to be. To bring about equity between men and women, a very desirable goal in and of itself, it will be necessary to continue to take policy actions that favour women at the expense of men, and it may be necessary to continue doing so for a very long time. While this may result in some collateral benefits, those benefits may or may not be sufficient to compensate for the cost of the distortions associated with such redistribution. This measure of realism needs to temper the positions of policymakers on both sides of the development/empowerment debate”.

In South Africa, the DTI indicates that “the Gender and Women Empowerment (GWE) Unit is located within the Broadening Participation Division (BPD) of the Department. The mandate of the unit is to provide targeted support to women enterprises through programmes and policies that ensure and accelerate the sustainable participation of women in the mainstream economy. The GWE Unit has introduced various initiatives targeted at women, with the goal of developing sustainable enterprises that contribute to the country's gross domestic product, employment, equity and economic transformation to enable women to have equal access to and control over economic resources”, (The DTI, 2004:7). Unfortunately, the minimal participation of women in the mainstream economy led to these questions: What are the factors that are impeding the empowerment of women in small businesses? What can entrepreneurs, female business managers, the government, large established companies, and other

stakeholders do to empower women in SMMEs, especially among the previously disadvantaged communities?

2.12.4 Women empowerment programmes in South Africa

The South African government through the DTI has initiated and implemented various women economic empowerment programmes. Some of the programmes are:

2.12.4.1 B'avumile Skills Development Initiative

The B'avumile Skills Development Programme is a women's empowerment capacity building initiative aimed at identifying talent in the arts and crafts and textiles and clothing sectors. It is a formal training programme to develop women's expertise in the production of marketable goods and the creation of formal enterprises in the creative industry. The programme places emphasis on both skills development and the economic empowerment of women. Each year a province is selected, and women enterprises are identified to participate in the process. A selection process is undertaken with a panel of experts in the sector and provincial partners, including the provincial government departments and SEDA.

2.12.4.2 Technology for Women in Business (TWIB)

Technology for Women in Business (TWIB) was introduced to accelerate women's economic empowerment and the development of women-owned enterprises through the recognition of technology-based business applications and systems, and to unlock constraints to enterprise innovation and growth as well as global competitiveness. The awards are part of the broader TWIB vision of linking women with relevant science and technology-driven business solutions that will improve their business creativity and potential and reward those women who have used technology to grow their business (www.twib.co.za/about-us/).

2.12.4.3 Techno Girls Programme

The mandate of TWIB extends to programmes that encourage girls to pursue careers in engineering, and science and technology by facilitating access to educational information, career opportunities, and academic and extra-mural learning

programmes. The programme, which is conducted annually in different provinces, targets 10 schools from previously disadvantaged communities and 10 learners per school are selected to participate. A total of 100 learners per province participate. Each school comes up with an entrepreneurial idea, which is measured in terms of credibility and feasibility, practicality, originality and durability (https://www.unicef.org/southafrica/media_9912.html)

2.12.4.4 South African Women Entrepreneurs' Network (SAWEN)

The DTI identified and adopted SAWEN to fast-track support provided to women in addressing challenges faced when establishing, strengthening and sustaining their enterprises. SAWEN is a membership organisation with a mandate to represent and articulate the aspirations of all women entrepreneurs who operate within the South African SMME sector (<http://www.sawen.org.za/>)

2.13 Conclusion

In as much as women SMMEs face challenges globally, their capacity is overwhelming if only they are given sufficient support. Women, in particular embark on SMMEs due to the identified push and pull-factors. In addition, motivational factors also contribute to influencing the decision of women to do business. Women ought to shift from their myth of doing business informally and professionalise all their operations to improve the management of their SMMEs. Firstly, their role played in employment creation and income generation is significant. Secondly, this study has established that there is a way of reducing income-poverty in households, that is, through women-owned SMMEs.

Therefore, the promotion and development of women-owned SMMEs through better legislation, provision of services and strengthening of all types of support institutions could yield even better results. The study also reveals one major shortcoming which leads to the conclusion that most SMME support programs in South Africa are either inadequate or poorly implemented. This conclusion is drawn from the findings of the literature survey which shows that most women are not aware of the types of services which supporting structures can offer them, neither do they know how and where to acquire the support. Possible recommendations for improving the performance of

women-owned SMMEs include: Gender-mainstreaming in the SMME sector, more emphasis on women-managed SMMEs skills and development training to improve their business management knowledge and marketing and advertising strategies, improved financial and institutional support from SMME agencies by addressing the women-owned SMMEs' financial challenges and the problem of lack of equipment and technology. Muzondi (2014:637) attests that, as a pivotal paradigm shift towards women empowerment, women-owned SMMEs can be deemed as a renewed approach to alleviating income-poverty in urban and rural areas of South Africa.

CHAPTER 3

RESEARCH DESIGNS AND METHODOLOGY

3.1 Introduction

This chapter describes the research design and methodology utilised for the study. Rationale for the methodology, research design, research philosophy, approaches, population sampling, research instruments, data collection, data analysis, validity, reliability, trustworthiness and ethical considerations is outlined to address the research objectives stated in Chapter One. The research methods engaged in this study are to identify, appraise and investigate the role of government agencies in the empowerment of women-owned SMMEs in the area of the study.

3.2 Rationale for the Methodology

Leedy and Ormond (2005:12) define research methodology as the general approach the researcher takes in carrying out the research project; to some extent, this approach dictates the tools the researcher selects. The research methodology employed in this study is used to identify and investigate the factors that impact on the role of government agencies in the empowerment of women-owned SMMEs in CDM.

3.3 Research Design

Muaz (2013:6) describes research design as the set of methods and procedures used in collecting and analysing measures of the variables specified in the research problem research study. The design of a study defines the study type, for example, descriptive, correlational, semi-experimental, experimental, review or meta-analytic and the sub-type, for example, descriptive-longitudinal case study, research problem, hypotheses, independent and dependent variables, experimental design, and, if applicable, data collection methods and a statistical analysis plan. Research design is the framework that has been created to find answers to research questions. There are many ways to classify research designs, but sometimes the distinction is artificial and at other times different designs are combined.

Macmillan and Schumacher (2001: 172) indicates that a research design describes the way the study was conducted. A research design summarises the procedures for conducting the study, including when and under what conditions the data will be obtained. Research methods are ways one collects and analyses data. There are two approaches used in research design: quantitative and qualitative.

Quantitative research methodology measures what it assumes to be static reality, in the hopes of developing universal laws. Qualitative research methods, in contrast, attempt to discover what is assumed to be a dynamic reality while focusing primarily on understanding specifics as opposed to generalising universal laws of behaviour (Babbie & Mouton, 1998:10).

Due to the nature of the study, the researcher employs both qualitative and quantitative approaches, that is, a mixed research design.

3.4 Research Philosophy

Saunders, Lewis and Thornhill (2009:126) explain that a research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used. This overarching term relates to the development of knowledge and the nature of that knowledge. The knowledge development one is embarking upon may not be as dramatic as a new theory of motivation but even if the purpose has the relatively modest ambition of answering a specific problem in a particular organisation it is, nonetheless, developing new knowledge. The research philosophy one adopts contains important assumptions about the way in which the world is viewed. These assumptions will underpin the research strategy and the methods that are chosen as part of that strategy. In part, the philosophy one adopts will be influenced by practical considerations.

In this study, three major ways of thinking are examined about research philosophy: epistemology, ontology and axiology (discussed in detail below). Each contain important differences which will influence the way in which one think about the research process (Saunders et al, 2009:126).

3.4.1 Epistemology

According to Saunders et al (2009:127) epistemology concerns what constitutes acceptable knowledge in a field of study. For the researcher, reality is represented by objects that are 'real'. One may argue, of course, that human feelings can be, and frequently are, measured. Indeed the 'resources' researcher may place more authority on such data were it to be presented in the form of a table of statistical data. This would lend the data more objectivity in the view of the 'resources' researcher. But this raises the question of whether those data presented in statistical form are any more deserving of authority than those presented in a narrative, which may be the choice of the 'feelings' researcher. The 'resources' researcher is embracing what is called the positivist position to the development of knowledge whereas the 'feelings' researcher is adopting the interpretivist perspective. Epistemology encompasses the following:

3.4.1.1 *Positivist (Quantitative) research*

Positivists believe that reality is stable and can be observed and described from an objective viewpoint (Levin, 1988) in (Saunders et al, 2009:127), i.e. without interfering with the phenomena being studied. They contend that phenomena should be isolated and that observations should be repeatable. This often involves manipulation of reality with variations in only a single independent variable to identify regularities and to form relationships between some of the constituent elements of the social world.

3.4.1.2 *Interpretivist*

Interpretivists contend that only through the subjective interpretation of and intervention can that reality be fully understood. The study of phenomena in their natural environment is key to the interpretivist philosophy, together with the acknowledgement that scientists cannot avoid affecting those phenomena they study. Interpretivists admit that there may be many interpretations of reality but maintain that these interpretations are in themselves a part of the scientific knowledge they are pursuing. "Interpretivism has a tradition that is no less glorious than that of positivism, nor is it shorter" (Saunders et al, 2009:128).

3.4.1.3 Realism

Realism is another epistemological position which relates to scientific enquiry. The essence of realism is that what the senses show us as reality is the truth, that objects have an existence independent of the human mind. The theory of realism is that there is a reality quite independent of the mind. In this sense, realism is opposed to idealism, the theory that only the mind and its contents exist. Realism is a branch of epistemology which is like positivism in that it assumes a scientific approach to the development of knowledge. This assumption underpins the collection of data and the understanding of those data (Saunders et al, 2009:128).

3.4.1.4 Phenomenological (Qualitative) Research

According to Leedy and Ormond (2005:108), phenomenological research is “a qualitative method that attempts to understand participants’ perspectives and views of social realities”. To support the above definition, Mawila (2006:18) attests that the purpose of the phenomenological approach is to establish the essential attributes of a given phenomenon, idea or object without which, in the eyes of the beholder, such phenomena, ideas or objects cease to be known as such. It is further indicated that the point of view in phenomenology is from what the researcher observed, which may not be objective reality, but an interpreted reality, Milondzo (2003:42). What is crucial is that, what appears in the consciousness to the researcher could be different to that which appears to the people constituting the research sample. The implication is that, the researcher must engage in an investigation which seeks to determine how a given phenomenon appears and is construed by the research sample. Poor reliability of the findings of two researchers may result in different conclusions based on their observation of the same phenomena.

In the current study, the researcher has engaged women-owned SMMEs through questionnaires and government agency managers by conducting interviews to identify, appraise and investigate the role of government agencies in the empowerment of women SMMEs in the area of the study. The phenomenological research philosophy has assisted the researcher to understand the respondents’ background, context and the way the agencies empower women-owned SMMEs.

3.4.1.5 Combined Research Approach

For this study, the researcher only employs positivism and phenomenological paradigms. This process is a combined research approach. The researcher has adopted a mixed approach to achieve the intended objective of the study

3.5 Research Approaches

Venkatesh, Brown, and Bala, (2013: 21) indicate that one of the recurring issues in social and behavioural science research is the relative value of different research approaches, especially with intense debates on different epistemologies (e.g., positivist versus interpretive) and methodologies (e.g., qualitative versus quantitative). However, there have been increasing calls for going beyond the rhetoric of the differences among epistemologies and methodologies to develop a disciplined methodological pluralism. Below is a detailed discussion of research approaches.

3.5.1 Quantitative Research Approach

The quantitative method gives the researcher an opportunity to make a value free investigation. Bayat and Fox (2007: 7) state that “this approach is concerned with systematic measurement, statistical analysis and methods of experimentation, which means that in quantitative approach there are systems that need to be followed to achieve accurate measurement.” Nkatini (2005:44) defines the quantitative method as “enquiries that use operational definitions to generate numerical data to answer a set of questions of the study.” Quantitative methods may rely on descriptive and inferential statistics in the analysis of data.

Munro and Groenewald (2004:297) define descriptive and inferential statistics as “entailing and summarising of data by means of tabulations and graphical representations and the calculations of descriptive measures. Inferential statistics refer to the drawing of conclusions from which a sample was drawn by using descriptive measures that have been calculated.

Mardani Hamule, Shahraky Vahed and Askari (2009:40) point out that inferential statistics are “a category of statistical technique that uses sample data to make conclusions about individuals derived from the population.”

The above definitions indicate that descriptive statistics refer to the ways in which calculations are done using graphs and tabulations to measure them. On the other hand, inferential statistics refer to the way conclusions about the entire population are drawn based on sampled data. From the above information, quantitative data can be collected through various scientific methods.

3.5.2 Qualitative Research Approach

According to Badenhorst (2010:92), qualitative research relies on data in the form of words, and further views qualitative researchers as those who depend on description to express data. Since qualitative research deals with the lives, attitudes and values of the respondents, the researcher uses interview research techniques to collect and analyse data.

Mardani Hamule, Shahraky Vahed and Askari (2009:40) argue that “it can be applied to the current study and past events, when applied to the past it is called the historical research and when applied to the current events is qualitative research. This method gives the researcher an in-depth understanding of the first-hand information and phenomenon.”

On the other hand, Lau, Kasper, Hauser, Berdes, Chang, Berman, Masin-Peters, Paice and Emanuel (2009:9) describe “the goal of qualitative research as to gain an in-depth, holistic perspective of groups of people, environments, programs, events or any phenomenon one wishes to study by interacting closely with other people one is studying.” This kind of approach analyses and interprets data by means of statistics; therefore, a qualitative approach is appropriate in the current study.

3.6 Target Population

Charlton, Steyn, Levitt, Peer, Jonathan, Gogela, Rossouw, Gwebushe and Lombard (2008:223) indicate that population comprises the total collection of all the elements or units of analysis (members of a population) about which a researcher requires to reach distinct conclusions. In accordance with this view Masoga (2013:52) also states that it is a full group of potential participants to whom the research wants to generate the findings of the study. The target population of this study is 200 women who have registered businesses in the CDM. Due to the nature of the study, the researcher has

only focussed on the subsidiary agencies that fall under LEDA, namely; Corridor Mining Resources, Risima Housing, Great North Transport, AON Limpopo and Limpopo Connexion.

3.7 Sampling

Malovha (2013:5) defines a sample as “any subset of the population” and to support this statement, Masoga (2013:53) attests that sampling is the process of selecting the aggregate or totality of the objects or individuals regarding which inference is to be made based on the study.

For this study, the random sampling (probability sampling) method has been used to identify fifty (50) women-owned small businesses out of 200 of the target population. Twenty-five (25) of those have been operating for less than five (5) years and twenty-five (25) of them have been operating for six (6) years and above. Three local municipalities were randomly selected in CDM, where these women-owned businesses are located. Questionnaires, structured in a manner that is easy to complete, were administered (quantitative). The researcher has randomly selected women-owned businesses that were purported to be successfully managed.

To supplement the random sampling method, the researcher employed purposive sampling to collect qualitative data from ten (10) officials from five (5) LEDA subsidiary agencies.

3.7.1 Types of Sampling

The researcher considered two types of sampling - probability and non-probability sampling.

3.7.1.1 Probability Sampling

Cooper and Schindler (2006:166) maintain that probability is a sampling based on the concept of random selection in which each sampling unit in the defined target population has a known, non-zero probability of being selected for the sample. To support the above statement, Saunders, Lewis, Phillip and Thornhill (2009):152) indicate that every element in probability sampling has at least some chance of being part of the sample. Neither of these conditions generally holds for non-probability

sampling. Probability sampling allows the researcher to estimate approximately what they will find if they had considered the total population. The following techniques of probability sampling are described:

3.7.1.2 Types of Probability Sampling

a) Simple random sampling

Masoga (2013:51) refers to simple random sampling as a sample drawn from a population in such a way that each element of that population has the same chance of being drawn during the first and each successive draw.

b) Systematic sampling

In systematic sampling, every n th element in the population is sampled in the range of 1 to n . The n th element is determined by dividing the population by the same sample size to obtain a skip pattern applied to the sampling frame (Cooper and Schindler, 2006:415).

c) Stratified sampling

Masoga (2013:51) defines stratified sampling as a process by which sampling is divided into subgroups (strata). After dividing the sampling frame, the researcher draws a random sample from each sub-population. S/he can sample randomly within each stratum using simple random or systematic random sampling.

d) Cluster sampling

Leedy and Ormond (2005:203) explain cluster sampling by describing how it is conducted when the population of interest is spread over a large area, wherein it may not be feasible to make up a list of every person living within the area, a sample of study is selected through normal randomisation procedures.

e) Multi-stage sampling

According to Creswell (2012:156) states that a multi-stage sampling procedure is carried out in phases and usually involves more than one sampling method. In very large and diverse populations, sampling may be done in two or more stages. This is often the case in community-based studies, in which the people to be interviewed are from different villages and the villages are chosen from different areas.

3.7.1.3 Non-probability Sampling

In non-probability sampling, the elements of analysis in the population do not each have an equal chance of being included in the sample (Bayat & Fox, 2007:58).

The following are techniques for drawing non-probability samples:

3.7.1.4 Types of Non-Probability Sampling

a) Convenience sampling

This sampling method involves haphazardly selecting those cases from whom it is easiest to obtain a sample, such as the person interviewed at random in a shopping complex for a television programme (Welman, Kruger & Mitchel, 2005:69).

b) Accidental sampling

Is the most convenient type of sampling as members of the population are readily available to become participants for research purposes. For example, if the research is about the empowerment of women-owned SMMEs in general, the sample will be comprised of women-owned SMMEs who are available on the government agencies database.

c) Quota sampling

Creswell (2012:157) states that quota sampling involves setting quotas and then using convenience sampling to obtain them.

d) Purposive sampling

The researcher specifies the characteristics of the population of interest and then identifies individuals who match those characteristics (Creswell, 2012:157).

e) Snowball sampling

Welman et al (2005:69) state that snowball sampling refers to the situation where a few individuals from the relevant population are approached, and then those individuals act as informants and identify people from the same population for inclusion in the sample.

3.8 Research Instruments

The researcher employed semi-interviews to collect qualitative data for the study. To supplement these data, the researcher also used questionnaires to collect quantitative data.

The two research instruments were used to collect data from ten (10) government officials and fifty (50) business women. The above research process and instruments assisted the researcher to achieve the intended objectives of the study.

3.8.1 Questionnaires

The structured questionnaire was used by the researcher to find out to what extent the government agencies have a role in empowering women-owned SMMEs in the area of study. The questionnaire was designed based on a five-point Likert scale where (1) represented strongly agree, (5) represented strongly disagree, (3) represented neutral, and (2) and (4) were represented by respective intermediate values.

3.8.2 Semi-structured Interviews

Welman et al (2005:166) indicate that between completely structured interviews on the one hand, and completely unstructured interviews on the other hand, various degrees of structuredness are possible. They further state that interviews between these two extremes are usually called semi-structured interviews. In semi-structured interviews, the researcher has a list of themes and questions to be covered, although

these may vary from one interview to the next. Instead of an interview schedule, interview guides are used in semi-structured interviews.

The researcher used semi-interviews for the managers of government agencies to get the general feelings about the role of government towards the empowerment of women-owned SMMEs in the area of study. Interviews related to policies, training, strategies, monitoring and evaluations that might have an impact on the empowerment of women-owned SMMEs in the CDM were also conducted.

3.8.3 Administration of Instruments

The questionnaires for this study were physically distributed to the respondents' business premises. Before the respondents were given the questionnaire, the intention of the research was first explained, and participants were assured that anonymity would be maintained. The respondents were given ample time to complete the questionnaires, although many preferred to complete them on the same day as they feared that they might forget about them.

3.9 Data Collection

Blaxter, Hughes and Tight (2006:172) indicate that a tape recording ensures that accurate data is collected. This is stored to be transcribed later. This accuracy mainly because of transcriptions consisting of verbatim written records from the taped interviews. After the interview, the researcher took the notebook and the voice recorder with the data recorded for analysis and interpretation. The researcher repeatedly replayed the voice recorder against the notes taken for insight, understanding, analysis and interpretation and to determine the correlation between the notes and the responses recorded. The findings were recorded in the research study after the analysis and interpretation of responses from the interviews.

For this study, the primary data were gathered through interviews using a semi-structured interview schedule for government officials. Questionnaires were given to women-owned SMMEs who had been in business for more than five (5) years, and to those women-owned SMMEs with less than five (5) years in business. Secondary data was collected from, among other sources, books, journals, articles, dissertations, organisations' newsletters, government reports and internet sources.

3.10 Data Analysis

Data analysis refers to the process of unpacking object, phenomenon, entity, process or event that the researcher will be investigating (Saunders, 2003:234). In this regard, the objective of the study is to investigate the role of government agencies in empowering women-owned SMMEs within the CDM. A selected sample of participants was involved in generating data that assisted the researcher in the identification of the problems, factors and issues related to the empowerment of women-owned SMMEs in the CDM.

To ensure reliability and validity of information from the data collected, the researcher used a technological device, like the Statistical Package for the Social Sciences (SPSS) to process and analyse the data obtained from the respondents in the area of the study. Data collected through interviews was classified according to themes. Coding, translation and interpretation of responses was also done by the researcher.

3.11 Validity

Yin (2013:40) describes validity as a test of truthfulness that checks whether the measuring instrument is measuring what it purports to measure. To ensure validity for this study the following tests were conducted:

- a) **Face validity:** This validity check was conducted to ensure that the measuring instrument conformed to the common agreement. The questionnaire used for this study was checked by the researcher with the help of the supervisor to ensure that the wording, syntax and semantics of the question items were meaningful to the respondents. This was also checked during the interview session.

- b) **Content validity:** A content validity test was carried out to ensure that the questionnaire covered the range and meaning of the research at hand and to ensure that correct operational measures for the empowerment of women-owned SMMEs within the CDM were adequately covered. Content validity was ensured by the research using measuring items that already had been tested and validated by previous researchers. Also, the supervisor helped to achieve this objective.

- c) **Criterion validity:** Criterion or predictive validity refers to the validity that checks how a measure predicts performance on an external criterion (Yin, 2013:41). To ensure criterion validity, a measuring instrument was developed by comparing other questionnaires that had been developed by other researchers in the same domain of study (Ward, Schaal, Sullivan, Bowen, Erdmann, and Hojat, 2009:29).
- d) **Construct validity:** According to Yin (2013:41), construct validity relates to the identification of the correct operational measures of the concepts that are being studied. He asserts that construct validity is based on logical relationships between variables whereby the measuring instrument measures the intended concept. To ensure construct validity, descriptive analysis was used to analyse the opinions of the business women about the constructs of finance, market, economics and infrastructure.

3.12 Reliability

According to Yin (2013:45) the objective of reliability testing is to ensure that if a research is conducted following the same procedures as described by an earlier research study, the two studies should give the same findings and conclusions. He emphasised that the goal of reliability is to minimise errors and biases in a study. Hence, the constructs and measuring instruments should both be dependable and trustworthy. To ensure reliability, the questionnaire was tested statistically using Cronbach's alpha (α) also known as the Alpha Coefficient, demonstrated in Table 3.1.

Table 3.1 Reliability of the questionnaire

Variable	Cronbach's Alpha (α)	α – Coefficient for Standardised Items	No. of Items
Total questionnaire	0.833	0.837	19

The questionnaire test for reliability indicates that Cronbach's alpha (α) = 0.833, a value that is above the recommended threshold of 0.7 (Pallant, 2005:85). This implies that the questionnaire and its measuring items are sufficiently reliable and that the collected data can be trusted.

3.13 Limitations of the Study

Limitations are the shortcomings, conditions or influences that cannot be controlled by the researcher that place restrictions on the methodology and conclusions. Any limitations that might influence the results should be mentioned.

The following were identified as possible limitations:

The study does not cover the rest of South Africa and the whole of Limpopo Province. As a result, the results will only be generalised to government agencies that operate within the CDM. In trying to carry out the study, the researcher might be denied consent from identified participants; this can be addressed by including a bigger sample for contingencies. Also, known women-owned SMMEs were approached to ensure the success of the study. Lack of financial resources might affect the effectiveness of the research. This can be addressed by ensuring that the target population is accessible to the researcher and that there is accessibility to all participants.

3.14 Trustworthiness

According to Anney (2014:272), the evaluators of research projects or findings usually adopt some trustworthiness criteria that have been agreed on through the literature in relation to a research approach, such as qualitative, quantitative and mixed methods research. Each research approach employs different evaluation criteria to ensure the rigour of the inquiry because different philosophical and methodology assumptions guide each approach. For example, quantitative researchers take into consideration the reliability, objectivity and validity (i.e. internal and external) to ensure the trustworthiness of the inquiry findings. In contrast, qualitative researchers consider that dependability, credibility, transferability and confirmability as trustworthiness

criteria, ensure the rigour of qualitative findings (Guba, 1981; Schwandt, Lincoln, & Guba, 2007) in Anney (2014:272).

3.15 Elimination of Bias

To eliminate bias, the study ensured that data were collected from an evenly balanced women-owned SMMEs population size. To achieve this, the study collected data from 25 women-owned SMMEs which have been in business for less than five (5) years and 25 women-owned SMMEs which have been in business for six (6) years or more. During the process of writing this report, much care was taken to identify the businesses. In the designing of the questionnaire, one of the demographic questions required the respondents to indicate their age group. This was done to avoid unnecessary assumptions in the analysis in cases where a particular age group was referred to.

3.16 Ethical Considerations

According to Ary, Jacobs, Razavieh and Sorensen (2002: 20), when a researcher employs human beings in research, extreme care must be taken to avoid any harm being done to them. As is described by (Wellman and Kruger, 2005:182), ethics are norms and standards of individual behaviours that control the choices of one's behaviours and relationships with others. In this case, ethics could be looked at as the preferences that have an influence on behaviour in certain human relations. Among others, the following ethical issues are considered:

- Securing permission from SMMEs to visit their businesses to conduct research.
- Secure informed consent in writing from respondents. This will be done to ensure that respondents participate voluntarily without any form of threat, pressure or bias.
- Confidentiality, privacy and anonymity must be guaranteed for respondents. This is done to reassure respondents of their freedom of speech and association, that what they say in their contribution will never be quoted and that everything relating to the study will be per agreement.
- Avoid plagiarism always.

3.17 Conclusion

In this chapter, various research philosophies, approaches, methods and techniques are described. The relevance, validity and reliability of these research methods are also discussed. The choice of research design and its applicability to the area of the study is explained.

From the above information, it is evident that there is no single research approach, method or technique that can be regarded as a cure-for-all. All research approaches, methods and techniques are relevant, if they are used appropriately.

In chapter four, the approaches, methodology and techniques discussed in chapter three are used to collect, analyse and interpret the findings of the study. The applicability and the relevance of data to the factors that impact on women-owned SMMEs empowerment in the Capricorn District Municipality are discussed in detail.

CHAPTER 4

DATA COLLECTION, ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter deals with the empirical investigation and method employed in collecting and analysing data related to the factors that hamper the positive impact of women-owned SMMEs in the CDM. Due to the number of women in the CDM, the decision was made to use purposive random sampling to select participants to be investigated in the study.

4.2 Data Collection and Sampling Procedures

In this study data were collected through structured questionnaires and semi-structured interviews. The researcher employed a five-level Likert scale to rate the responses of the respondents in the study. The rating scales will be read from 1 to 5, namely, agree, strongly agree, disagree, strongly disagree and uncertain. Fifty (50) copies of structured questionnaires were distributed to selected women-owned SMMEs of 6 years and above in business, and women-owned SMMEs of 5 years and less in business. The respondents were requested to complete the questionnaires within a timeframe. This was done to monitor the validity of the questionnaires. Saunders, Lewis and Thornhill (2007:158) maintain that the greatest use of questionnaires is made by the survey strategy.

The above data was augmented by information and data derived from ten (10) managers of government agencies who had relevant experience in the area of the study. The researcher interviewed the above participants to gain a better understanding about how the SMMEs empowerment programmes are managed in the CDM. Milondzo (2013:24) attests that “if you want to know how people feel, what they experience and what they remember, what their emotions and motives are like, and the reasons for acting as they do...Why not ask them?”

During the above process, it became clear that the collection of data from the participants needs the researcher to manage and supervise correctly. This enabled the researcher to collect and analyse valid and reliable data from the participants.

4.3 Data Analysis and Discussion of Results

Data collected through structured interviews was classified, transcribed and coded according to the themes. Where the researcher needed more clarity, she used the information derived from audio tapes. The data was analysed and interpreted by the researcher. Data collected through structured questionnaires was analysed by means of a computer programme, namely the Statistical Package for Social Sciences (SPSS). The number of respondents used in the primary research is discussed in the table showing items frequency (F) and percentage (%). The total number of responses is represented by (FX) for analysis, see the table in the next section.

4.3.1 Data obtained through Empirical Research

In this section the number of respondents used the empirical research is discussed in the table showing item frequency (F) and the percentage (%). The total number of responses is represented by (FX). Data is analysed by means of tables, numbers and graphs. See the table below:

Table 4.1: Women-owned SMMEs and Experience

ITEMS	FREQUENCY (F)	PERCENTAGE (%)
Q.1 How many years have you been in business?		
1. 1 to 5 years	25	50
2. 6 and above years	25	50
TOTAL FREQUENCY (FX)	FX = 50	100

The researcher obtained fifty (50) responses from participants who had over six (6) years' experience and those who had between one (1) and five (5) years in business.

The research was carried out to get the respondents' deeper understanding about their experiences in managing their businesses. The process helped the researcher understand the role of government agencies in the empowerment of women-owned SMMEs. Muzondi (2014:637) attests that, as a pivotal paradigm shift towards women empowerment, women-owned SMMEs can be deemed as a renewed approach to alleviating income-poverty in urban and rural areas of South Africa.

Table 4.2: Women-owned SMMEs and Challenges

ITEMS	F	%
Q.2 Women-owned SMMEs are facing challenges in accessing assistance from government agencies.		
Agree	20	40
Strongly Agree	24	48
Disagree	3	6
Strongly Disagree	1	2
Uncertain	2	4
TOTAL	FX = 50	100

Question 2 reveals that forty-four (88%) of the respondents strongly agree with the statement, four (8%) of the respondents disagree with the statement, while two (4%) of respondents are recorded as being uncertain.

From the above findings, it is evident that women SMMEs are faced with challenges in accessing assistance from government agencies. Most of women SMMEs have left their productive businesses because of various challenges emanating from their sphere of operation (Nyathi, 2014:8). Lack of access from government agencies may discourage women-owned SMMEs to continue with their businesses.

Table 4.3: Women-owned SMMEs and Financial Support

ITEMS	F	%
Q.3 There is insufficient financial support to women-owned SMMEs from government agencies.		
Agree	10	20
Strongly Agree	30	60
Disagree	3	6
Strongly Disagree	4	8
Uncertain	3	6
TOTAL	FX = 50	100

Question 3 indicates that forty (80%) of the respondents agree with the statement. Seven (14%) of the respondents disagree with the statement. Only three (6%) of the respondents are recorded as being uncertain.

From the above analysis, most of the respondents concur that there is inadequate financial support from government agencies. According to Mashele (2015:9) rigid policies of financial institutions make it difficult for SMMEs to access funding to run their businesses. Lack of financial support hinders women-owned SMMEs in succeeding and developing their business ventures.

Table 4.4: Women-owned SMMEs, training and development

ITEMS	F	%
Q.4 Inadequate training impacts negatively on the development of women-owned SMMEs?		
Agree	32	64
Strongly Agree	10	20
Disagree	5	10
Strongly Disagree	3	6
Uncertain	2	4
TOTAL	FX = 50	100

Question 4 reveals that forty-two (84%) of the respondents agree with the statement. Only eight (16%) of them disagree with the statement, while two (4%) of the respondents are recorded as being uncertain.

From the above information, most of the respondents believe that the training offered by government agencies is inadequate. The government and well-established business managers should be encouraged to train SMMEs in management skills. For example, Business Management, Financial Management, Marketing Management and Customer Relations Management (Mawila, 2015:9). Lack of sufficient training impacts negatively on the development of women-owned SMMEs in the study.

Table 4.5: Women-owned SMMEs and clarity of policies

ITEM	F	%
Q.5 Does lack of clarity on government policies deter growth of women-owned SMMEs?		
Agree	9	18
Strongly Agree	30	60
Disagree	3	6
Strongly Disagree	5	10
Uncertain	3	6
TOTAL	FX = 50	100

Question 5 shows that thirty-nine (78%) of the respondents concur with the statement. Eight of them disagree with the statement. Only three (6%) of the respondents are recorded as being uncertain.

From the above data, it is evident that most of the respondents believe that lack of clarity on policies deter women-owned SMMEs from growing. SMMEs need to know all the procedures and requirements, to register their businesses in a legal and professional manner. All the acts and laws associated with registrations need to be properly followed before their businesses can be recognised as legal entities (Mawila, 2015:8). Unclear government policies can negatively affect the growth and success of women-owned SMMEs in the area of the study.

Table 4.6: Women SMMEs and government agencies

ITEM	F	%
Q.6 Government agencies play a role in the development of women-owned SMMEs.		
Agree	6	12
Strongly Agree	4	8
Disagree	18	36
Strongly Disagree	20	40
Uncertain	2	4
TOTAL	FX = 50	100

Question 6 indicates that thirty-eight (76%) of the respondents disagree with the statement. Only ten (20%) of the respondents agree with the statement, while two (4%) of the respondents are recorded as being uncertain.

From the above analysis, most of the respondents claim that they do not know the role of government agencies. Lack of knowledge about the role of government agencies can hinder the development of women-owned SMMEs business initiatives. The DTI (2004:22) emphasises that SMMEs need to be aware of all the agencies that are available to support their businesses. For them to survive, they need to know various logistics and various support mechanisms.

Figure 4.1: Women-owned SMMEs and By-Laws

Q.7 Are municipalities' by-laws conducive to SMME development?

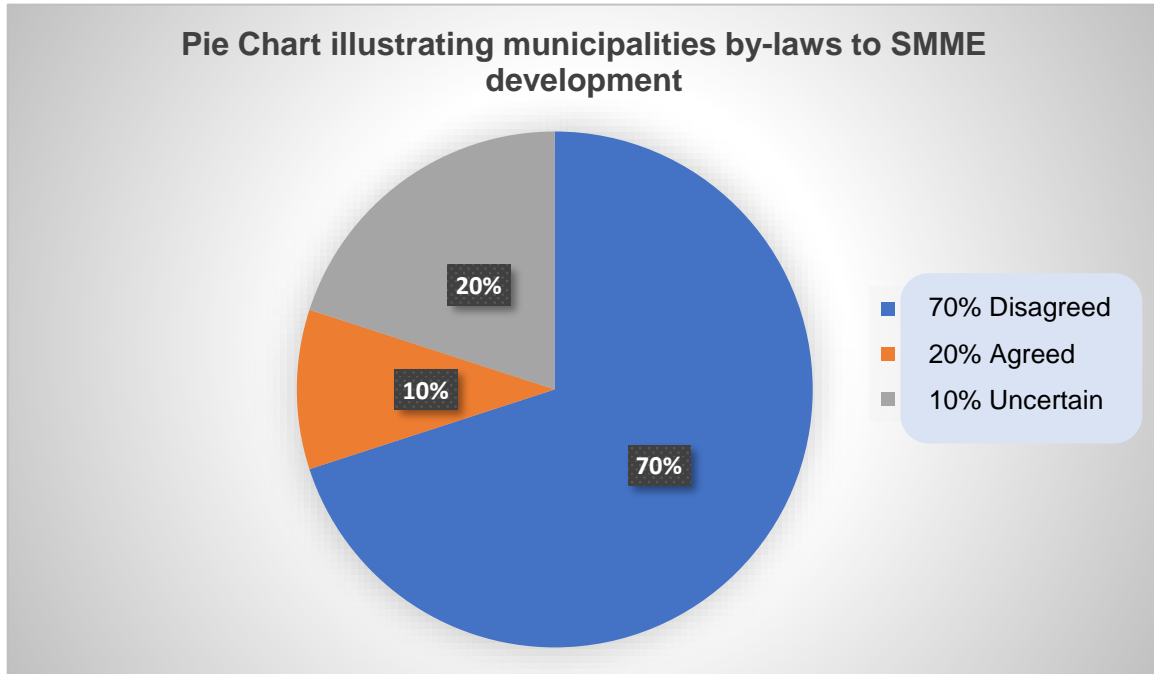


Figure 4.1 shows that thirty-five (70%) of the respondents disagree with the statement. Only ten (20%) of the respondents agree with the statement, while five of the respondents are recorded as being uncertain.

From the above findings, most of the respondents believe that some of the by-laws passed by municipalities are not conducive to the development of women-owned SMMEs. Unfavourable by-laws can demotivate women-owned SMMEs in continuing with their businesses.

Table 4.7: Women-owned SMMEs and Infrastructures

ITEM	F	%
Q.8 The infrastructures provided by the government agencies do (or do not) support the growth and development of women-owned SMMEs?		
Agree	2	4
Strongly Agree	4	8
Disagree	31	62
Strongly Disagree	10	20
Uncertain	3	6
TOTAL	FX = 50	100

Question 8 indicates that forty-one (82%) of the respondents disagree with the statement. Six (12%) of them agree with the statement, while three (6%) of the respondents are recorded as being uncertain.

From the above information, many of the respondents claim that the infrastructures provided by government agencies do not support women-owned SMMEs' growth and development. Lack of sufficient infrastructures can have a negative impact on the management of women-owned SMMEs in the area of the study.

Figure 4.2: Women SMMEs, Monitoring and Evaluation

Q.9 Lack of monitoring and evaluation by government agencies impact negatively on the growth of women SMMEs.

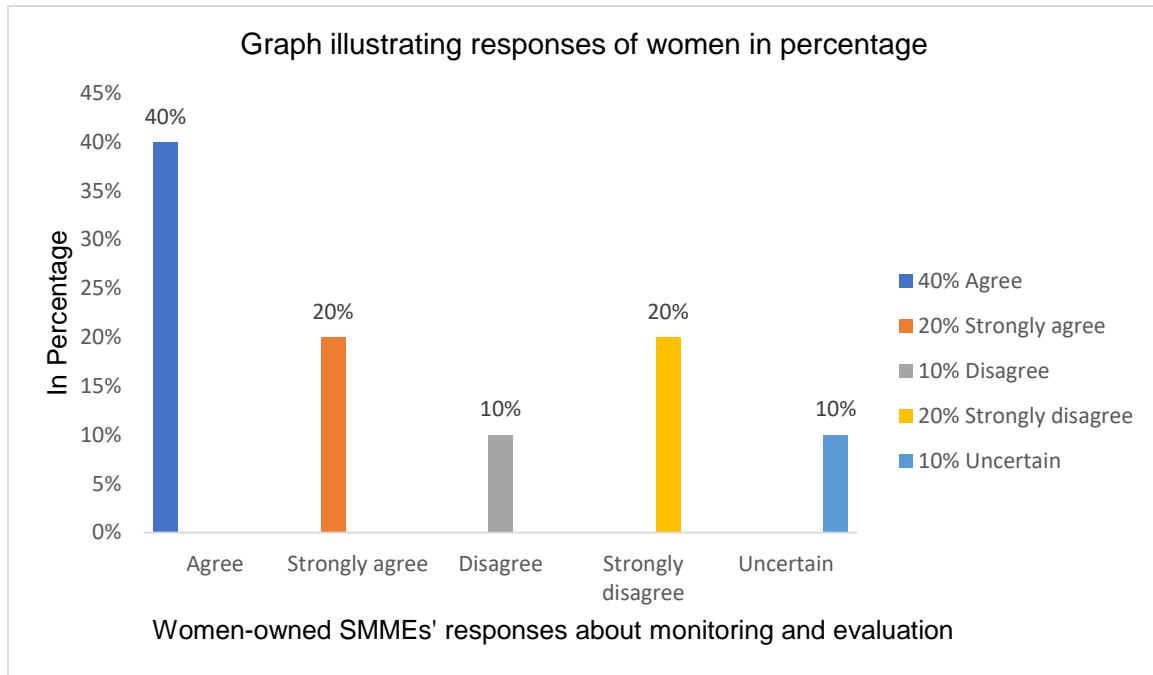


Figure 4.2 shows that thirty (60%) of the respondents agree with the statement. Only fifteen (30%) of the respondents are at variance with the statement, while five (10%) of them are recorded as being unsure.

From the above findings, it is evident that some of the respondents believe that the lack of monitoring and evaluation by government agencies impacts negatively on the success of women-owned SMMEs in the area of the study.

Table 4.8: Women-owned SMMEs and alternative strategies

ITEM	F	%
Q.10 The lack of alternative strategies hampers the development of women-owned SMMEs in the CDM.		
Agree	25	50
Strongly Agree	20	40
Disagree	2	4
Strongly Disagree	1	2
Uncertain	2	4
TOTAL	FX = 50	100

Question 10 indicates that forty-five (90%) of the respondents agree with the statement. Three (6%) of the respondents disagree, while two (4%) of them are recorded as being uncertain.

From the above analysis, it is clear that most respondents believe that the lack of alternative strategies by government hamper the development of women-owned SMMEs. Lack of alternative strategies can demotivate women-owned SMMEs in accelerating the growth of their businesses in the area of the study.

4.3.2 Data obtained through Semi-Structured Interviews

In this section, data obtained through interviews with agencies' managers is presented. The responses from the above-mentioned participants have given the researcher a clear picture about the situation and factors that hinder the development of women-owned SMMEs in the CDM.

The following challenges were identified by the researcher as the main factors that hinder the development of women-owned SMMEs in the area of the study:

4.3.2.1 Lack of clarity of policies

Out of ten managers who were interviewed, nine believe that lack of clarity of policies may impact negatively on the growth and development of women-owned SMMEs.

Some of the comments made:

'How can you expect me to know about policies related to SMMEs if no one has clarified them to us'.

4.3.2.2 Insufficient resources

Out of the ten managers interviewed, seven claims that insufficient resources affect the acceleration and success of women-owned SMMEs.

These were some of the responses of women-owned SMMEs:

'I feel very disillusioned when the government is not providing enough Resources to support our business initiatives'.

4.3.2.3 Inadequate training and development

Out of the ten managers interviewed, eight confirm that inadequate training by the government demotivates women-owned SMMEs in continuing with their business initiatives.

Some of the responses from the interviewees were:

'I am not trained in business management, hence I am running my business by trial and error'.

4.3.2.4 Lack of entrepreneurial skills

Out of the ten managers interviewed, seven believe that a lack of entrepreneurial skills impacts negatively on the success of women-owned SMMEs.

Some of the comments included:

'Lack of entrepreneurial skills is one of the main cause of failure of SMMEs in South Africa'.

4.3.2.5 Monitoring and Evaluation

Out of the ten managers interviewed, nine claim that the lack of monitoring and evaluation by government officials discourages women-owned SMMEs from attaining their intended goals in their business endeavours.

Some of the responses from the interviewees are:

'I feel discouraged when our government does not monitor and evaluate progress of our businesses'.

4.4 Conclusion

The success and empowerment of women-owned SMMEs depend on the role played by government agencies, as they are expected to provide financial support, adequate training, infrastructures and resources. The chapter reveals some of the challenges that hamper the development of women-owned SMMEs.

The above problems call for the government to monitor, evaluate and develop alternative strategies that will empower women-owned SMMEs in the area of the study. Data collected is presented, analysed and discussed in full in this chapter.

In the next chapter, an overview of the study findings, recommendations and conclusions is given.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes an overview of the study, findings, recommendations, limitations and conclusion. The findings and recommendations are discussed against the objectives and research questions stated in chapter one. The general conclusion and recommendations for further research are also presented in this chapter.

5.2 Overview of the study

The main purpose of this study was to identify the factors that hinder the success of women-owned SMMEs in the CDM. This is discussed against the objectives and research questions stated in chapter one. Factors such as access to finance, inadequate infrastructure, government agencies, municipalities' laws, lack of business support, economic growth, lack of managerial skills and other related factors are discussed in chapter four. The researcher used an empirical investigation and semi-structured interviews as outlined in chapter three. This was done to obtain information regarding the challenges that affected women-owned SMMEs in general. In this chapter, the researcher suggests some recommendations against the findings obtained through empirical research and semi-structured interviews.

5.3 Findings

In the next section, findings from the literature review, empirical research and semi-structured interviews are outlined. The findings from empirical research and interviews reveal some important ideas and strategies that may be used by the government to empower women-owned SMMEs in the CDM.

5.3.1 Findings from literature review

- The concept 'SMMEs' is not static but dynamic and situational. The concept may be defined and interpreted differently.
- The concept needs analysis and clarification, to be understood by the stakeholders. This will assist the government to use the concepts related to it when considering how women are empowered by agencies.
- SMMEs contribute to the economic growth and job creation
- The application of the above principles can also assist the government to use resources effectively, to achieve the intended goals and objectives in women empowerment.

5.3.2 Findings from the empirical study

Structured questionnaires were used to find out to what extent government agencies have a role in empowering women-owned SMMEs in the area of the study. From the empirical investigation, the following problems facing women-owned SMMEs emerged, as mentioned in chapter four:

5.3.2.1 Forty-four (88%) of the respondents confirmed that there are challenges faced by women-owned SMMEs within the area of the study.

5.3.2.2 Forty (80%) of the respondents agree that there is insufficient financial support.

5.3.2.3 Forty-two (84%) of the respondents confirmed that inadequate training by government impacts negatively on the success of women-owned SMMEs.

5.3.2.4 Thirty-nine (78%) of the respondents believe that lack of clarity on government policies hinders the growth of women-owned SMMEs in the area of the study.

5.3.2.5 Thirty-eight (76%) of the respondents claimed that most of the women-owned SMMEs do not know the role of government agencies in their business development.

5.3.2.6 Thirty-five (70%) of the respondents indicated that unfavourable by-laws from municipalities impact negatively on SMME development.

5.3.2.7 Forty-one (82%) of the respondents confirmed that lack of infrastructure has a negative effect on the development of SMMEs in the area of the study.

5.3.2.8 Thirty (60%) of the respondents confirmed that lack of monitoring and evaluation by government agencies impacts negatively on the growth of women-owned SMMEs.

5.3.2.9 Forty-five (90%) of the respondents believe that the lack of alternative strategy hampers the development of women-owned SMMEs in the CDM.

5.3.3 Findings from the semi-structured interviews

The researcher conducted interviews with managers of government agencies to get the general feelings about the role of government in the empowerment of women-owned SMMEs in the area of the study. Interviews included an interview related to policies, training, strategies, monitoring and evaluations that might have an impact on the empowerment of women-owned SMMEs in the CDM.

From the interview, the following views of the interviewees became apparent as the main challenges that hamper the growth and development women-owned SMMEs in the area of the study:

5.3.3.1 Lack of clarity of policies

Lack of clarity of policies may impact negatively on the growth and development of women-owned SMMEs

5.3.3.2 Insufficient resources

Lack of resources can affect the acceleration and success of women-owned SMMEs

5.3.3.3 Inadequate training and development

Inadequate training by government demotivates women-owned SMMEs in continuing with their business initiatives.

5.3.3.4 Lack of entrepreneurial skills

Lack of entrepreneurial skills impacts negatively on the success of women-owned SMMEs.

5.3.3.5 Monitoring and Evaluation

Lack of monitoring and evaluation by government discourages women-owned SMMEs from attaining their intended goals in their business endeavours.

5.3.3.6 Lack of alternative strategies

Lack of alternative strategies hinders success, growth and development of women-owned SMMEs in the CDM.

5.4 Recommendations (empirical and interviews)

Based on the findings of the empirical research and interviews, the following motivated recommendations are made:

5.4.1 The government should minimise challenges faced by women-owned SMMEs in the CDM.

5.4.2 Government agencies should be encouraged to provide financial support to women-owned SMMEs.

5.4.3 The government should be encouraged to provide sufficient training to improve the status of women-owned SMMEs in the CDM.

5.4.4 Policy makers should clarify policies related to SMMEs to empower women in small business.

5.4.5 Government agencies should create awareness about their role in women-owned SMME development.

5.4.6 Municipalities should create conducive environments to motivate women-owned SMMEs to operate their businesses freely.

5.4.7 Municipalities should be encouraged to provide proper infrastructures for women-owned SMMEs to operate effectively.

5.4.8 Women-owned SMMEs should be encouraged to attend courses about entrepreneurship to manage their businesses in a professional manner.

5.4.9 The government should be encouraged to monitor and evaluate their programmes towards the growth and development of women-owned SMMEs.

5.4.10 The government should be encouraged to develop alternative strategies that will empower women-owned SMMEs in the CDM.

5.5 Limitations

The study cannot claim to have revealed all the challenges experienced by women-owned SMMEs in the CDM, as these challenges are not static but dynamic and situational. In addition, there is a limitation in the use of the target population and sampling to represent the whole gamut of women-owned SMMEs in the CDM. The women who took part in the study were only those who live in the CDM, due to financial and time constraints. However, the findings have laid the foundation for further research in the area of the study.

5.6 Recommendations for further research

Every research study is intended to lead to future research because no research is complete. The following topics are suggested for further research:

5.6.1 The role of infrastructure in the empowerment of women-owned SMMEs.

5.6.2 The role of financial institutions in empowering women SMMEs.

5.6.3 The perceptions of small business managers of economic growth and development

5.6.4 The role of B-BBEE in SMME development.

5.6.5 The exploration of factors that hinder the success of SMMEs.

5.7 Conclusion

In conclusion, the purpose of this study was to explore the role of government agencies in empowering women-owned SMMEs in selected municipalities in the CDM. The factors that hinder the success of women-owned SMMEs in the area are discussed in chapter 4. Suggestions for solutions to the problems stated in chapter 1 have been briefly outlined in this chapter.

The study was meant to be an eye-opener for policy makers and public managers. It is now their responsibility to consider the recommendations of the study as possible ways to empower women-owned SMMEs.

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APPENDIX A: QUESTIONNAIRE

This questionnaire is developed in order to explore the role of government agencies in empowering women-owned SMMEs in selected municipalities in the Capricorn District of Limpopo Province

Name of Business: _____

Contact Person: _____

Contact Numbers: _____

Please note the following points when completing the questionnaire:

- Tick (✓) the most appropriate response
Tick (✓) only one (1) block per question or statement

A. DEMOGRAPHIC INFORMATION

1. What is your gender?

1	Male	
2	Female	

2. What is your age?

1	18-29	
2	30-39	
3	40-49	
4	50-59	
5	60 and above	

3. What is your marital status?

1	Single	
2	Married	
3	Divorced	

4. What is your highest level of qualification completed?

1	One (1) to Five (5)	
2	Six (6) and Above	

5. How many years have you been in business?

1	Grade 1-7	
2	Grade 8-11	
3	Matric	
4	Diploma	
5	University/Technicon Degree	
6	Post-graduate Degree (e.g. Honours, Masters, PH.D)	
7	Other Qualification	

B. GENERAL BUSINESS INFORMATION

6. How many years have you been in business?

1	1-5 years	
2	6 and above years	

7. In which municipality is your business located?

1	Polokwane Local Municipality	
2	Lepelle Nkumpi Local Municipality	
3	Aganang Local Municipality	
4	Molemole Local Municipality	
5	Blouberg Local Municipality	

8. What is the type of your business?

1	Sole Proprietorship	
2	Close Corporation	
3	Pty Limited	
4	Co-operative	
5	Other	

9. How many people do you employ?

1	1-5 people	
2	6-20 people	
3	21-50 people	
4	51-200 people	

10. Women-owned SMMEs are facing challenges to access assistance from government agencies.

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

11. There is insufficient financial support to women-owned SMMEs from government SMMEs.

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

12. Does inadequate government training impact negatively on the development of women-owned SMMEs?

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

13. Does lack of clarity on government policies deter growth of women-owned SMMEs?

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

14. Government agencies play a role in the development of women-owned SMMEs.

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

15. Are municipalities' by-laws conducive for SMME development?

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

16. Do the infrastructures provided by the government agencies support the growth and development of women-owned SMMEs?

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

17. Lack of monitoring and evaluation by government agencies impact negatively on the growth of women-owned SMMEs.

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

18. Do lack of alternative strategies hamper the development of women-owned SMMEs in the CDM?

1	Agree	
2	Strongly Agree	
3	Disagree	
4	Strongly Disagree	
5	Uncertain	

END OF THE QUESTIONNAIRE

APPENDIX B: INTERVIEW SCHEDULE

This interview schedule is compiled to explore the role of government agencies in empowering women-owned SMMEs in selected municipalities in the Capricorn District of Limpopo Province

1. Does lack of clarity of policies impact negatively on the growth and development of women-owned SMMEs? *If yes, how?*
2. Does lack of relevant resources affect the acceleration and success of women-owned SMMEs? *If yes, how?*
3. Does inadequate training and development demotivate women-owned SMMEs to continue with their business initiatives? *If yes, how?*
4. Does lack of entrepreneurial skills impact negatively on the success of women-owned SMMEs? *If yes, how?*
5. Does lack of monitoring and evaluation by government officials discourage women-owned SMMEs to attain their intended goals in their business endeavours? *If yes, how?*

APPENDIX C: LETTER OF REQUEST

PO Box 1193
Fauna Park
0787

10 April 2017

The Executive Manager
Enterprise Development Section
Limpopo Economic Development Agency (LEDA)
No. 06 Platinum Street
Ladine
Polokwane
0700

Dear Sir / Madam

RE: PERMISSION TO CONDUCT RESEARCH WITH YOUR ORGANISATION

I hereby humbly request permission to conduct research for my studies within the abovementioned institution. My research topic is as follows:

The role of government agencies in empowering women-owned SMMEs in selected municipalities in the Capricorn District of Limpopo Province

The information that will be collected in this study and the outcome thereof will be made available to the institution.

Yours faithfully

Mrs. RI Mpe
Researcher

10 May 2017

Ramatsobane Innocent Mpe
PO Box 1193
Fauna Park
0787

Dear Ms. Mpe

PERMISSION GRANTED TO CONDUCT RESEARCH AT OUR ORGANISATION

Permission has been granted to conduct research for your studies within our institution.

We wish well with your studies.

Kind Regards



Mr. S.H. Maphutha
Acting Executive: Enterprise Development Division
LEDA