

**THE ROLE OF THE MINIBUS TAXI INDUSTRY IN PROMOTING THE  
DEVELOPMENT OF SMALL BUSINESSES IN SOUTH AFRICA: A CASE OF  
MANKWENG TAXI ASSOCIATION, LIMPOPO PROVINCE**

by

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**DISSERTATION**

Submitted in fulfilment for the requirement of the degree of

**MASTER OF ADMINISTRATION AND MANAGEMENT (PUBLIC ADMINISTRATION)**

in the

**FACULTY OF MANAGEMENT AND LAW**

**(School of Economics and Management)**

at the

**UNIVERSITY OF LIMPOPO**

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**2021**

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## **DECLARATION**

I, Terrance Talent Molobela, declare that, this dissertation is my own original work, and has not been submitted for any degree or examination at any other institution. The sources that, I have used have been fully acknowledged. This dissertation is submitted in fulfilment for the requirements of the degree Master of Administration and Management (Public Administration) at the University of Limpopo.

Signature

Date

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## MOTIVATION OF THE STUDY

Emanating from the experiences of the researcher as a commuter having used public transport for all his life, the researcher noted a recurrent pattern of the role of the minibus taxi industry in promoting the development of small businesses. Taxi operators and owners continue to support informal businesses across the country, helping keep the township and city hawker market afloat. This pattern has ensured and sustained rural livelihood and led to the rise of vendor businesses. As a researcher, I realised that, the manufacturer is the only one who knows the truth about his or her product. You can never understand the original purpose of a product until you read the manual (or the mind) about the product. Otherwise, if you choose to ignore the manual, you will be 'experimenting'. This is an invitation from the researcher to the reader; that, is, the purpose of this research requires one to see beyond the current. Furthermore, the study taught me that, trapped within every follower is a leader. Trapped within any seed is a tree. This is to say, the future of every man is trapped within and not ahead. No one is a mistake, which is why you should never allow anyone to despise your potential or society to define your life because no one knows your truest potential except the One who manufactured you.

*"Eyes that, look are common, but eyes that, see are rare."*

- Dr. Myles Munroe

## **DEDICATION**

This study is dedicated to my mother, Saidah Molobela and my late brother, Cliff Chiloane (May his soul rest in the perfect peace of Christ Jesus) - who motivated me to go after studies with full force and passion. Mom, your unconditional love and support will forever be appreciated, and you are in my thoughts. I intend to impress you with my hard work.

## **ACKNOWLEDGEMENTS**

My extensive gratitude goes directly to the Almighty God, whose unending love and grace have kept me strong and courageous to complete this study.

To Prof. M.P Sebola (Supervisor), and Dr. T.M Ramoroka (Co-supervisor), thank you for your support, dedication, guidance, contribution and believing in my work.

To my mother, Saidah Molobela for giving birth to me and supporting me through my studies. My family: Phummy, Cliff (may his soul rest in perfect peace of the Lord Christ Jesus), Pego, Tshupo, Anios, Boitumelo, Kgahlego, Excellent, Easther, and Amos your support and unconditional love were the roots that, kept my head up until the completion of this study.

Friends and colleagues, your daily motivation and support are much appreciated. Many thanks goes to the Mankweng Taxi Association's main office at Boyne, taxi operators, and small business owners - your valuable time and participation in the study is highly appreciated.

## **ABSTRACT**

This study focuses on the role of the minibus taxi industry in promoting the development of small businesses at Mankweng taxi ranks. This area of study has not been thoroughly researched; therefore, existing literature on the role of the taxi industry in promoting the development of small (especially informal) businesses is limited. This lack thereof does not help in casting a clear sense of how the taxi industry benefits small businesses around their operation centres. Therefore, this study specifically investigated the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks.

Both quantitative and qualitative research methods were employed, with the use of structured questionnaire and focus group interviews as techniques to collect data from Mankweng Taxi Ranks. The study had a target population of 300. Stratified random sampling was chosen for small businesses while random sampling was employed for taxi operators, and purposive sampling was applied for employees at Mankweng main taxi offices.

This study had a sample size of 300, sampled differently with 180 participants forming part of stratified random sampling and 110 participants forming part of random sampling. Two different questionnaires were prepared for both small businesses and taxi operators. Questionnaires were randomly distributed to small businesses (30 hawkers, 15 filling stations, 69 street produce sellers, 15 car washers, 15 restaurants, and 36 caterers) and 110 taxi operators at different taxi ranks such as Mankweng, Boyne, Ga-Mothapo, Solomondale and Dikgale. Additionally, the focus group interviews were purposively conducted with 10 employees working at Boyne, as it is the main office of the Mankweng Taxi Association, and they hold more administrative information relating to the taxi business.

The findings of the study show that, the taxi industry play a significant role in promoting the development of small businesses. The study further reveals that, poor business plans, inadequate working conditions, taxi violence, reckless driving, and a lack of funding affected the investigated businesses, as well as lack of exposure to new products, confronted the Mankweng Taxi Association. There seems to be a huge gap, both in research and government policy, that, seeks to promote the development of small businesses depending on the environment, and infrastructure, in which these businesses

operate. Additionally, this study reveals the nature of the taxi industry and its crucial role in benefiting small businesses. All stakeholders in the taxi industry need to create an environment that, encourages the spirit of harmony, active cooperation and development dedicated to the betterment of the taxi industry.

**Key words:** minibus, taxi operator, taxi industry, small business, small business development.

## **LIST OF ABBREVIATIONS**

SMMEs: Small Medium and Micro Enterprises

PRASA: Passenger Rail Agency of South Africa

DoT: Department of Transport

SATC: Southern African Transport Conference

OECD: Organization for Economic Cooperation and Development

PTS: Public Transport Strategy

BER: Bureau for Economic Research

TRP: Taxi Recapitalization Programme

SANRAL: South African National Roads Agency Limited

GDP: Gross Domestic Product

NTV: New Taxi Vehicle



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## **CHAPTER 1: GENERAL ORIENTATION OF THE STUDY**

### **1.1 INTRODUCTION AND BACKGROUND**

Over the past decades, the South African minibus taxi industry has played a pivotal role in shaping the development of small businesses. Today, South African minibus taxis have become one of the most dominant modes of public transport. The industry continues to grow notwithstanding economic tumult. It is said that, the minibus taxi industry is worth R50 billion per year, with more than 69% of households who commute (Wasserman, 2019). In 2016, there were approximately 200 000 minibus taxis on South African roads (South African Taxi telematics data, 2016). Thereafter, the Department of Transport claims that, the current registered and legal minibus taxis on the South African roads have increased to approximately 300 000 (Department of Transport, 2019). Therefore, due to the South African taxi exposure, multiple small businesses have emerged over the years. This clearly indicates that, the minibus taxi industry has consistently promoted the development of small businesses in South Africa.

The South African government is now more inclined with Small Medium Micro Enterprises (SMMEs). This term has changed the business structure of the present government. Much focus is increasingly placed on the development of small businesses and the Department of Trade and Industry has become the pillar of facilitating the existence and sustainability of small businesses (Dikgwatlhe, 2014:1).

According to Sebola (2014:127), the black South African taxi industry consists of two forms of public transportation, namely the minibus taxis and metered taxis. This study mainly focuses on the minibus taxis as the most dominant form of public transportation. The historical perspectives of the South African black minibus taxi industry emerged in the early 1960s when the apartheid regime took into cognisance that, black people lacked legal access to the taxi business and opportunities. The latter slashed into a loophole in 1977 when the Road Transportation Act was introduced, which allowed for black people to apply for legal permit to transport passengers from one location to another across South Africa (Mabitsela, 2016:54). The minibus taxi industry began to fulfil its main role in the late 1970s because of the introduced legislative framework by the former government. Blacks frantically needed public transportation to travel from and to

homelands and work. The minibus taxis were the only acceptable and available mode of public transport that, could reach townships at the desired time unlike trains requiring people to walk long distances to stations. The South African minibus taxi industry is often referred to as an “unanticipated success story”. Since the late 1970s, the minibus taxi industry emerged with the principles of personal initiative and self-empowerment in order to reach its success story (Gauteng Taxi Summit, 2013:1).

Despite this, the minibus taxis have become a dominant public transport mode that, operates at no timeframe and schedule; thus, it allows operators and owners to reach commuters within and out of cities, towns, townships and villages to maximise the number of trips and profits. Although some people prefer trains and buses as their public transport, minibus taxis remain dominant. Currently, over 15 million commuter trips are undertaken through minibus taxis on a daily basis (Kgwedi & Krygsman, 2017). This makes the minibus taxi business one of the most successful black-owned businesses in South Africa.

According to Sauti (2006), the minibus taxi industry in South Africa remains one of the most popular modes of public transport and the majority of commuters rely on its usage. The development of operations and infrastructure in the transport sector plays an important role in contributing to an economy. The use of public transport helps in minimising unnecessary carbon footprints and fuel consumption levels (Cohen, 2011). The role of minibus taxi industry contributes towards the emergence of various small businesses within and out of the industry. Consequently, the minibus taxi industry creates jobs and allows for global competitiveness and economic stimulation (Denis, 2018). The minibus taxi industry is the backbone that, drives the process of economic growth in operating areas.

Most small businesses such as local garages, local restaurants and other forms of small enterprises continue to exist because of the role played by minibus taxi industry, which is to transport passengers that, become possible customers to most small businesses (Ferrell, Niininen, Lukas, Schembri & Pride, 2015). Evidently, the South African Transport Conference (2016) indicates that, bus industry and rail are the most subsidised industries across provinces in South Africa and that, the majority (60%) has been spent on the Passenger Rail Agency of South Africa (PRASA) and Gautrain. Additionally, bus service allocation remains modest at 5% to 13%. Although the minibus taxi industry remains

unsubsidised in South Africa, they have the most ridership, transporting 67% of passengers (Southern African Transport Conference, 2016). Minibus taxis play a dominant role in feeding small businesses with possible customers on a daily basis, otherwise the economy would choke due to lack of this mostly preferred public transportation.

Today, the minibus taxi industry has become the pillar of the South African public transportation (Department of Transport, 2018). Despite this, the minibus taxi business is one of the most successful blacked-owned businesses. In turn, various small businesses are encouraged to become economic and self-empowered partly due to the existence of the minibus taxi industry. To date, the minibus taxi industry is the single sector, which is wholly controlled by the black majority as they have ownership of the entire mode of transportation. Therefore, the purpose of this study is focused on the role of the minibus in promoting the development of small businesses.

## **1.2 PROBLEM STATEMENT**

Over the past few years, various studies were done on the South African minibus taxi industry with most of them being policy focused, such as that, of Barret (2003), Fourie (2003), Baloyi (2012), Sebola (2014), and Mariska (2017). Policy focused in the study, means that, various studies over the past years have focused only on the planning fraternity of minibus taxi industry, such as planning for the formalisation and restructuring of the industry, while neglecting planning for the minibus taxi industry to promote the development of other small businesses known as 'direct beneficiaries of taxi facilities' (Nipha, 2016). Hence, this has exacerbated the exclusion of small business activities in various taxi ranks and facilities (Bristow, 2015; Nipha, 2016). Little or no study exists that, had specific focus on the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks. However, the area in which the taxi industry support the development of small businesses has not been thoroughly researched on, therefore, existing literature on the role of the taxi industry in promoting the development of small businesses, especially informal ones is lacking. The lack thereof creates confusion on how the taxi industry benefit small businesses operating nearby taxi facilities. Therefore, this study specifically investigated the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks.

## **1.3 RESEARCH AIM AND OBJECTIVES**

### **1.3.1 Aim**

The study aimed to investigate the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks in the Limpopo Province.

### **1.3.2 Objectives**

The objectives of this research are to:

- Analyse the context of minibus taxi business at Mankweng Taxi Ranks.
- Investigate the role of minibus taxi business in promoting the development of small businesses at Mankweng Taxi Ranks.
- Analyse small businesses operating at Mankweng Taxi Ranks.
- Assess challenges affecting the Mankweng Taxi Ranks in promoting the development of small businesses.
- Suggest possible solutions for Mankweng Taxi Ranks in promoting the development of small businesses.

## **1.4 RESEARCH QUESTIONS**

The first methodological steps to be taken while undertaking research are research questions. The study has five research questions:

- What is the context of minibus taxi business at Mankweng Taxi Ranks?
- What is the role of minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks?
- Which small businesses are operating at Mankweng Taxi Ranks?
- What could be the challenges affecting the Mankweng Taxi Ranks in promoting the development of small businesses?
- What could be the possible solutions relevant to addressing the challenges affecting the Mankweng Taxi Ranks in promoting the development of small businesses?

## **1.5 DEFINITION OF CONCEPTS**

### **1.5.1 Minibus taxi**

In terms of Section 1 of the National Land Transport Act, 2009 (Act No.5 of 2009), a minibus taxi means a motor vehicle designed or modified solely or principally for conveying more than nine but not more than 16 seated persons, including the driver. In the context of this study, a minibus taxi refers to a taxi vehicle ferrying passengers at Mankweng Taxi Ranks.

### **1.5.2 Operator**

As defined in Section 1 of the National Land Transport Transition Act, 2000 (Act No. 32 of 2000), an operator refers to a public transport operation as an individual carrying on the business of a public passenger road transport service. In this study, an operator shall refer to taxi owners, taxi drivers at Mankweng Taxi Ranks.

### **1.5.3 Taxi industry**

According to Gule (2009:6), a taxi industry refers to all individuals and groups who make a living out of providing taxi services. That, includes those who are involved in the core business of the taxis, which is transportation of commuters, the administrators, providers of auxiliary services such as vehicle washers and food vendors.

### **1.5.4 Small business**

In terms of the Small Business Act, 1996 (Act No 102 of 1996) it means a “separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy mentioned in column I of the Schedule and which can be classified as a micro, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule.”

### 1.5.5 Small business development

Small business development, according to this study, means the development and improvement of small business capacity, improved road transport infrastructure, accessibility to public transport by small businesses and customers as well as access to business opportunities and local trading markets, which involves economic strategies working towards the augmentation of economic and social opportunities for local customers and improving their quality of life in a satisfactory manner (Newman, 2001; Grunwald, 2014; Austin, 2016).

## 1.6 RESEARCH DESIGN AND METHODOLOGY

Research design and methodology is the engine of any research study. Therefore, the following focuses on how this study was conducted and carried out:

### 1.6.1 Research design

Research design guides in which way the research is to collect, analyse and observe to interpret the facts. The purpose of a research design is to enable the researcher to draw attention to the appropriate decisions in research with the aim of maximising the accuracy of end results (De Vos, 1998). This study used both quantitative and qualitative research methods. The advantage of the qualitative research is that, it produces a well-structured and written report which consists of introduction, literature and theory, results, methods, and discussion. This study used closed-end structured questionnaires technique to generate necessary responses relevant to the study (Creswell, 2014:4). The advantage of questionnaires is that, more questions can be asked without direct involvement with every possible respondent. With regard to qualitative research method, it is applied in this study because it offers a more precise way of assessing causality in organisational (in this case within the Mankweng Taxi Ranks) than arcane efforts like cross-lagged correlations (Ghauri & Gronhaug, 2002). Focus group interview technique was used during the application of the qualitative research method. Also, the study applied the case study method that, can be described as empirical research design. For the purpose of this, the case was the Mankweng Taxi Ranks in Limpopo Province.

### 1.6.2 Description of the study area

This study was undertaken at Mankweng in Limpopo Province, focusing on the Mankweng Taxi Ranks and their surrounding small businesses. According to Baloyi (2012), there are 15 taxi ranks in the Mankweng Taxi Association for Mankweng, Boyne, Ga-Mamabolo, Ga-Mothapo, Solomondale, Dikgale, and Makotopong. The minibus taxi business in this area had its nooks and crannies over the past years. Thus, little or no study exists that, focuses on the role of the minibus taxi business in promoting the development of small businesses around these areas. The researcher saw it as imperative to undertake research in this particular area. Out of these taxi ranks, Mankweng and Solomondale are classified as semi-urban, which provides a better exposure for small business growth.

### 1.6.3 Target population

The target population for the study was the Mankweng Taxi Association Management and small businesses (hawkers, filling stations, car washers, street produce sellers, restaurants and caterers) benefiting from the activities of taxi operators.

### 1.6.4 Sampling

This study combined purposive and stratified random sampling. A sample size of 300 respondents were drawn from small businesses around taxi ranks and such were split according to each sample method chosen for the study. Questionnaires were randomly distributed to identified small businesses (30 hawkers, 15 filling stations, 69 street produce sellers, 15 car washers, 15 restaurants, and 36 caterers nearby these taxi ranks and 110 taxi operators at different taxi ranks such as Mankweng, Boyne, Ga-Mothapo, Solomondale, and Dikgale. Random and stratified random sampling were suitable for Mankweng taxi operators and small businesses as they are cognisant of their business environment. Purposive sampling is adopted with the aim of focusing on certain people with the relevant information for the study, in this case the number of taxi operators. For this reason, 10 employees from Mankweng Taxi management were purposively interviewed using the focus group interview technique. The three methods were chosen in order to enable the researcher generalise the findings in different ways.

### 1.6.5 Data collection methods

In the collection of data, both primary and secondary data were collected using group focus interviews, questionnaires and documentation. Primary data were collected from all the possible respondents indicated under the “target population”. The data sought in this regard related to the demographic of respondents as well as their views and opinions about issues of minibus taxis and small businesses or the lack thereof.

#### a) Questionnaires

Structured questionnaires with close-ended questions were used and randomly distributed to taxi drivers and small businesses. There was no provision for participant’s name on the structured research questionnaire to guarantee anonymity for the participants. A structured questionnaire helps in dealing with questions asked precisely in advance. Thus, the structured questionnaire can sometimes be amended to suit a certain situation or context of a study. In this study, close-end questions provided a set of questions and options in which the respondent can easily indicate their choice.

#### b) Focus group interviews

This study adopted the focus group interview technique. In its investigation, the researcher focused on the opinions, views and perceptions of respondents provided during interviews. Even though it may not be possible to uncover every story with focus group interviews, additional material such as notes and tape recorder were used to keep all possible records in place for ensuring reliability of the study. Focus group interviews were purposively conducted with employees at the Mankweng Taxi Ranks’ main office located at Boyne. The focus group interviews were conducted for respondents to give their experiences, views, perceptions and attitudes about the phenomenon under study.

#### c) Documentation

Data was collected from multiple documented sources. This included but not limited to books, academic journals, legislative and policy framework regulating public transport (minibus taxis) and small businesses in South Africa as well as newspaper articles, government documents, reports and annual reports. All these documents were important for the researcher to comprehend the discourses about the matter under investigation.



### 1.6.6 Data analysis

Descriptive and interpretive analysis were applied as well as a combination of Statistical Package of Social Sciences (SPSS) and Microsoft Excel for quantitative data. The SPSS helped as a tool management done on the Microsoft Excel. Data were obtained through interviews and questionnaires. Qualitative data were analysed through the application of the thematic analysis approach, which helped to provide primary understanding into the nature of the responses to be obtained through interviews. Facts, opinions, views, comments, ideas, and numbers generated through interviews were described in accordance with the thematic analysis to make meaningful conclusions about the investigated matter. The use of graphs and pie charts were intensively and thoroughly presented in the study.

## 1.7 VALIDITY AND RELIABILITY

Pilot testing was chosen to guarantee both validity and reliability, it ensured that, questionnaires and interviews were conducted in person rather than online. This was to ensure that, primary data provided by participants did not have outside distraction. The initial pilot test focused on both taxi operators and small business owners at Mankweng. It ensured the reliability and validity of the study (Bartlett, 2013). Gathering data through the pilot test partly minimised the biasness and weakness of data. Hence, choosing a pilot test technique for qualitative and quantitative study helped in corroborating data and ensuring both validity and reliability (Mohammad, 2013).

## 1.8 ETHICAL CONSIDERATIONS

According to Mouton (2001:238), scientific research involves a human conduct and requires one to conform to generally acceptable ethical standards, norms and values. In this study, the approval to conduct the research was obtained from the University of Limpopo Turfloop Research Ethical Committee. Moreover, another letter was obtained from the Department of Public Administration as a permission to undertake the study, and such was produced to request permission from Mankweng Taxi Association.

- Voluntary participation

Participants were advised to participate voluntarily and informed that, no remuneration or incentive would be offered to any participants.

- Informed consent

It is important to obtain informed consent since it forms part of ethical issue. The researcher explained the reason to undertake the study and its purpose to the participants. It involved informing the participants so as to ensure that, participants fully understand their role in the study, before giving their approval.

- Ensuring confidentiality and anonymity

In this study, participants were labelled numerically to avoid mentioning their names. Their identity was not revealed for anonymity's sake. The study was conducted with honesty and good stewardship of public resource used to conduct research. The researcher ensured that, sensitive data/information is kept confidential. Misconduct with fabrication of data was avoided at all cost to ensure an honest conduct of research. Responses obtained were written accurately.

- Avoidance of harm

The golden rule in research is to avoid harm of participants. The researcher commissioned the study professionally for all individuals involved regardless of ethnicity, race, religion and culture to protect their indignity or personal embarrassment. During the data collection, participants were not forced to answer questionnaires on their own and where possible help was provided by the researcher to understand the asked questions, so as to avoid harming their feelings.

## **1.9 SIGNIFICANCE OF THE STUDY**

The study would be significant in the following ways:

- The study seeks to broaden the understanding of the role of minibus taxis on the development of small businesses at Mankweng Taxi Ranks.

- The study would be helpful to the Mankweng Taxi Ranks and surrounding small businesses, as a reference to improve minibus taxi ranks and promote the development of small businesses.
- The study wants the Mankweng Taxi Ranks and small businesses to be aware of the current issues affecting the passengers and/or customers within the minibus taxi industry and their businesses.
- This study discloses challenges of minibus taxis as a means of public transport and small business aspects, thus assisting customers and Mankweng Taxi Ranks to realise areas where change is required during the implementation of public transport and small business initiatives.

## **1.10 CHAPTER OUTLINE**

Chapter 1 deals with the introduction and background of the study.

Chapter 2 deals with small businesses and the South African minibus taxi industry.

Chapter 3 outlines the role of minibus taxi industry in promoting the development of small businesses in South Africa.

Chapter 4 outlines the research methodology of the study.

Chapter 5 focuses on data analysis.

Chapter 6 provides recommendations and conclusions based on the investigated matter.

## **1.11 CONCLUSION**

This chapter outlined the introduction and background of the study, the problem statement, research aim and objectives, the research questions, definition of terms, the research method, the description of the study area, the target population, the selection of the sample, the methods of data collection, the type of data analysis, validity and reliability of the study, the ethical considerations, and the significance of the study. The next chapter focuses on small businesses and the South African minibus taxi industry.

## **CHAPTER 2: SMALL BUSINESSES AND THE SOUTH AFRICAN MINIBUS TAXI INDUSTRY**

### **2.1 INTRODUCTION**

In a country like South Africa, Geldenhuys & Cilliers (2012) indicate that,, approximately 73% of the South African workforce is employed by small businesses. Small businesses play an important role in the economy. The reality is that, small businesses do not remain small constantly; they grow and contribute a substantial increase to the South African economic growth. The minibus taxi industry comprises multiple large and small taxi businesses, which in turn stimulate the economic growth by providing employment opportunities to a multitude of people who fit to be employable in the minibus taxi industry (Newswire, 2017).

According to Fobosi (2013), the minibus taxi industry has, to a large extent, remained a critical pillar for black empowerment. The industry has created opportunities for black economic empowerment. Thus, in this context, it continues to influence small businesses such as hawkers, filling stations, caterers, street produce sellers, restaurants, and car washers as the focus of this study to substantially increase nearby taxi facilities. However, these small businesses often fail to contribute significantly partly because the taxi industry remains unsubsidised. Luke & Heyns (2013) argue that,, transport is the highest overall priority in the South African society today. Therefore, small businesses that,, depend on the minibus taxi industry for transportation tend to vacate the business pool because of high transportation costs. To curb this, Barret (2003:2) contend that,, “it is now time to bring forward legislation that, will bring stability to the taxi industry and encourage small businesses to grow exponentially.”

The minibus taxi industry is the breath needed by small businesses. This is because most of these small businesses rely on the industry to feed them with customers on a daily basis. Additionally, the taxi industry is employed with people who possess small business ideas and they can be unmasked through an integrated approach with all relevant stakeholders, including the government (Sandler & Keefe, 2005; Applegate, 2011; O’Kane, 2011; Ruper, 2018). If such ideas can be put into practice, small business activities may increase.

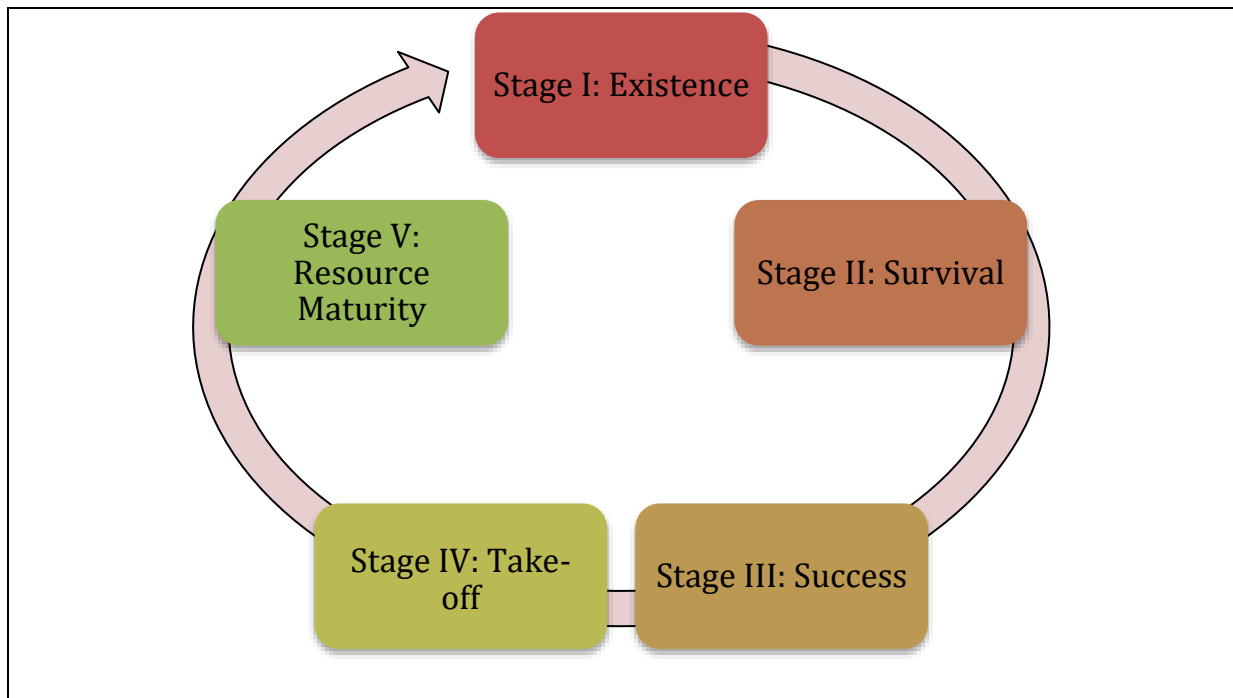
The previous chapter introduced, and provided motive for, the study. This chapter builds on to provide on the international experiences of small businesses, particularly the taxi industry. Moreover, it highlights the general context of small businesses in South Africa and the context of small businesses in the South African minibus taxi industry. This section argues that, an idea can influence a change and a change in terms of developing a small business may be a need in the taxi industry. With that, being said, small businesses operating in the minibus taxi industry fulfil various business goals. Before expanding on the highlighted main sections of this chapter, it is important to highlight on small business development stages, which can help in understanding the context of small businesses and the minibus taxi industry in South Africa.

## **2.2 SMALL BUSINESS DEVELOPMENT STAGES**

Over the past years, small businesses have played a key role in shaping the South African economy. Even though small businesses do not necessarily guarantee a consistent economic growth, more challenges arise whenever there is a failure to find a concrete theoretical framework that, will strongly ground the existence of small businesses. This, however, requires a lot of profound and solid research for sustaining a particular small business. Subsequently, Scott & Bruce (1987) developed a framework relevant to growing small businesses. The framework is known as “the five stages of small business growth”. These five stages were also reviewed by Harvard Business Review to check their reliability to the growth of small businesses. Bhandari & Verma (2013) also adopted and discussed these five stages. One thing that, most small businesses and taxi business owners are faced with is the growth patterns of their product and small taxi fleet. This is because growing a small taxi business may seem at first glance as a hopeless task. Frankly speaking, this is where most small businesses tend to fail in growing beyond their current stage. Small taxi businesses differ widely in terms of scope and size as well as their capacity for growth. Consequently, business structures and management styles determine these variable amongst businesses. However, most small taxi businesses often times happen to encounter similar problems during their time of development (Scott & Bruce, 1987). These similarities in small taxi businesses can help broaden the understanding of the nature and extent of the taxi business problems on a daily basis.

Below is the small business theoretical framework known as “the five stages of growth in small business” that, this study is grounded on:

Figure A: Small business development stages



Source: Scott and Bruce, 1987

Developing a small business framework is critical for long-term existence of every business, especially the taxi business. It serves as the basic fundamentals of a business. Butler (2006) asserts that, creating a business framework is fundamental as it contains all the underpinnings of business factual information needed to draft a successful plan for the business. Gordon (2015) opines that, developing a small business framework is of utmost importance as it helps analyse the business environment and the individuals involved in such a business. According to Scott & Bruce (1987), the five stages of small business growth help to provide a solid foundation on evaluating the impact of present and proposed governmental policies and regulations on one’s business. All these five stages are explained as follows:

### **Stage I: Existence**

In this stage, the central question that arises is how to obtain possible passengers or customers as well as delivering on the meant taxi service or the products to the customers

(Jordaan, Ehlers & Grove, 2011). During this stage, several questions are to be asked regarding the taxi business and small businesses, these include, but not limited to, the following:

Existing in the South African minibus taxi industry and small business environment requires one to ascertain what should be done in obtaining enough passengers and customers to maximise profit. This challenges the taxi business operators and small business owners to ensure that, the business can deliver on its promised taxi service and adequately provide service or product with the intent to become a viable business. Challenges in the existence phase will arise; however, Chrysostome & Molz (2014) provide that, theory and empirical research reveals that, any business survival depends on its capacity to planning for its survival in the long run. For taxi businesses and small businesses as mentioned in this study to expand beyond its one survival stage of one customer to multiple customers and broader sales base, the business owner should find insights into the world of taxi operators. The business must ensure that, there are also adequate funds to cover all considerable costs that, would've incurred from this start-up phase. Butler (2006) stresses the fact that, small business start-up survival and growth should not be overlooked during the business plan.

## Stage II: Survival

The existence stage precedes the survival stage. At this stage, the taxi business would have demonstrated in a conducive business environment and for taxis in a workable association. Chell & Karatas-Ozkan (2014) argue that, mapping the business environment first is fundamental, as the business seeks to survive and engage with existing small businesses in the same environment would assist in sustainability. After this, the business has to find its way around customers and how it can satisfy them with their taxi services. During this stage, the relationship between expenses and profit start to be highly considered. Key issues that, arise at this stage are as follows: First, the taxi business must generate enough cash to the break-even point and cover all possible vehicle maintenance costs in the short-run. Secondly, the business must, at a minimum, generate adequate cash flow to stay afloat. Thirdly, the business should experience finance growth to an extent which is sufficient enough given the market niche and industry (Jordan, 2014). Lastly, the business must be able to earn an economic return on its assets and labour.

### Stage III: Success

The survival stage leads to the success stage. At this stage, taxi business owners tend to have doubts about whether to expand the business beyond its survival stage. Burns (2011) claims that, the success of a small business depends on the development of a start-up strategy, which can be done systematically. However, at this stage, oftentimes business owners seem at first glance to have hopeless business-driven minds or whether to explore the business accomplishments and grow or continue business as usual. This stage further consists of two sub-stages as follows:

#### *Success-Disengagement*

During this sub-stage, the business has reached a satisfactory size and the product or taxi service concerning the taxi business has increasingly grown which allows for more economic success, and more average profits are generated. Environmental changes or impact does not affect the business together with its competitiveness. However, Burns (2011:292) points out that, the strategy which led to success should not be a constraint if unexpected changes happen in the business. In turn, with the business growing, more personnel (taxi operators and small business employees) become a primary need.

#### *Success-Growth*

At this sub-stage, taxi business and small business owners begin to combine all the business resource (taxi fleet or business products) for growth. The owner can, therefore, use the business cash for borrowing power and can risk it for possible financial growth.

### Stage IV: Take-off

This stage involves key issues of how to ensure rapid business growth and how growth can be financed. At this stage, the issue of delegation and cash need not be compromised.

#### *Delegation*

The taxi business owner needs to decide whether or not delegation is a pre-requisite to improve the managerial effectiveness of the growing taxi business. Consequently, the taxi business or small business owner should determine the feasibility of ensuring delegation and check if ever it can lead to the rapid flow of performance and willingness of employees



to carry out delegated duties. In this instance, Seeler (2011) state that, it is crucially important to develop a structured small business approach, which should stipulate the power of delegation and minimizing the risk of role conflicts.

### *Cash*

The taxi business and small business owners should ensure that, adequate cash is available and that, the business cash flow is not jeopardised by fault expense controls or useless investments made by the owner. The business also needs to ensure that, operational and strategic planning comprises of the relevant and skilled personnel (operators and drivers) and that, their specific roles are being specified since the business is dependent on its customers (passengers) and profits generated. Chami, Sharma & Fullenkamp (2009) advise the small business to ensure standard cash flows, to stay afloat, and not to surprise potential investors due to poor performance of using the assets to generate cash. This should be consistent or otherwise the business will lose more cash, and have to retrench some of the other employees in the long run.

### Stage V: Resource Maturity

At this stage, taxi and small businesses may tend to concern much about certain issues. In this stage, Bhandari & Verma (2013:418) indicate that, small businesses ought to do a thorough SWOT (Strength, Weakness, Opportunity, and Threat) analysis since they are for profit-making. While SWOT analysis also matters in a not-for-profit organisation. However, key issues include amongst others but not limited to the following:

- The business needs to consolidate and control the financial returns generated through rapid growth.
- To maintain the advantages of small size fleet as well as entrepreneurial spirit and flexibility of responses.
- It is the responsibility of the business to expand and ensure fast managerial force to eliminate threats, such as inefficiencies that, can hinder lucrative routes, and professionalising the taxi business may improve the budget, management by objectives, strategic planning, and standard cost system. This should be done without crippling entrepreneurial qualities.

At this stage, the business has much involvement in its strategic planning, including its financial resources by the available staff. Managerial duties are often decentralised at this stage to allow for more experienced taxi operators, business owners and involved administrative staff to carry out and the business owner(s) begin to distance themselves from the financial and operational matters of the taxi business.

### **2.3 INTERNATIONAL EXPERIENCES ON SMALL BUSINESS AND SPECIFICALLY THE TAXI INDUSTRY**

Over the past years, taxis have and still play a significant role in providing mobility for passengers across the world. The taxi business provides one of the most frequently used transports to ferry passengers. Surprisingly, taxis in Dubai are mostly preferred as the mode of public transport, and it is also considered as an integral part of Dubai's image. Taxis are mostly used by tourists, foreigners, many local citizens across the city. Since taxis operate as a small business, Ali (2017) provides that, approximately 104 million taxi trips were undertaken through the use of taxis. Also, the taxi fleet in Dubai is approximately 9613, which in turn creates 9613 jobs for those that, could be employable. Furthermore, the taxi fleet is expected to rise to 12,765 by the year 2020. Taxi services in Dubai are ranked as being one of the world's comfortable, pleasant, pleasant, affordable and convenient (Ali, 2017).

According to Gill, Biger, Dana, Obradovich & Mohamed (2014), the most common problem that, is found in the taxi business is lack of finance. This, in turn, cripples business opportunities that, could be discovered within the industry. In Canada, taxi-cab operators find it difficult to be granted finances from financial institutions. These financial institutions do not provide finance to small businesses like taxi-cab. Financial institutions in Canada believe that, it is very risky to finance a taxi-cab business. However, the findings show that, investing in the taxi-cab industry offer profitable business benefits for Canadian financial institutions. Besides, these financial institutions can generate additional market share (Gill et al., 2014).

Literature provides that, in 2030 approximately 80% of the world's population will be living in cities (Salanova, Estrada, Aifadopoulou & Mitsakis, 2011). On the other hand, mobility needs in these cities will increase exponentially. The small business specifically the taxi industry, for instance in Barcelona is known as being more accessible and convenience

due to its door-to-door attribute, speediness, comfort, parking fees and long-time operation. The inconveniences of both the buses and trains allow the taxi businesses to become more and more preferred mode of public transportation. This clearly shows that, small businesses operating within and out of the taxi industry can grow based on their preferred support.

The taxi business is known for providing personal transport service (Salanova et al., 2011). However, international trends show that, Southern Asian cities like Thailand, Vietnam, Philippines, Singapore and Indonesia the taxi business has become large and it has extended its operations in 'an oligopolistic market' (Yew Tung, 2016). To make things easy in the taxi business, Anthony created the GrabTaxi application (app) in Malaysia. Therefore, commuters are expected to download the app on their smartphone to provide personal information. This helps commuters to make taxi bookings (Yew Tung, 2016). The New Zealand Transport Agency (2017) highlight that, small businesses within the taxi industry accumulate adequate profits because taxi services are app-based. It is argued that, app-based service saves taxi operators' fuel costs because taxis can only operate based on the number of requests to carry passengers.

Research reveals that, in countries like Canada, New Zealand, and Afghanistan most immigrants automatically become entrepreneurs in the taxi business because that,'s the only less complicated business (Najib, 2014). However, entrepreneurial experiences in the taxi business differ amongst taxi operators due to their place of origin. Just like in developing, the taxi business in developed countries competes with multiple modes of transport including buses, trains and private vehicles (Organization for Economic Cooperation and Development (OECD), 2007). Small business competition is very high in the transport industry, particularly for the taxi business. Doing business in the taxi industry has become expensive, especially for first small businesses in the industry. The cost of a taxi licence has been costly since 2007. OECD (2007:7) indicates that, "a Paris taxi licence costs €125,000, licences in Sydney and Melbourne cost A\$300, 000 and A\$500, 000 respectively and a New York taxi licence costs as much as the US \$600, 000." This may be unbearable for new small businesses with no adequate funding.

In Tokyo, the taxi business plays an essential role in city life. This is because the city is made possible through the provision of the 24/7 door-to-door services (Skok & Kobayashi, 2007). The Ministry of Land, Infrastructure, Transport and Tourism (2014) provide that,

4.4 million commuter trips are undertaken by taxis. Surprisingly, the 4.4 million trips are only by 1, 594 million people per day. As a result, small businesses can generate enough profits per day without having to fight or compete for taxi routes. Small taxi businesses provide an 'indispensable means of transportation' across cities and towns. In San Francisco, the taxi business enjoys the benefits of pre-arrangement for pick-ups. Every taxi business or company has its model of pricing (Carpenter, Curtis & Keshav, 2011). In San Francisco, small businesses are on the edge of substituting petroleum taxis with electric taxi vehicles. This is a smart move since fuel is becoming more and more expensive today. In a year this could save a taxi business approximately 15, 000 litres of fuel. This is applicable for small businesses operating 24/7 of taxi services.

MacAskill (2012) highlight that,, in Scotland, small businesses in the taxi industry play an essential role in the local transport system. They fill a huge gap in overall 'public transport provision', especially for people without access to own vehicle. Taxis are often the most available transport and provide Scotland with professional and friendly transportation. From cities to remote areas, the taxi business remains the most invaluable service for both visitors and citizens. Moreover, the Scottish economy is also represented by taxi businesses as being a major employer. This, in turn, improved the level of turnover in the economy.

In the wake of expanding the taxi business across the globe, governments are ensuring that, the taxi industry forms part of the Public Transport Strategy (PTS). This strategy assists governments to address issues that, may affect the taxi industry. According to Zhan, Qian & Ukkusuri (2014) in New York, 13 000 yellow taxicabs ferries approximately 240 million passengers annually, however, can change over time. While in Hong Kong 15 000 taxicabs are responsible for serving approximately 1 million passengers daily. Furthermore, in Hong Kong, the government caters for the demand of the existing taxi service (Legislative Council Secretariat, 2015). In addition, approximately 72 000 taxis are found in Seoul. The split operation shows that, 23 00 taxis fall under corporate businesses, and 49 000 taxis are operated by small business individuals (Legislative Council Secretariat, 2015). As a result, it can be said that, 72 000 jobs are created by the taxi business alone in Seoul.

Internationally, taxi businesses charge for their fares generally on meter-based purposes. The amount charged depends on the kilometres and destination area. Taxis can also charge their fares based on an hourly or daily basis.

Apart from multiple taxi businesses in the world, they differ from city to city as some has adopted an 'electric payment system and technology-based initiative to provide more convenience to passengers'. Taxi businesses in developed countries as compared to those in developing countries are equipped with an 'electronic payment system to allow passengers to pay for fares with credit/debit cards'. This could be found or seen in various developing cities globally.

According to the Legislative Council Secretariat (2015) regular type of international taxis is 20% far more expensive as compared to the standard regular taxis. This implies that, taxi fares could differ regardless of their international status. In Singapore, six licensed corporate taxi operators are predominately the most recognised small business owners. This is because taxis are distinguished by their design and colour. Small taxi businesses are treated differently based on their taxi fleet and the quality of their service. Also, the number of taxis in Singapore is significantly small. Individual taxi operators operate 180 taxis, while 28 520 taxis are operated by the six corporate taxi businesses. Taxi operators can set their taxi fares. However, the Singaporean government remain responsible for standardising some portion of the taxi fares. The Singaporean government has also subsidised disabled passengers.

Small taxi businesses play an important role in providing flexible and comfortable passenger transport in the world's public transport system (Wang, Chen & Keong, 2012). In many developed cities, the taxi business is known for offering point-to-point transport. The main aim of this transport is to satisfy the transport needs of both small parties and individuals. As for the nature of the taxi market, international taxis are operated based on three distinct ways. First, they operated through direct telephone request to a taxi company. Secondly, from specified taxi ranks, and lastly by cruising to find passenger, especially when there are no telephone requests. In other countries, the operation of taxis may differ due to a single-tier system for taxi regulation, while others apply 'dual or multi-tier system'. However, the most common thing about taxis is telephone requests and stringent controls of taxis (Gwilliam, 2005).

In a bid to ensure the organisation of the taxi market, individual operators and companies provide the taxi service. However, it is very evident that, in most cases, the taxi business is known as being 'individually dominated'. Individual taxi operators are to act independently when doing their business. In some cities, the taxi service is generally supplied by small or large companies. In countries like New Zealand and Canada, taxi operators are expected to belong to a 'dispatching system', to supply 24/7 taxi service to customers. While those belonging to a certain company may have a different regulation requirement, which may apply to taxi operators. Normally, taxi businesses are known as being self-financing. This could be because most governments across the world have not yet subsidised the taxi industry, unlike buses and trains. This is common amongst many countries including South Africa.

Taxi businesses or the taxi industry typically provide transport services that are more direct and quicker than any other mode of transport. Globally, the taxi market is developing and expanding. This creates high employment opportunities in the taxi sector. Moreover, the taxi industry plays a critical role across the globe by connecting people. In addition, it supports economic activity and promotes social inclusion. Generally speaking, the taxi operators as small business owners all play a vital role in offering a range of passenger transportation. The New South Wales Taxi Council (2013) highlight that, the taxi industry promotes economic activity for "upstream industries such as mechanics, vehicle manufacturers, automotive parts suppliers, the insurance industry, fuel distributors, dispatch and radio equipment. In New South Wales, the taxi industry employs approximately 17, 500 employable people. Also, the taxi industry contributes approximately \$20 million to the New South Wales government in revenue per annum.

## **2.4 SOUTH AFRICAN EXPERIENCES ON SMALL BUSINESSES IN GENERAL**

Over the past decades, small businesses have been the main focus of the South African government. In a bid of ensuring the government's focus, the National Small Business Act was passed in 1996. The passing of this Act was to ensure that, small businesses, in general, are represented and promoted. In so doing, the Act provides for the National Small Business Council to be established, to advise the three spheres of government (national, provincial and local) about policy seeking to promote the development of small businesses. Also, the Ntsika Enterprise Promotion Agency was created, to offer training

and non-financial support to small businesses in line with the National Small Business Strategy (Maye, 2014).

In South Africa, small businesses are defined and categorised as “small, medium, and micro-businesses”. To be more precise, all these businesses differ in terms of their size, scope and annual total turnover. Small businesses may have not more than 50 employees. While the medium may have 120 to 200 employees and, lastly, less than five employees can form a micro-business (Maye, 2014). Therefore, the key focus of this study is small businesses.

Small businesses play a vital role in the South African economy (Sonya, 2005; Ghinea & Purcarea, 2012; Mindi, 2015; Long, Looijen & Block, 2018). They are a vital component to the development of an economy. However, small businesses are known as being valuable for promoting economic activity, and employment opportunities. In South Africa, small businesses have a long history of being an early adopter of both informal and formal job creation (Deniis, Phillips & Starr, 1994). Although massive strides have been made to promote small business development, the current environment of doing business remains risky and difficult (Maye, 2014). As a result, the rate of small business failure in South Africa is very high (du Plessis & Marnewick, 2017). It is also estimated that, within one year five out seven small businesses fail, particularly at their initial stage. Generally, issues like access to finance and markets, poor infrastructure, crime, inefficient bureaucracy and skills shortages are said to be the cause of small business failure (Maye, 2015; Ajibade & Khayundi, 2017; du Plessis & Marnewick, 2017). In addition, most people in South Africa seems to be forced to start small businesses due to high rate of poverty and unemployment, while themselves lack proper business skills (Rankhumise & Lehoby in Rootman, Venter & Mataboee, 2017). In turn, this leads to a high rate of small business failure in South Africa.

Despite the challenges identified, small business development is considered the most common approach to alleviate poverty and unemployment in South Africa (Amadi-Echendu, Phillips, Chodokufa & Thea, 2016). Small businesses create a wide range of new jobs in South Africa (Dearie & Geduling, 2013). The precise amount of new jobs created by small business remains difficult to estimate due to various reasons. Some of these reasons may include the fact that, not all small businesses are regarded as legal, let alone registered businesses. The small businesses found in the informal sector are

said to produce and provide more new job opportunities (Martina, 2014). Few policy analysts and economists highlight that, in the past only large businesses were taken into account as a primary source of economic activity (Dearie & Geduling, 2013 and Martina, 2014). While literature suggests that, small businesses fit South Africa’s image towards job creation and promoting economic activity. However, since large businesses attract government scrutiny, most small businesses remain reluctant to grow in South Africa (Bischoff & Wood, 2013). In ensuring success and longevity, Rootman, Venter & Mataboee (2017) recommend that, small businesses need to be provided with enhanced mentoring facilities, financial support, and marketing strategies. The following indicates the contribution made by small businesses in South Africa:

Table 1: SMMEs contribution in South Africa

KEY INDICATORS	2015Q2
Number of SMMEs	2 251 821
Number of formal SMMEs	667 433
Number of informal SMMEs	1 497 860
SMME owners as % of total employment	14%
% operating in trade & accommodation	43%
% operating in community services	14%
% operating in construction	13%
% operating in fin. & business services	12%
% contribution to GVA*	21%
% black owned formal SMMEs	34%
% operated by income group < R30k pa	7%

Source: BER, Stats SA in Bureau for Economic Research, 2016, \*GDP before taxes and subsidies.

The above key indicators indicate that, there is a significant gap between informal and formal businesses. According to the Bureau for Economic Research (2016), formal businesses generate more income as compared to informal business. This is because formal businesses have a strong support network, and they are more educated. Even though there are a large number of informal businesses, it may seem impossible for some small (informal) businesses to grow and change to formal businesses (Bischoff & Wood,



2013). For instance, the informal passenger transportation business is dominated by the minibus taxi industry, with a large number of passengers. To fill this lacuna, the South African government need to become more business-friendly. The government need to make it easy for small (mostly informal) businesses to operate smoothly. This may be done by specifying which legislative frameworks are meant to regulate formal and informal businesses.

Mayombe (2016) highlight that, unemployment and poverty may be ameliorated through more establishments of small businesses and entrepreneurial training programme. Active financial assistance from government and private businesses could be of great help in the establishments. In equipping people with business skills, higher institutions in collaboration with government institutions need to create a solid programme which will cater for the empowerment and training of emerging small businesses (Tracy, Anderson, Anderson, Parker, Jones, Portny, Elad, Canavor, Deiss & Henneberry, 2018). Small businesses need regular encouragement and substantial support in terms of financial and training support from big businesses and government. This is because; approximately 80% of small businesses fail, particularly at their start-up phase (Thembekeyo, 2016). Failure for small businesses to survive is partly due to the lack of access to finance; training; lack of the business environment; and business passion. However, despite these challenges, the World Wide Worx (2017) found that, South Africa has an estimated 650,000 small businesses providing approximately 7.8 million jobs.

For this study, a secret receipt to a successful small business is 'passion'. Without passion, most small businesses turn to collapse. For a small business to survive, passion and direction should be a pre-requisite. Small businesses (informal or formal) must acquire the skills and ability to stand and thrive for the better. However, a good business proposal is also a major requirement for businesses seeking financial assistance from government institutions, banks and agencies (Frey, 2012).

## **2.5 SMALL BUSINESSES WITHIN THE SOUTH AFRICAN MINIBUS TAXI INDUSTRY**

One of the notable strides made by the South African minibus taxi industry is offering an opportunity for potential individuals to start small businesses (New South Wale Taxi Council, 2013). The taxi facilities on the roads play a significant role in causing the establishment of formal and informal businesses. The large number of passengers

transported by the minibus taxis attracts numerous small businesses to emerge whether formal or informal. For instance, since minibus taxis requires maintenance, automobile shops can be established nearby taxi facilities. This promotes the development of small businesses. The European Conference of Ministers of Transport (1999:12) state that, an economy can undergo a drastic transformation if small and medium-sized businesses began or become a dynamic focus of the government. However, Kimball (2016) attest that, the transportation business covers a larger number of services; therefore, the government would need to negotiate with experienced small business owners before planning to be involved in the business. In support of empowering small businesses, the South African National Roads Agency Limited (SANRAL) has embarked on a journey of training, mentoring, and educating people. This is to stimulate and empower small businesses and informal sectors in the South African economy (SANRAL, 2017). The minibus taxi industry can, therefore, learn from SANRAL how their businesses can be encouraged to stimulate the growth of the industry.

According to Smith (2003), big businesses already play an important and empowerment role in the South African minibus taxi industry. The main involvements of these big businesses are to stimulate finance capital growth of the taxi industry. They achieve this, through the accumulation of capital for the industry in various possible ways. One of these big businesses includes the Wesbank alongside SABTA, which covers vehicle finance to the taxi industry. According to Wesbank in collaboration with SABTA, taxi owners are offered 20% rather than 50% in depositing a taxi vehicle (Smith, 2003). Wesbank-SABTA also provides the taxi industry with funds for the purchasing of minibus taxi vehicles together with insurance. This should be empowering to the minibus taxi industry to move forward and grow exponentially across the country.

Various small businesses can be located within and out of the minibus taxi industry. These businesses most of them exist because of the industry. The industry generates economic activity, not only for taxi operators but also for such small businesses. This is because numerous small businesses remain dependable in the industry. Such small businesses include amongst other mechanics, automatic parts suppliers, vehicle manufactures, the insurance industry, fuel distributors or filling stations, hawkers, caterers, car washers, street produce sellers, restaurants, and advertisers (New South Wale Taxi Council, 2013). The minibus taxi industry forms an integral part of the aforementioned small businesses

in South Africa. In turn, the industry tends to need instance mechanics, fuel etc. taxi operators can also advertise some products or services offered by other small businesses. To this end, it is fair to say that, the industry allows for the establishment of small businesses to emerge.

## **2.6 TYPES OF SMALL BUSINESSES OPERATING IN THE SOUTH AFRICA MINIBUS TAXI INDUSTRY**

In this study, the types of small businesses identified falls under the informal business sector. This includes the minibus taxi business and other operating small businesses like mechanics, automatic parts suppliers, vehicle manufactures, the insurance industry, fuel distributors or filling stations, hawkers, caterers, car washers, street produce sellers, restaurants, and advertisers within and out of the taxi industry. Substantial research confirms that, a large number of small businesses often operate in the informal business sector, particularly at their initial phase or start-up phase (Antonopoulos & Mitra, 2009; Small Business Council; Gurtoo & Williams, 2009; Bureau & Fendt, 2011; Williams & Martinez, 2014; Williams, 2015).

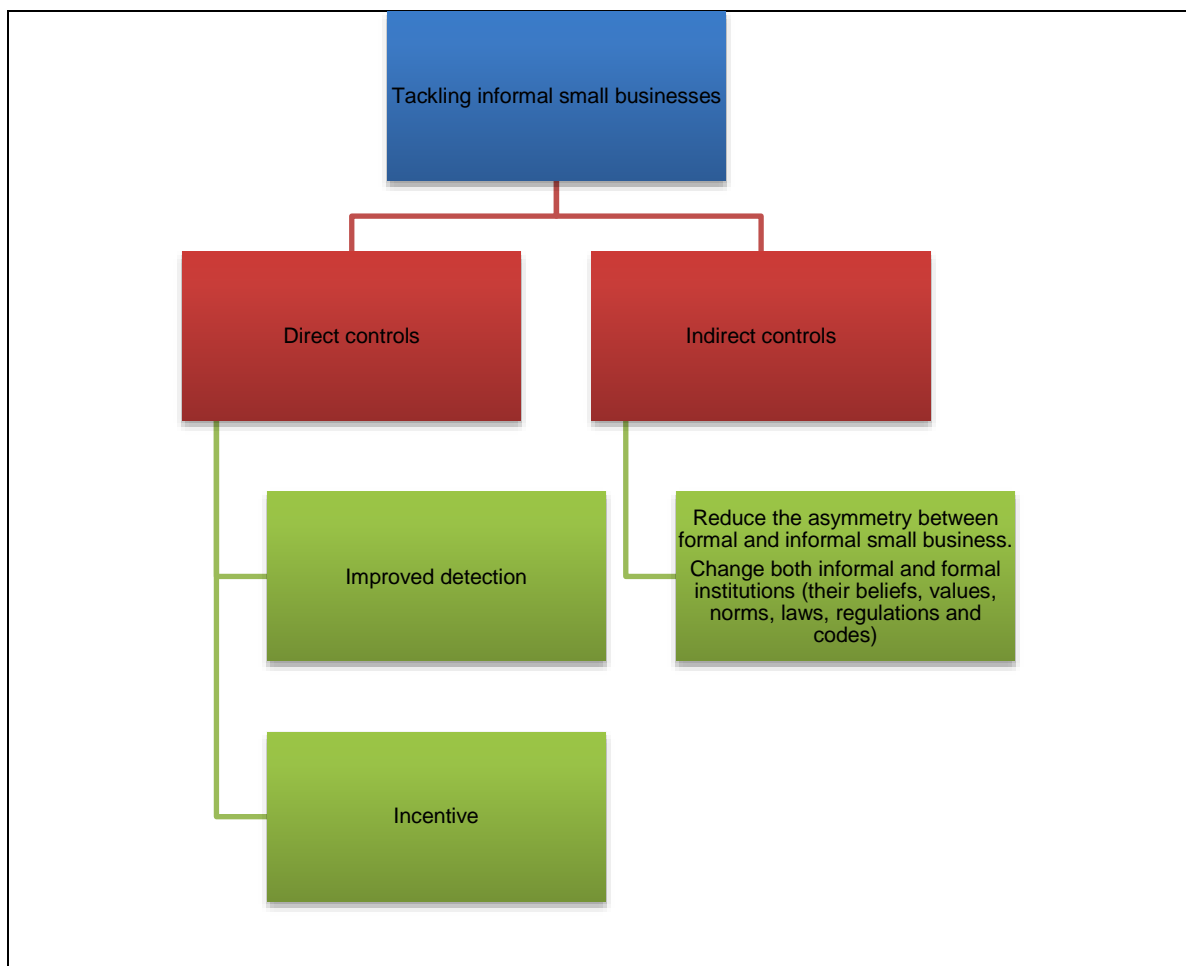
Small businesses operating within the informal sector plays a major role in the periphery of international and local economic growth (Williams, 2015). It is for this reason that,, informal small businesses should not be seen as contributing a minor return to the global economy. In light of this, more than 50% of employment in South Africa is through the contribution of small businesses (Le Fleur, Koor, Chetty Ntshangase, Mackenzie & Rawoot, 2014). The barriers to entry in the informal business sector are less capital intensive compared with the formal business sector. It can be argued that, the minibus taxi industry makes it easier and possible for a large number of informal businesses to do business within the taxi industry, because of lesser barriers to entry. However, another study reveals that, small businesses are responsible for 70% to 80% of the South African workforce (South Africa Web, 2017).

Surprisingly, massive research indicates that, small businesses operating in South African fail within five years (Moneyweb, 2016). It can be deduced that, this includes minibus taxi businesses. On the contrary, South Africa is being overtaken by countries such as the Republic of the Congo, Cote d'Ivoire, Mozambique, Ethiopia and Tanzania as these countries are ranked top six of the fastest-growing economies globally in Africa.

This indirectly may affect the minibus taxi business as they remain unsubsidised, and as a result, small businesses may tend to fail over their start-ups due to inadequate funds and necessary government support (World Bank Group, 2015).

In light of the above, it is said that, the contributory negative factor which causes 70% to 80% of small businesses to fail is that, these businesses do not contribute to the South African taxation economic base (South Africa Web, 2017). In cognisance, small businesses (often informal) in Limpopo province located at Mankweng suffer the same problem as others. The only difference may be their geographical area and access to facilities. Therefore, for this study, an approach known as “Hands-on-approach” is suggested with the intent of assisting struggling small businesses:

Figure B: Hands-on-approach



Source: Own construction

Evidently, numerous small businesses fail before their take-off in South Africa. According to a study by the Small Enterprise Development Agency (2017) failure rate of small businesses is estimated at 75%. This poses a threat to the development of small businesses in the South African economy, as the challenge of failure is high than successful small businesses. Therefore, the above figure suggests a “hands-on-approach” for small businesses to inform government institutions and organised business structures that, tackling informal small businesses, such as the minibus taxi businesses and their direct small business counterparts, requires direct and indirect controls in terms of training and development, laws, market access, finance, skills, and information. Improved detection of the business environment should be considered and promoted. The government should be able to reduce asymmetry between both formal and informal small businesses. Government laws should enable change for formal and informal institutions. This should set a new perspective in terms of their beliefs, values, norms, laws, codes and regulations and informal small businesses may also receive incentives from government institutions and developed private sector to help them to grow.

In studying small businesses formation at Mankweng as the case of the study, it is of utmost importance to take into consideration that, most small businesses fail to contribute to the growth of the economy due to their informal nature. Therefore, some small businesses formation, especially informal ones often become unproductive and sometimes destructive. These small businesses operate or exist due to lack of employment and poverty as it is often the major problem in the informal business sector. The illegal nature and operation of some small businesses partly make it impossible for the development of small businesses at Mankweng and other parts of South Africa. Minibus taxi businesses and other small businesses involved in the taxi industry operate simply because they have no other choice of employment. Hence, others operate their business on an illegal basis due to inadequate government support and intervention. In turn, Schneider & Klinglmair (2004) believes that, these small businesses become the largest in representing ongoing economic activities in developing countries.

## **2.7 THE CONTRIBUTION OF SMALL BUSINESSES AND MINIBUS TAXI TOWARDS ECONOMIC ACTIVITY**

It is widely known that, formal and registered small businesses contribute to any country's taxation economic base. Davies & Thurlow (2009:2) argues that,, formal small businesses have failed to create more job opportunities and the pace at which the labour force participation is, remains unsatisfactory. Therefore, this makes the informal minibus taxi business and their direct informal small businesses benefiting directly from the minibus taxi industry one of the most sectors creating more jobs than the formal sector. Since the informal sector does not require specialised knowledge and skills, most people find it simple to work and start businesses. However, the chances in such informal employment and informal businesses to fail are very high as compared to formal employment and businesses (Rankhumise & Lehoby in Rootman, Venter & Mataboee, 2017).

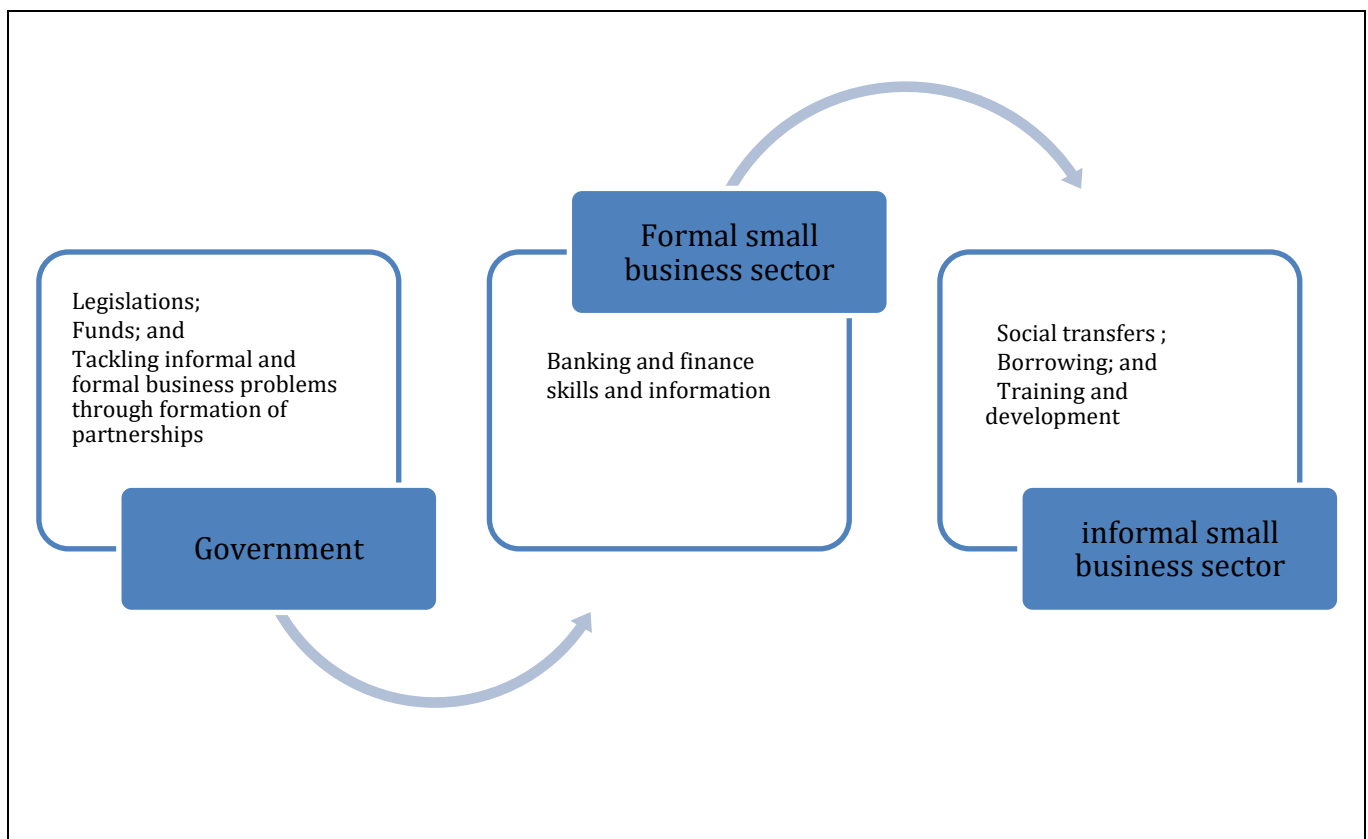
In support of employment in small businesses, Kingdon & Knight (2004) indicated that,, informal employment and small businesses are preferred, and that, unemployment is involuntary. This shows that, there are fewer barriers of entry into the informal business sector like into the minibus taxi industry since no qualification, skills or experience is required. Thus, such informal small businesses are highly characterised by crime, poor access to credit, and unfair labour practices and wages. To this end, the government and the formal business sector should examine the linkages between informal and formal sectors to reduce unfair business practices and uncertainties in South Africa, especially in the minibus taxi industry. Moreover, multiple research should be conducted which would typically focus on how the formal small business sector affects the informal small business sector.

The government should strive towards the representation of both formal and informal small business sector. Although, the representation can be caused by indifferences at times due to poor policies regularising informal small businesses or the lack thereof. This, in turn, should be the reason the government and all the organised business structures to integrate all small businesses both informal and formal into helping each other to grow. The minibus taxi industry and together with other informal small businesses need to be incorporated in a manner which will assist all business individuals to expand and understand better their business environment. However, Hadebe (2010) contend that,,

due to the previous apartheid institution informal small businesses have been neglected, and some of them have been ambushed and they remain invisible in both industrial and urban policy. Thus, the new South African dispensation has facilitated the development and establishment of new policies to support the informal business sector.

There are still crevices and cracks in the development of the informal small business sector and the partnership with government is not satisfactory. Informal small businesses such as the minibus taxi business are being epitomized with various justifications in the political, social, and economic. Therefore, forming a formal partnership between government and organised business structure including the informal small businesses has remained a pipe dream in South Africa. Below are the suggested start-up partnerships that, could be considered in terms of helping unrecognised informal small businesses to grow and form part of the existing organised business structures.

Figure C: A government, formal and informal business partnership model



Source: Own Construction

The above figure suggested that, business partnership does not seek to undermine the existing government and business partnership already in place, but could be considered at different times whenever changes are to be made. In the partnership, the government is mandated to establish laws which will bring about changes in terms of allowing informal small businesses in this case the minibus taxi businesses and other informal traders benefiting from the industry to be trained and developed. Formal small businesses can be part of the partnership in helping the informal sector with banking and financing informal small business plans, which in turn could improve their capacity and resilience in the markets. Moreover, the government can expand its hand in providing more funds to the informal business sector and allow the formal business sector to offer information and skills wherever necessary. This will give exposure to various informal small businesses let alone it will assist the government to tackle any informal business problem since the adequate understanding of the informal business environment will be fully explored (Mahapa, 2017). To this end, to grow informal business sector government in partnership with organised business structures, they need to look at the current position of the informal business sector and create a new position in which they require the informal business sector to reach. This can be achieved through new laws and strategies to tackle informal business problems in South Africa.

## **2.8 THE CONTEXT OF SMALL BUSINESSES IN THE SOUTH AFRICAN MINIBUS TAXI INDUSTRY**

It is critical to locate and understand the context of small businesses in the South African minibus taxi industry. The minibus taxi industry complements various businesses and other forms of public transport businesses throughout the country. It is important to note that, taxi operators/owners operate as small business owners. Therefore, the following seeks to locate the context of small businesses in the minibus taxi industry which are not limited to those discussed:

### **2.8.1 Business-knowledge pool within South African minibus taxi industry**

The minibus taxi industry is forcing small businesses to channel their focus and knowledge management to external environments to complement the existing taxi industry (Skotis, Katsanakis, Macris & Sfakianakis, 2012). This is because small business



ideas and knowledge harness 'collective intelligence' that, is produced in variety within the potential minibus taxi industry.

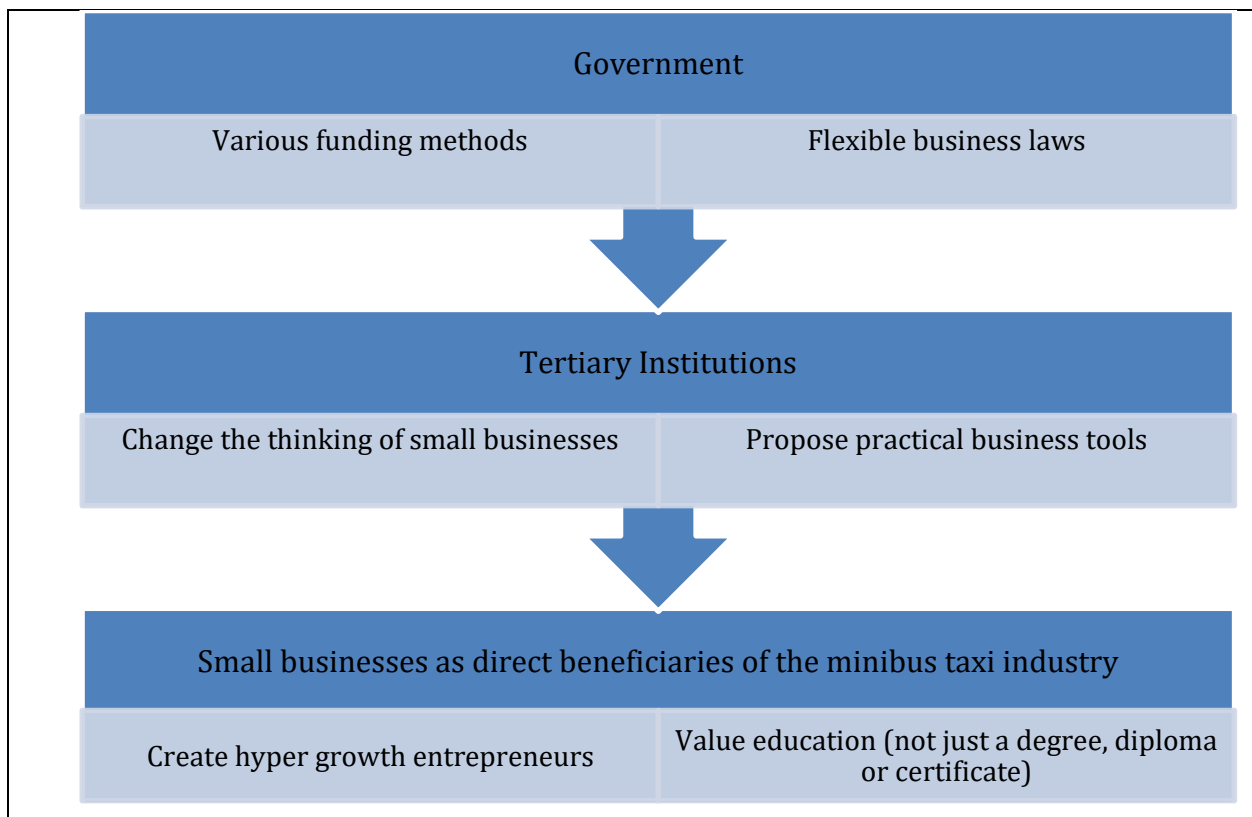
Importantly, the minibus taxi industry is dominated by self-employed people; therefore, improving the industry requires their collective effort. Small businesses, within and out of the industry, can blend with the minibus operators, drivers, owners, and associations to ensure more access and co-creating of customer knowledge since the industry feed small businesses with customers daily (Skotis et al., 2012). Creating business knowledge is about creating business value (Vallejo-Aloson, Rodriguez-Castellanos & Arregui-Ayastuy, 2011). However, Plewa & Conduit (2016) claims that, increased business knowledge between small businesses and the taxi industry would reduce the efforts needed to adapt to new customers' and their expectations from the industry and all small businesses involved. Blending the taxi industry with the existing small business can help to produce new business knowledge, which will improve service expectations for customers.

Creating business knowledge should activate the positive effect of more private investment both in emerging small businesses and the minibus taxi industry (Makuyana & Odhiambo, 2016 and Pekker, 2017). Taxi associations and surrounding small businesses should use investment in a manner that, will target customers to maximise profit and grow. Diversity in the business environment is a pre-requisite. Lack of business knowledge could destroy the business itself. In support of this, South Africa's taxi (SA Taxi) support small businesses through programmes. One of the most recent programmes is the "Shayela Rewards Programme" introduced in 2013 (Pillay, 2014). The main aim of the programme is to offer taxi operators and drivers with relevant business skills (Pillay, 2014). This is said to unleash the inner entrepreneurship skills of the interested taxi business people. Through programmes, like that, of Shayela Rewards Programme taxi operators and small business owners may begin to aspire or become potential and successful businessmen and women. As they might be aware of the business insights and their cash flow through entrepreneurial training programmes (Mayombe, 2016). Providing business programmes assist the business to result in a viable transport sector and the market environment, which brings about an increased number of small businesses being introduced and established. Once taxi drivers and operators realise the importance of entrepreneurship, it will encourage them to aspire into

other business ventures. On the other hand, education is important in the existing programmes affecting the taxi business and other involved businesses in the industry. In South Africa, approximately 60% of small business owners, including the minibus taxi industry have secondary education, while 19% have a tertiary education, and 4% have no schooling (eNews, 2017). Since small businesses and the minibus taxi industry face various challenges in their ever-changing business environment, the government needs to take into consideration the importance of entrepreneurship, education, knowledge, skills and resources channelled to uplift the standard of the existing minibus taxi businesses.

Small businesses, including the minibus taxi business, need ideas which can continually transcend time and culture. However, to do achieve this, proper business knowledge is a pre-requisite. In creating a wide business knowledge pool, this study proposes a government, tertiary institution and small business model as follows:

Figure D: A Government-Tertiary-Small business model



Source: Own construction

It is imperative to take into cognisance that, there's a need to edge government and tertiary institutions to educate small businesses about the perception of success versus the reality of success in South Africa (Dawe & Nguyen, 2007). The minibus taxi business and their dependent small businesses should create generational business system and wealth, which in turn can help reduce the financial burden that, the government has to undergo in financing small businesses, most of which fail at their start-up stage. In turn, the government should be quick in recognising real business ideas, talent and encourage businesses to start-up with the ideas and education that, tertiary institutions would offer to interested small businesses (Skripak, 2016).

On the other hand, there's partly a thin line between small businesses (including the taxi business) and the existing challenges which are not limited to a bad business idea; cash problems; managerial inexperience or incompetence; inability to handle growth (Skripak, 2016). These skills shortages need business training and development. Therefore, the government and the private sector in collaborating with the minibus taxi industry, successful small businesses and concerned citizens can help in facilitating training and development. Without a commitment to changing and building a better business environment, the minibus taxi industry and small businesses will continue to face some of the challenges. Customer care or the lack thereof partly becomes a problematic issue as most of the taxi operators, and small businesses owners are not taught at an early stage of the business to display courtesy to daily customers. Thus, this amount to lack of respect and violent behaviours towards taxi operators, small businesses and customers within the minibus taxi industry. However, to this end, government and the minibus taxi alongside the direct beneficiaries (small businesses) in the industry need to look at all the facets of the entire industry in promoting small businesses, improving the taxi associations, managing all the routes, and eliminate lawlessness in the industry and on the road. Crime and taxi wars should be reduced via the management of taxi associations, and such should not affect small businesses depending directly on the industry. Also, appropriate measures concerning the roles of the South African minibus taxi associations need to be stipulated and legalised in the National Land Transport Act, 2009 (Act no. 5 of 2009).

### 2.8.3 Promotion of public transport and the minibus taxi industry

The South African public transport system is mainly dominated by the minibus taxi industry carrying more than 65% daily (Oosthuizen, Kilian & Boshomane, 2001). In support of this, Govender (2016) highlight that, 70% of daily public transport is provided by the minibus taxis. Despite this, people employed in small businesses would be more encouraged to use public transport because of the existing relationship formed between the industry and more small businesses. Therefore, with such formed relationship between the industry and small businesses, more customers can depend on the industry to reach small business facilities which can offer local products and sometimes international products. This will bring more passengers into the minibus taxi because their goal would be to reach the desired small business facilities, which can offer the desired products and services.

Sustenance of public transportation in South Africa is a pre-requisite. In light of this, the South African minibus taxi industry has made and still makes a great stride towards the provision of public transport. According to Mariska (2017), 91% of South African low-income households are being transported by the minibus taxis. In terms of its transportation services, the industry has been ranked at R39 billion business in the country (Mariska, 2017). Despite the industry being embroiled in rival with the bus and rail transport industry, the minibus taxi industry continues to be the most preferred form of public transportation across the country. Ranging from workers, small businesses, and as well as scholars supporting the industry in full force unlike any other mode of public transport. The most common reason for most people to prefer minibus taxis is that, they offer long-distance transport services and also late-night services while trains and buses have stopped operating. This makes the minibus taxi transportation sustainable and mostly preferable.

According to van Zyl (2009) assert that, the South African minibus taxi industry moves a multitude of people particularly the low-income group. Therefore, it is essential that, to promote sustainable public transport government and the private sector should approach the industry taking into cognisance that, small business owners are involved not as a public transport entity. Because the industry is not formalised, it, therefore, makes it an informal public transport entity. In promoting sustainable public transport, the minibus

taxi industry needs to be considered holistically, this should include but not limited to complete formalisation of the industry; subsidising the entire taxi industry; integration of all modes of public transport (buses, trains and minibus taxis); allow the industry to conduct all its activities while monitored by elected public transport authorities; allow flexibility of the minibus taxi industry in the management of associations, routes, fares, vehicle maintenance while being monitored by elected public transport authorities; and encourage and promote the development of involved small businesses in the industry.

#### 2.8.4 South African minibus taxi industry and the creation of employment opportunities

The South African black business as the minibus taxi industry has come a long in creating employment. From queue marshals, taxi administrators, car washes and other informal businesses operating because of the taxi industry and its facilities. Selekane (2014:2) argue that, the government had no choice but, support and embrace the effort made by the industry in creating countless employment opportunities. Reuters (2014) claim that, since from 1994 the minibus taxi industry has grown into a more recognised black-owned sector with an estimated 250, 000 taxi vehicles, and it has employed over 600, 000 people in the past years.

According to SA Taxi (2014), approximately 26, 000 taxis were financed on the roads. This included direct businesses and employment opportunities of 26, 000 small taxi businesses which contributed to annual revenue of approximately R6 billion. This benefited taxi operators, hawkers, filling stations, car washes, caterers, street produce sellers, restaurants and other small businesses affected by the existence of the taxi industry whether direct or indirect. Empowering small taxi operators and drivers create employment of over 400 000 rank managers, drivers, and other external service providers (Pillay, 2014). However, in 2016 the National Taxi Council claimed that, the taxi industry employed over 600, 000 people and that, over 15 million commuter trips are undertaken by minibus taxi per day (Writer, 2016). For small businesses, employment ranges from 70% to 80%, yet there's minimal government support for small businesses, especially informal small business (World Bank Group, 2015).

#### 2.8.5 Contributions of taxi industry towards the Gross Domestic Product (GDP)

The minibus taxi industry plays the most significant role in the South African transport industry. Most scholars have argued over the years that, the industry has nothing to do

with contributing to the Gross Domestic Product of the country. However, this was not the intention by the government; Gann and Duignan (1991) mention that, the “Black South African minibus taxi industry” was set to contribute \$2 billion to the South African economy annually. Instead, the industry has spawned multiples small businesses. The apartheid system in South African partly led to innumerable inefficiencies and equalities for the minibus taxi industry and economy. However, this is proved not to be a sole explanation for the industry, failing to contribute to the GDP (Gann & Duignan, 1991:55). The biggest and most critical challenge over the years was that, the taxi business falls under the informal economic sector; therefore, it cannot contribute to the GDP has intended by the government in the late 1990s. With the establishment of SANTACO, a lot has changed in the industry. Recent studies reveal that, has an estimated 283, 159 public minibus taxi and the industry is said to be contributing over R30 billion to the GDP (Ndebele in Selekane, 2014:2). In light of this, the minibus taxi industry dominates with 90% of the taxi market in the South African economy (Govender, 2016:102). This is an enormous stride made by all small taxi businesses.

According to Pillay (2014), the South African minibus taxi businesses are now the wheels of the economy and the industry is regarded as one of the most business arenas in the country. Pillay (2014) found that, the taxi industry transport more than 20 million people daily and that, the industry is estimated to have annual revenue amounting to R39.8 billion. The minibus taxi business is the “ultimate consumer industry”. Dockel & Ligthelm (2007:1) argue that, small business development is regarded as a way of creating employment opportunities and generating income in South Africa.

The South African minibus taxi industry is often referred to as an “unanticipated success story”. Since the late 1970s, the minibus taxi industry emerged with the principles of personal initiative and self-empowerment to reach its success story (Gauteng Taxi Summit, 2013). Public transport in South Africa is dominated by minibus taxis. Over 15 million commuter trips are undertaken by the use of minibus taxis daily (South African telematics data, 2016; Kgwedi & Krygsman, 2017). Accordingly, the South African minibus taxi industry services have been structured to serve small businesses and customers from distant suburbs and rural villages. The low-income class tend to depend on minibus taxis to access small business areas.

Despite this, the minibus taxis has become a dominant public transport mode, which tends to operate at no timeframes and schedules; thus, it gives operators and owners to reach people within and out of cities, towns, townships and villages to maximise the number of trips and also their profits. Even though few people prefer trains and buses as their public transport the majority depending on minibus taxis remain highly satisfied with the transport service rendered (Kgwedi & Krygsman, 2017). The minibus taxi industry has become a yardstick and backbone in creating opportunities for small businesses, thus, creating employment. Small businesses create an unending small-scale entrepreneurial activity in South Africa, from street hawkers, minibus taxis, local garages, salons, agricultural firms, to name but few, have an enormous impact on the economic activities and helps in reducing poverty and unemployment (Black Enterprise and Marketing, 2004). Given the enablement of small businesses in creating job opportunities and stimulating economic activities, Dockel & Ligthelm (2002) assert that, for small businesses to be empowered and advanced for success a degree of caution is a pre-requisite. This is because a degree of caution helps the business owner to well know the operating environment (the context) and factors that, may negatively or positively impact on their business.

Small businesses that, struggle during their start-up phase may lack adequate assets, income. Therefore, the empowerment committee may be encouraged by providing or proposed as a strong support network, which will stimulate and strengthen their existence (Dockel & Ligthelm, 2002). This may partly broaden the context and more understanding of small businesses in the minibus taxi industry.

#### 2.8.6 Promotion of small business development

Literature reveals that, the taxi industry plays a significant role in promoting small businesses across the globe. Small business development helps to improve the sluggish local and international economic growth (New South Wale Taxi Council, 2013). The primary reason for this is the fact that, a large percentage of job creation is achieved through the development of small businesses. However, there's often confusion in the research of which small businesses are regarded as formal and informal. For this reason, it is, therefore, imperative to differentiate between the two. According to Ligthelm (2013), informal small businesses are those that, are easy established for survival purposes.

Informal business owners are not regarded as a legal person. On the other hand, formal small businesses are those that, are established to show higher levels of growth instigated by mind-set and spirit of entrepreneurship.

Small business development helps to support government strategies and massively improve the economy. Literature shows that, a developing country without in favour of promoting the development of small businesses (informal or formal) is likely to fail in addressing some socio-economic issues. Recently, the development of small businesses has been one of the South African government's priorities. However, in 2010 the Global Entrepreneurship Monitor (GEM) confirmed in a survey that, small business development in South Africa has decreased dismally partly due to lack funding and business support from the government and the private sector (Herrington, Kew & Kew in Ligthelm, 2013). The decrease in small business activity in South Africa is assumed that, most small businesses often at their initial stage fail, and that, lessen small business activities.

## **2.9 LEGISLATIVE FRAMEWORKS REGULATING SMALL BUSINESSES IN SOUTH AFRICA**

A variety of legislative frameworks influence South African small businesses. However, such legislative frameworks are not clear whether they are for informal or formal businesses. This means that, every small business (whether informal or formal) should not overlook these legislations. In this section, the discussion of five types of legislative frameworks that, every owner of a business cannot afford to disregard when starting a business. Prem (2014) confirms that, these five types of laws are fall under entity regulatory laws; employment and labour laws; private property laws; consumer protection laws; and tax-related laws.

### **2.9.1 Companies Act, 2008 (Act No.71 of 2008)**

The Companies Act plays a major role for newly established companies. The main purpose of this is to 'promote compliance with the Bill of Rights as stipulated in the South African Constitution, in the application of the company law'. However, this act does not necessarily apply to small businesses, but it one piece of legislation that, should not be overlooked when starting any form of a business, to be aware of what needs to be done before turning a small business into a company in future. This act further encourages the



development of the economy by stating that, entrepreneurship and enterprise efficiency must be encouraged and also creating flexible and simplistic formation and maintenance of companies. This encouragement is a need in the small business field to sustain small businesses in South Africa.

### 2.9.2 National Small Business Act, 1996 (Act No.102 of 1996)

The National Small Business Act is one piece of legislation that, every small business cannot afford to overlook. First, the act distinctively defines the meaning of a small business. In terms of the act, small business “means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominately carried on in any sector or subsector of the economy in column I of the Schedule and which can be classified as a micro, a very small, small or a medium enterprise by satisfying the criteria mentioned in relevant columns and schedules.

In terms of Section 2 of the act, the National Small Business Council is to be established as a juristic person, and its main function is to “represent and promote the interests of small businesses, with emphasis on those entities contemplated in the National Small Business Support Strategy. The Council ought to provide appropriate advice, to assist the three spheres of government on a socio-economic policy that, seeks to promote the development of small businesses. To this end, it is fair to indicate that, the National Small Business Act is in support of promoting the development of small businesses across South Africa.

### 2.9.3 The Basic Conditions of Employment Act (BCEA), 1997 (Act No.75 of 1997)

The purpose of employment and labour laws are established to facilitate the relationship between the employer and employee. Small businesses that, work with full or part-time equivalent paid employees should be cognisant of all the laws that, apply. The Basic Conditions of Employment Act mainly stipulate on important aspect but not contracts of employment; regulation of working hours; remuneration; procedural fairness; dismissals and resignations and the notices.

One of the stated goals of the TRP was to improve the working conditions of the South African minibus industry. However, studies indicate that, most taxi associations vitiate all

these important aspects provided in the Labour Relations Act, 1995 (Act no. 66 of 1995) and BCEA. This is partly the case with very small businesses; this may be because most small businesses remain unregistered because of their informal nature.

According to Ntsika (1999), small businesses in South Africa are extensively marginalised due to the direct implementation of the BCEA. These small businesses include (general dealers, catering and accommodation, service stations, transport, and security services etc.). The report further stipulated that, the BCA remains problematic to these small businesses concerning the regulation of working time, overtime payment, pay for work on Sundays and night work. Small business employees still experience greater challenges in terms of “maternity leave, family responsibility leave, and a notice of termination of employment”. These cases are often neglected or it could be that, most small businesses are not educated above these certain working conditions. Therefore, it becomes easier to neglect them in every possible way.

#### 2.9.4 Consumer Protection Act, 2008 (Act No. 68 of 2008)

The Consumer Protection Act is the most powerful weapon for consumers in South Africa. This act was passed with the intent of promoting fairness in the marketplace. This act seeks to ensure access and sustenance of the marketplace for the ensure services and products. For this reason, national norms and standards were established to define consumer protection. This act is strictly against the unfairness of customers in the marketplace. Also, the Consumer Protection Act is the mouthpiece of the consumers who cannot voice out their indifferences in the marketplace. Unfortunately, customers buying at unregulated small businesses tend to suffer the most as most of them are not aware of this act and if such customers are being treated with unfairness, they wouldn't know where to turn to in terms of help. Small taxi businesses are also labelled as the worst in treating passengers in the correct manner of which is to show courtesy. Passengers, when robbed and treated unfairly in the taxi industry, tend to rely on taxi associations, of which oftentimes some of those associations lack the idea and understanding of addressing a particular customer issue. Lack of education regarding important laws affecting both informal and formal legislation should be thoroughly addressed. This area should not be neglected both by the government and academic researchers.

The Consumer Protection Act recognises the historical customers who were previously disadvantaged by the apartheid customer laws. This act gives the right to local and international products to be obtained and purchased favourably for all persons. Small businesses inclusive of the taxi business should be familiar with this act as it provides the treatment of customers and also assists in promoting the interests of all customers and passengers.

#### 2.9.5 Income Tax Act, 1962 (Act No. 58 of 1962)

The Income Tax Act is one piece of legislation that, the South African government uses to generate income from taxable amounts, whether from businesses and/or persons. In the quest of taxation improvements, amendments of this act were made from as early as from 1962 to 2015. Before turning into how small businesses pay tax, it is crucially important to indicate which small businesses are required to register for tax. There are three different kinds of businesses.

First, there's a sole proprietorship, this business is operated and owned by a natural person. It is regarded as the simplest type of business. Most small taxi businesses are assumed to fall under this sole proprietorship. Therefore, they do not pay tax at all. Second, there's a partnership, also known as an unincorporated joint venture. This form of a business involves the relationship that, exists between two or more business partners. They join forces to carry on a trade, the business itself. Since partnership is easy to establish, it is also not regarded as a 'separate legal person or taxpayer'. Each partner is taxed according to the partnership profits shared. The partnership is not entirely different from a sole proprietorship except the fact that, a group of partners replaces the sole owner. Lastly, there's the close corporation, this form of a business is the same as a private company. Automatically, it is a legal entity alongside its legal perpetual succession and legal personality. Close corporations are compelled to register as a taxpayer in its own accord. Since May 2011 the Companies Act prohibits new close corporations to be registered, and a change of a company to a close corporation is prohibited (Tax Guide for Small Businesses, 2015/2016:3).

Despite, the government imposing a tax on taxable amounts from persons and businesses. The minibus taxi owners or operators in larger numbers do not contribute to tax. Although, the main goal of the TRP was in a form of restructuring the taxi industry

and proposing that, taxi operators are to pay tax. This, however, with the incompleteness of this programme, contributed to a large number of small businesses to operate in this industry. Since there are no legal constraints, and small business owners find it easy to do business within the taxi industry.

## **2.10 CONCLUSION**

This chapter highlighted stages of small business development, international experiences on small businesses, specifically the taxi industry. Furthermore, small businesses within the minibus taxi industry, types of small businesses, the context of small businesses in the South African minibus taxi industry were discussed. Despite the existence and dominance of the minibus taxi industry, the promotion of small businesses and the creation of jobs must be one of the most common roles played by the minibus taxi ranks. Furthermore, the use of minibus taxis daily promotes public transportation and continues to facilitate the movement of passengers. Therefore, this study proposes that, appropriate measures be taken to improve both the taxi industry and the small business sector in increasing small business activities in South Africa. It may be through allowing for flexibility and more active funding in the taxi business. The following chapter highlights the roles of the minibus taxi industry in promoting the development of small businesses in South Africa.

## **CHAPTER 3: THE ROLE OF MINIBUS TAXI INDUSTRY IN PROMOTING THE DEVELOPMENT OF SMALL BUSINESSES IN SOUTH AFRICA**

### **3.1 INTRODUCTION**

Efficient taxi facilities are necessary for the functioning of the minibus taxi industry (Gan & Miao, 2014). With adequate taxi facilities, the minibus taxi industry can support both the growth and development of small businesses in South Africa (Zhan, Qian & Ukkusuri, 2014). Although, the role played by the minibus taxi industry is rarely understood and examined, it helps create economic opportunities for small businesses (Zhan, Qian & Ukkusuri, 2014). On the other hand, the movement of people is facilitated through the use of minibus taxis and enables customers to access goods and services offered by small businesses. The important role of the minibus taxi industry can, therefore, be located through the indirect contribution to the Gross Domestic Product (GDP) at R38 billion (Mariska, 2017). According to Wasserman (2019), the indirect contribution to the GDP by the minibus taxi industry has increased to approximately R50 billion per year. This is an enormous increase of R12 billion in less than 2 years and such an increase cannot remain unnoticed.

The issue of the minibus taxi industry in promoting the development of small businesses in South Africa can be considered as half travelled, meaning it has not yet received wholly focus and attention in most parts of developing rural and urban areas (Gotz & Wray, 2014). This may be caused partly due to lack of small business support from the government, poor integration between buses, trains and minibus taxis as the preferred modes of transportation in South Africa and as well as no subsidisation of the minibus taxi industry. On the contrary, Harris (2001:97) indicate that,, the South African minibus taxi industry plays an important role while having to compete with the most regulated and subsidised bus and rail services. This means that, the minibus taxi industry with its minimum resources available continues to promote small business development and that, in turn, help creates economic benefits. This chapter highlights the roles of the minibus taxi industry in promoting the development of small businesses in South Africa. It continues to identify and discusses some of the challenges associated with the minibus taxi industry.

## **3.2 THE ROLES OF MINIBUS TAXI INDUSTRY IN PROMOTING THE DEVELOPMENT OF SMALL BUSINESSES IN SOUTH AFRICA**

The minibus taxi industry plays a pivotal role in the South African public transportation sector. Minibus taxis operate in a specific spectrum of having to compete with the most subsidised industry, “the bus industry” without being allocated funds from the government in the form of subsidies or grants. While the rate of small businesses is still low compared to other big South African businesses, there’s been an increase in the number of small businesses, because of the minibus taxi exposure (Hudson, 2016:3).

### **3.2.1 Plays an advantageous role to small businesses**

The number of taxi vehicles has increased over the past four years to 200 000 in 2016, making the minibus taxi business more competitive with the bus industry (SA Taxi, 2016). Many minibus taxi owners do not operate on their own because they have more than one minibus taxi although often less than 10 (Barrett, 2003:2). This makes the minibus taxi business more advantageous to taxi owners across South Africa, thus allowing them to generate more profits in a day. The minibus taxi industry promotes small businesses in various ways, but it is not restricted to minibus taxis but also small businesses (Allen & Brennan, 2004). Minibus taxis offer unscheduled taxi services to small business people, and most small (informal) businesses often depend on the taxi infrastructure and facilities to promote their existing products. This makes convenient stops at various business destinations and lowers the amount of time spent by small business customers on long queues at train and bus stations while most taxi operators often buy their meals and petrol from these small businesses (e.g. hawkers, caterers, street produce sellers, restaurants, and petrol stations or filling stations). The taxi industry plays an advantageous role in small businesses, which depend on the existence of the industry and its passengers as potential clients. To this end, it is good to note the vital role played by taxis towards small businesses.

### **3.2.2 Provides job opportunities**

According to the Gauteng Taxi Summit (2013), it is estimated that, over the past years, 200 000 jobs have been created since the emergence of the South African black taxi industry in the 1970s, based on the principle of personal initiative and self-empowerment.

Additionally, 150 000 jobs are indirectly created through the taxi industry, many of which are mainly based on fuel, motor manufacturing, spare parts and maintenance. These small businesses to name but few increasingly rely on the support of the minibus taxi industry. In support of job creation, an interesting array of role players have emerged within the taxi industry such as fare collectors, taxi operators and owners, rank marshals, cleaners and taxi associations. Since 2003, it was estimated that, the turnover of the taxi industry stood at R11 million a day and R12.6 billion per year, this was according to Barret (2003) a South African Taxi and Allied Workers' Union (SATAWU) researcher.

Around 1994, Gcaba (2014:1) claims that, approximately 8 000 taxis were registered and the industry has shown a massive improvement in its venture. Today the industry helps most South Africans to enter into the business with ease. This is partly because doing business within the industry is assumed easier as it remains unregulated. Moreover, the industry has helped in fighting against unemployment in the country. Although employment found in the industry is not stable, a large number of people can support their families, and the latter begin to pursue their small businesses.

The minibus taxi industry offers unskilled or semi-skilled South Africans to work into the industry; these individuals are taxi marshals, tax washers, fare collectors, administrators, or taxi operators. Since getting into the industry does not necessarily require a qualification, a large number of informal small businesses have become more increasingly dependent on the industry and its customers. As such, the industry plays a major role in promoting the development of small businesses with its latent, nascent and unfledged potential to transform small businesses and the labour market in South Africa (Lowitt, 2006).

It is thus important that, the role of the minibus taxi industry towards other small businesses to be thoroughly studied in South Africa. The World Development Report published in 2013 shows that, approximately 70% of jobs, especially in most developing countries emanates from small businesses (Mthimkhulu & Aziakpono, 2015). This includes the South African minibus taxi business. The availability of small businesses depends on the minibus taxi industry to boost their business standards, travelling, productivity, and improve their customer care, thus creating employment, which in turn drives out extreme poverty and unemployment within the society. On the contrary, Mthimkhulu & Aziakpono (2015) argue that, a countless number of small businesses in

South Africa encounter great business opportunities. In turn, these business opportunities improve small businesses like the taxi business to support other emerging and struggling small businesses. Such great business opportunities may help unlock includes amongst others, access to finance, employees' capability, and legal system in the minibus taxi business environment to make it support struggling small businesses. This, however, partly causes the South African youth employment to escalate year after year. To this end, it is clear that, a large percentage of jobs in developing countries are created through small businesses, and without sustainable small businesses a large number of minibus taxis and small business employees will increase the rate of unemployment.

### 3.2.3 Transports customers to business centres

The role of the minibus taxi industry in developing and improving small businesses in South Africa is complicated. However, Oosthuizen & Mhlamba (2002) claim that, the industry ferry a large number of passengers to various destinations, and these passengers, in turn, become the most needed and potential customers to many industries and commercial businesses. This creates and empowers small businesses to be established nearby taxi facilities and other loading points by minibus taxis across the country.

### 3.2.4 Promotes financial returns

The minibus taxi industry remains one of the most fast-growing businesses in the country, and it has made remarkable financial returns for owners together with their drivers (Gcaba, 2014). The minibus taxi industry is the most critical pillar of public transport, not only because it is the most available form of transport, but also because it is the most affordable form of transportation in South Africa. The industry is the backbone of the country's public transport carrying more than 65% of passengers daily. Small businesses (often informal) have made a great stride in economic life in numerous developing countries (Gollin in Ligthelm, 2010). This is also the case in South Africa, the minibus taxi business encourages and empowers a variety of other small (often informal) businesses in partly partaking in the daily economic activities.



### 3.2.5 Provides mass transportation service

In a developing country like South Africa, the most dominant role of the minibus taxis is to help small business owners who often do not wish to own a private vehicle to use minibus taxis as a daily public transport (da Silva & Balassiano, 2011). Small business owners (particularly informal) rely on the minibus taxis as their substitute for a private vehicle. This is because most small businesses do not own private vehicles at their initial stage. The main, and most crucial, role of minibus taxi operations is to offer all-day taxi service to small businesses and passengers.

The minibus taxi industry caters for the majority of passengers such as the unemployed, students, low and middle-class workers because these people do not own private vehicles and therefore, minibus taxis are their only means of transportation. Small business people essentially rely on the minibus taxis due to their convenience and cost-effectiveness as compared to other modes of public transport (trains and buses). Minibus taxis help in picking and dropping passengers at predetermined routes or from taxi fixed points (Lowitt, 2006). Oftentimes, at these fixed points happen to be where small businesses operate, with that, minibus taxis become feeders of small businesses.

### 3.2.6 Increases the number of small businesses

The minibus taxi industry has increased the growing number of small businesses arising from previous 'patterns of spatial development' as a result of the apartheid business policies (Cole, Bailey & New, 2017; Toerien, 2017). Since the government aims to continue the improvement of transportation infrastructure; the minibus taxi industry enables small business people to incur lower costs of public transportation (Mitchell, 2014). Although there's no structure on how the minibus taxi industry should help small businesses to develop, the industry has countless taxi ranks which support and offer businesses with public transport and potential customers (le Roux, 2012).

### 3.2.7 Reduces high transportation costs for small business owners

The minibus taxi industry relieves small business people of high public transport costs (Havenga, Simpson & Goedhals-Gerber, 2017). In turn, this promotes and encourages the use of public transportation and reduces critical automobile transportation of business persons who prefer the use of minibus taxis (Conley & McLaren, 2009). Minibus taxis

facilitate the movement of business persons from one location to another. The use of minibus taxis daily by small business persons reduces the amount of time lost on the road. The minibus taxi industry in simple terms creates a place and time utility for small businesses. The industry continues to provide affordable public transportation to various small businesses located far from commercial, industrial and urban centres whereby they are to do business. The taxi industry benefits major and small businesses.

Small businesses depending on the minibus taxi industry can effectively budget on their transport costs, unlike having to profit on high costs of other transport modes, especially private transportation. The minibus taxi industry plays a fundamental role for small businesses because most small businesses exist at the periphery of taxi facilities and often use minibus taxis as public transport. Another contributory role played by minibus taxis is that, they always make convenient and unscheduled transportation to multiple business destinations (Department of Transport, 2018). Thus, this helps small businesses to stay operative because of the daily service and customers provided through the use of minibus taxis. Because of the late-night service offered by minibus taxi, other small businesses have the opportunity to remain operative for late-night service.

The minibus taxi industry is a key role player in the development of small businesses and massive transformative of the economy at large (Lemon & Rogerson, 2017). Therefore, the role played by the minibus taxis should not be underestimated or neither neglected. Adequate investment can be made to help small businesses to access efficient public transport and other important amenities necessary to grow a business. Although, numerous small businesses do not contribute

Minibus taxis play an important role as being “the provider of mass transportation. In turn, the masses some as customers can access small business services (Godsell, 2016). This makes the minibus taxi industry as the most crucial stakeholder in promoting the development of small businesses operating in and out of the industry. Venter (2013) believes that, transforming the taxi industry would help the industry play a critical role in attaining economic gains not only for the industry itself but for small businesses altogether. This may surely increase the current taxi market share in South Africa. An increase in the current taxi market share would mean that, minibus taxis will continue to play a lasting and consistent role in providing mass transportation, as well as to small businesses.

New small businesses and customers, predominately those relying on public transportation, continue to support the minibus taxi industry in playing its role of transporting customers to various business centres.

The minibus taxi industry provides unscheduled transport service in promoting the development of small business (Mhlanga, 2017). However, the reality is that, the current transport service has been and is still able to support new small businesses with no private or government support within the taxi industry up to date. The minibus taxi industry continues to facilitate a self-regulatory mechanism, which favours small businesses to do business without inflexibility at various taxi facilities. The industry plays a potential role in addressing the need for small businesses and customers through unscheduled transportation.

The minibus taxi industry helps escalate small businesses while tackling unemployment through improved taxi facilities and operational efficiency. Minibus taxis play a critical role which focuses and recognizes small businesses as a critical pathway of creating informal jobs. The general role of the minibus taxi industry is to improve the lives of the impoverish group through the creation of informal jobs, and through promoting the development of both formal and informal small business setting platform. Even though government do not recognize most small businesses because they operate under the informal sector, the role played by the minibus taxi industry has resulted in the identification of such small businesses and subsequent development of strategies can be facilitated to promote the development of these small businesses.

### 3.2.8 A stakeholder to small businesses

According to Oosthuizen & Mhlambi (2002), the minibus taxi industry remains the heartbeat for small businesses depending on the industry. It is, therefore, imperative for the minibus taxi industry to encourage more stakeholder involvement, in which it could help attract more private investment, to improve their business role to small businesses. In addition, de Vries (2016) believes that, the role of the minibus taxis in promoting small business development can be seen as adequate resources to empower more business individuals.

Public and private sector intervention is a pre-requisite in the fragmented development and improvement of the minibus taxi industry (Mahembe, 2011). This could help the

industry at promoting the development of small businesses and attract other developed businesses in developing business opportunities for new businesses seeking to operate in and out of the minibus taxi industry. However, to ensure a fair share of the pie in the industry, minibus taxi operators ought to work together with small business people to establish business initiatives aimed at improving business outcomes.

### 3.2.9 Supports small businesses

Minibus taxis play a supportive role between customers and small businesses (Godsell, 2016). The supportive role could be when minibus taxi operators can advertise the products of a particular business on their taxi vehicles. This then is aimed at attracting passengers to become possible customers of such particular business. In addition, minibus taxi operators support small businesses by engaging with them on their product or goods level. This normally includes operators allowing small business people to sell their products or goods to taxi passengers and those interest often buy such products and goods.

In this context, the role of the minibus taxi industry is mostly about its relevance in organisational structures and associations that, support taxi owners and other small businesses owners involved in the broader scheme of the industry. It is useful to be cognisant that, the role of the minibus taxi industry can be efficient at some level to interact with interested businesses, especially at the local level. This would involve small businesses like Uber drivers or metered taxis. These small businesses can improve the role of the minibus taxi industry in promoting and feeding small businesses like mechanics, automatic parts suppliers, vehicle manufactures, the insurance industry, fuel distributors or filling stations, hawkers, caterers, car washers, street produce sellers, restaurants, and advertisers within and out of the taxi industry with countless customers daily. In support of small businesses, the industry helps promote businesses operating in the streets. This improves activity streets. To this end, the minibus taxi industry itself provides a business platform for some small businesses around taxi facilities.

### 3.2.10 Represents small businesses

The minibus taxi industry facilitates a representative role for taxi owners. This is because; taxi owners are also referred to as small business owners. In ensuring a solid advocacy

role, most taxi owners have become members of the South African National Taxi Association (SANTACO) and the National Taxi Alliance. The two bodies represent the taxi industry, and oftentimes negotiate their views to the government and other interested bodies or organs of states. In addition, the representative role is to ensure that, the needs and interests of taxi operators and owners as small business owners are not neglected. Mahember (2011) indicate that, the minibus taxi industry is the engine for small businesses, and the latter helps in generating entrepreneurship skills.

The minibus taxi industry, particularly taxi associations play as a spatial stakeholder for ensuring that, taxi operators stick to their rout-network. Registered route-networks and taxi ranks make it possible for establishing small businesses such as car washers, hawkers, filling stations, car washes, street produces sellers, restaurants and caterers. In turn, this promotes the development of small businesses. These small business owners' targets taxi operators and passengers, to attract them as potential customers (Gambetta and Hamill, 2005). This primary role is played by the minibus taxi industry towards promoting small business development. The government establish laws, which helps facilitated taxi businesses, associations and public transportation. It can be argued that, the role played by the industry is appearing far more likely and lastingly successful. The lurch to promoting small business activities even though it may remain slow and sometimes fragmented at some parts of the taxi industry, the minibus taxi industry remains the most positive stakeholder towards economic gains for small business. However, it is also important that, the minibus taxi industry operates in the secondary economy. The second economy comprises of an economy where informal small businesses operate.

The most important insight from the minibus taxi industry is that, the success of playing a consistent role in promoting the development of small businesses may not be guaranteed, due the fact that, everyone is in the industry to make ends meet (profit). However, the taxi facilities and routes help other small businesses to operate, because such taxi facilities remain fixed. It is crucial to note that,, the minibus taxi industry also plays an instrumental role in terms of encouraging the establishment of small businesses like car washers and caterers, which helps taxi operators in return. If encouraged correctly, a high unemployment rate could be reduced. The minibus taxi industry can be seen as playing

an 'intermediary' role. Predominantly, this means that, the minibus taxi support small business initiatives.

### **3.3 CHALLENGES ASSOCIATED WITH SMALL MINIBUS TAXI BUSINESSES IN SOUTH AFRICA**

The minibus taxi industry is often confronted with numerous challenges. These challenges can be unbearable at some point, particularly to new small business operators/owners. Some of the challenges need a calculated and appropriate measure to maintain the taxi businesses. Therefore, the following are some of the challenges associated with small minibus taxi businesses in South Africa:

#### **3.3.1 Negligence and violence**

South African minibus taxi has evolved from a very informal sector characterised by negligence and violence to become one of the most dominate form of public transport in the country (Fourie, 2003). Despite this, the growth of the minibus taxi industry did not happen in a manner which was smooth and efficient. One of the most critical challenges is that, the minibus taxi industry remains unsubsidised. Therefore, with the industry remaining unsubsidised wars and violence erupted. Taxi wars led to horrific road accidents, and many innocent lives were and are still lost due to recklessness and speed driving of taxis fighting for routes and to maximise numbers of trips and profits.

#### **3.3.2 Regular crashes**

Ebot Eno Akpa, Booyesen & Sinclair (2015:33) found out that, the "Automobile Association of South Africa recorded an annual total of 70 000 minibus taxi crashes, which indicates that, taxis in South Africa account for twice the rate of crashes than all other passenger vehicles." Smith (2003) states that, passengers inside taxis are not liable to personal attacks. Despite this, even today taxi violence has not been resolved or ended by any court cases or the law. The taxi wars and violence continues to trouble contemporary society and affect a lot of small potential businesses to grow exponentially. Unregistered taxi drivers also make it difficult for registered taxi operators to expand their businesses as they operate on their lucrative routes.

### 3.3.3 Age and condition of vehicle fleet

One of the most apparent challenges confronting the minibus taxi industry is an ageing national fleet, most of them which are unsafe and requiring replacement. The average of the taxi fleet is over 9 years old (SA Taxi, 2016:3). Recapitalisation of some of the minibus taxis remains incomplete since it has been introduced. Safety and efficiency remain a critical challenge for the minibus taxi industry. The roadworthiness of the vehicle fleet is a major contributor to the issue of safety and efficiency. Additionally, aged and poorly maintained minibus taxis have an impact on the environment as they emit more compared to newer vehicles. This could have a long-term problem on the health of the environment. In turn, small businesses nearby taxi facilities may find it to do business because of the unhealthy environment.

### 3.3.4 Safety and roadworthiness

According to Baloyi (2013:342), the minibus taxi industry has been labelled badly because of its unending wars and violence. Despite this, unsafe and un-roadworthiness of taxi vehicles remain the most common problem for the industry. Van Schalkwyk (2011) refers to the minibus taxi industry as an industry which has an ongoing troubled journey. This is because the South African government has failed in its reform strategy of the industry and restoring public transport order through the enforcement of relevant laws has been a critical challenge as well (Lomme, 2006). The taxi violence and wars affect small businesses within the industry in various but not limited to; doing business in the industry has become “a kill or be killed business” (Johnson, 2015:19); taxi wars and violence often lead to vandalism of properties of nearby small businesses; the safety of small business owners and employees is not guaranteed due to taxi instabilities; and inadequate legislative frameworks are protecting small businesses during taxi wars and violence.

### 3.3.5 The number of death on roads

In a report conducted by Sauti (2006), it revealed that, the South African minibus taxis are commonly labelled as the most ‘unsafe mobile coffins. Although the minibus taxis ferry a large number of passengers daily. Govender & Allopi (2006) also found that, unsafe minibus taxis and most South African roads have a major influence on the number

of accidents occurring daily. It is claimed that, no fewer than 10, 000 people are lost every year (Govender & Allopi, 2006:100). To date, the number of death on the roads has increased to 14 000 each (Department of Transport, 2012). In 2013 a report conducted by du Toit & Mbatha (2013) revealed some of the most well-known factors which contribute to road crashes are known as un-roadworthy and un-licensed vehicles, minibus taxis in general and vehicle overloading (du Toit & Mbatha, 2013:2). Overloading within the minibus taxi industry seems to be the most critical challenges as operators seek to maximise profits. Taxi drivers and operators continue to flaunt traffic regulations and this result in an increased number of crashes on the roads.

### 3.3.6 Labour practices and working conditions

Labour practices are the most common and well-researched problems associated with the taxi industry in South Africa. Mmadi (2013:30) asserts that, the South African minibus taxi industry has been one of the most black-owned industries since the late 1930s. During this time, taxis were only certified to ferry not more than four passengers. However, with such restrictions, the working conditions of taxi drivers and other involved employees have remained critical even to this day. Baloyi (2013:344) state that, the government aimed to improve the working conditions of the taxi industry and build a strong economic output through the introduction of the TRP. The minibus taxi industry was intended by the government as a turn-around strategy to support a strong economy and improve the safety of the passenger. The safety of passengers was to be improved through the introduction of safety requirements for the New Taxi Vehicle (NTVs) (Baloyi, 2013; Sebola, 2014). Other pressing challenges in the industry include the empowerment of women. The industry is male-dominated, and this leaves women to feel intimidated into pursuing the minibus taxi business since the business itself is ingrained with violence and wars. Most women do not want to be victims of circumstances, and they then become less empowered in this type of business. Another problem within the industry is the development of taxi facilities nearby new shopping centres or malls. The issuance of taxi permits and various rules and regulations among short and long distances routes confronts the taxi business and the government. This is partly due to fraud and corruption in the issuance of taxi operating permits (Writer, 2016).



### 3.3.7 Salary and wages

Despite considerable efforts by the government through the recapitalisation policy, the minibus taxi businesses remain one of the most marginalised businesses. This also affects informal small businesses as they operate within the marginalised business environment. The taxi business and informal small businesses continue to operate on the periphery of the informal economy. Barret (2003:28) found that, wages of taxi drivers are very low and some drivers have to work long hours to maximise profits, but still get paid lesser wages. This is against the Basic Conditions of Employment Act, 1997 (Act No.75 of 1997). Even though some drivers are paid per the 'wage plus system', other drivers are requested by taxi owners to hand over all the taxi takings and the then owner decides on how to pay the driver their wages depending on the daily takings. With other taxi owners still operating illegally, this makes it possible for them to pay drivers lesser wages. Small businesses are often criticised of paying lesser wages to their employees, while such employees generate them enough profits. In support of this, Scott (2015) argues that, small businesses remunerations to their employees are distinctively lower on average, as compared to big companies.

### 3.3.8 Government's intervention

Oosthuizen (2012:344) found that, there are still pitfalls in the taxi industry. This is because the government's actions towards the formalisation of the minibus taxi industry are long overdue. Schalkwyk (2011:81) claims that, these pitfalls were ingrained into the industry because of inadequate consultation with key stakeholders. This has escalated to a dismal failure to completely formalise the industry and it has proved the recapitalisation policy to become futile. The consultation remains the primary challenges. Cokayne in Baloyi (2013:349) claim that, the National Taxi Association refused the R50, 000 of the Recapitalisation Policy for scrapping allowance meant only for registered taxi vehicle. This means that, unregistered taxi vehicles were left out. Consequently, this resulted in illegal taxi operations, thus, violence and wars. Through taxi violence and wars, several passengers and drivers have lost their lives. And the government continues to fail to resolve this situation in the taxi industry even to this day.

### 3.3.9 Route networks for taxi operators

The minibus taxi routes are and remain one of the major challenges across the taxi industry. The lack of accurate and defined route networks for drivers and operators has been a major cause of violence and serious conflicts in various taxi associations. The minibus taxi route network has not been clearly defined in policy and regulation. This should place a serious concern on the South African government. Many lives are lost in the taxi industry partly due to the fight against routes to attract more passengers and maximise profits. This unending problem also affects small and informal business involved in the minibus taxi industry. Lack of information on taxi route network is of primary concern. Behrens, McCormick & Mfinanga (2015) believe that, the South African government failed to ensure intensive minibus taxi service preparations and intensive negotiations with key stakeholder to interchange the old taxi industry. This is the reason the minibus taxi industry struggles to contribute massively to the national and global economy because the industry fails to cope with the complexity of urban transportation development (Jonson & Tengstrom, 2005).

### 3.3.10 Communication

According to Ieda (2010), good communication is a powerful means in the transportation industry to ensure the movement of people and goods. However, in the South African context, the minibus taxi industry still lacks adequate communication technologies, which often endanger children and women as they are vulnerable to risks of being lost and raped. As communication technologies remain a critical concern in the taxi industry, Morichi & Acharya (2012) point out that, one of the most daunting challenges facing the transportation industry (minibus taxi industry) and the government is the provision and management of infrastructure and transport services in their cities.

### 3.3.11 Regulation in the minibus taxi industry

Given the history of the South African minibus taxi industry, the roots of the industry are founded as the informal transportation business, which is mostly seen as self-regulatory. This has proved to be accurate to date. However, the government has established norms and standards to regulate the industry. This includes vehicle specifications, number of hours to be worked, minimum wages and termination of employment. But, these

regulations are being vitiated and not applied accordingly by responsible employers in the minibus taxi business. The government's intention of these standards and regulations was to bring about safety and efficiency in the minibus taxi industry.

### 3.3.12 Vehicle maintenance

As abnormal remains a critical challenge in the taxi industry, Masemola (2011:16) points out that, vehicle maintenance in the minibus taxi industry poses a threat to the safety of a large number of passengers, taxi drivers and other road users. Even though vehicle (minibus taxis) maintenance is a primary concern, most commuters are often unhappy with excessive taxi fares, reckless driving of some drivers and since most vehicles are not rapidly maintained, un-roadworthiness of minibus taxis continues to be an unending problem (Masemola, 2011). As a result, informal garages and accredited commercial garages often experience a lack of support from the minibus taxi industry; this is because only a few vehicles undergo vehicle maintenance or service. On the other hand, the root of the problem may be partly due to the industry not receiving an operational subsidy; therefore, operators' places their focus more on making a profit rather than maintaining the vehicles.

Minibus taxi vehicle maintenance is crucially important to the safety of drivers, passengers and other road users. Despite, the numerous vehicles being scrapped through the TRP, this programme does not provide for the maintenance of the New Taxi Vehicle (NTV), of which taxi owners must make monthly instalment of the NTVs. This means vehicle maintenance is not included in the government's programme. Therefore, developing suitable vehicle maintenance plans in the minibus taxi industry should be a major priority. For the government and minibus taxi industry to fill this lacuna, proper investigations into poor maintenance of vehicles must be undertaken and appropriate measure must be taken in improving the vehicle maintenance across South Africa.

### 3.3.13 Competition

Apart from the enormous challenges confronting the South African minibus taxi industry, Kumar (2016) specify that, the minibus taxis are under a potential threat as the emergence of metered taxis, and other private passenger vehicles have gained a substantial increase across the country. This has increased significantly and competition

in transporting passengers has drastically increased, thus posing a challenge of reckless driving in pursuit of maximizing profit daily. As a result, the working hours of minibus taxi drivers and operators have been compromised altogether. Driving of minibus taxis, therefore, becomes unreliable, chaotic, dangerous, and not comfortable to commuters, with often complaints towards the rudeness and violent behaviour of drivers and operators (Kumar, 2016).

South African metered taxis and uber challenges the minibus taxi industry in numerous ways (Henama & Sifolo, 2017). Despite this, meter taxis and Uber have been operating on the roads, particularly in towns and cities across the country. This, however, has aggravated the issue of taxi violence and wars, which in turn affect the most of passengers. Some of these passengers are small business employees. Therefore, if the majority of passengers happen to be stranded in travelling to their respective workplaces and business places, the economy would turn to suffer greatly at the end of the day. The government can ameliorate the situation by stepping in with effective laws, which should address the issue of taxi subsidies. Minibus taxis in South African incur high cost ranging from traffic fines, maintenance, vehicle monthly instalments and this, in turn, influences the minibus taxi fares. These increasing fares are being imposed on passengers who are low and middle-class income earners, and other small business owners and employers start to encounter serious difficulties to get to a place of work. As a result, small businesses' productivity begins to sluggish and affect the economy negatively.

South African minibus taxi is mostly dominated by informal small businesses as they play a huge role in terms of support and indirectly influences informal entrepreneurs to stay in business. This is a big role played by the minibus taxi industry, given the fact that, the industry itself is not subsidised. Majority of all these people in taxi ranks and informal small business bridges a huge gap between public transportation and job creation in a given time. The role of the minibus taxi industry is often confined. This is because there's a lack of intervention in the taxi industry. For this reason, one may argue that, the government has partly failed from the advent of the democratic dispensation in 1994 to thoroughly restructure, plan and development structures that, will promote both black small businesses and minibus taxi industry. Although institutions are supporting small businesses, their purpose of existence is still not clear, particularly to informal small businesses. The government need to step in and promote the development of informal

small businesses as they offer employment to a large number of people in the country. Without adequate support from the government, small business activities will always decline (World Bank Group, 2015).

### **3.4 LEGISLATIVE FRAMEWORK REGULATING PUBLIC TRANSPORTATION IN SOUTH AFRICA**

Historically, the minibus taxi industry remains unregulated transport sector, alongside their major direct beneficiaries' as discussed in this study (Baloyi, 2012). The following highlight on public transport regulation as the minibus taxi industry forms part of the South African's public transportation:

#### **3.4.1 National Land Transport Act, 2009 (Act No. 5 of 2009)**

The National Land Transport Act (NLTA) is one of the most crucially important pieces of legislation in the country regulation land transportation. This particular legislation was passed by the South African Parliament with the intent of changing the structure of the previous National Land Transport Transition Act, 2000 (Act No.22 of 2000). In terms of Section 11 of the NLTA government responsibilities are provided for. This includes responsibilities at the national, provincial and local sphere of government. Although the minibus taxis are considered as providing informal public transportation, Section 38 of the NLTA requires that, there should be the publication of transport plans and substantial changes in land use and public transport infrastructure and services. This should include the minibus taxis as they offer public transportation mostly preferred by the majority of black people. Small businesses also need to be aware of what the government is planning towards the improvement of public transportation.

Section 49 of this Act stipulates on rationalisation of operating licences for minibus taxi-type service. This section advises unaware minibus taxi operator to apply for new permits prescribed in line with the recapitalisation of the taxi vehicle. The section further indicates that, an operator should have acquired a new compliant taxi vehicle which carries a certified number of passengers before applying for a new and existing valid operating permits in the taxi industry currently. In addition, Section 10 paragraph g of the NLTA grants the MEC to regulate procedures that, ought to be followed in the promoting transport planning processes. This is to be achieved through the process of active public

participation of which should include minibus taxi associations and small businesses relying on the utilization of public transportation. Also, Section 28 state the support for municipalities which has established land transport fund in terms of Section 27 to charge or impose motor vehicles according to their classes within the municipal area of jurisdiction. However, Section 28 is not clear as to whether minibus taxi vehicles are exempted from these charges or not.

#### 3.4.2 White Paper on National Transport Policy, 1996

The White Paper on National Land Transport Policy seeks to promote the use of public transportation. This includes modes like minibus taxis over private cars. This policy highlight the importance of improving public transport accessibility. Taxi facilities like nearby taxi ranks help provide accessibility to the community. The minibus taxi service provides unscheduled transportation to masses. In a bid of locating the need for public transport, this policy was reviewed in 2017. The main of the review was to impel the government and the public transport sector to facilitate the movement of people. However, the policy still does not highlight the role played by the taxi industry, and how the industry is supposed to be funded if needs be. This means that, minibus taxi operators have still left outlet out the informal nature of the industry and its integral part for South Africa's public transport system.

#### 3.4.3 National Road Traffic Act, 1996 (Act No. 93 of 1996)

The National Road Traffic Act is one piece of legislation which stipulates for traffic matters that, should apply for all road users throughout the Republic of South Africa. Section 4 of this act requires that, all motor vehicles be registered and licenced, and this also applies to minibus taxis. Section 42 of this act stipulates that, all motor vehicles and/or taxi vehicles must be displayed on the vehicle. Section 41 also states that, vehicles should obtain certification of roadworthiness as required by this act. Furthermore, Section 45 indicates that, operators, in this case, taxi operators ought to be registered. To this end, it is of utmost importance that, minibus taxi operators adhere to the requirements made in terms of this act. This act stipulates on the minimum requirements for drivers to perform vehicle registration, and traffic officers to undertake an inspection of licences, examining vehicles and driving licences. One of the most and well-researched areas is inadequate taxi vehicle maintenance. It is said that, most taxi operators neglect vehicle maintenance

partly due to high monthly vehicle instalments, loans, and the most common one being focusing on maximising profits. The government need to establish structures, which will help facilitates this act and other transport acts in the taxi industry. Amendments should be made in indicating under which sections must the taxi industry operate and strictly adhere.

#### 3.4.4 Administrative Adjudication on Road Traffic Offence Act, 1998 (Act No. 46 of 1998)

The noticeable number of road offences continues to be a threat to the taxi industry and the government in general. Therefore, this act seeks to ensure that, effective cooperation between traffic management and departments. The taxi industry can, therefore, play a crucial role in administering the objects of this Act to taxi operators/owner. A demerit system was introduced under this act. The purpose of the system is to discourage taxi operators and other road users not be involved in road traffic contraventions. The minibus taxi industry can encourage better driver behaviour, help reduce reckless driving by taxi drivers, and illegal taxi drivers/operators on the roads. In turn, this will assist in “reducing routine traffic offences from overcrowded court roles.”

### 3.5 CONCLUSION

The purpose of this chapter was to present the role of the minibus taxi industry in the South African industry. It has been clear through the role of small businesses, and the minibus taxi industry plays a dominant role in shaping the economy. Around 73% of the South African workforce is employed by small businesses, including the minibus taxi business. The minibus taxi industry and their direct beneficiaries provide employment opportunities to the youth; thus, it strengthens the economy. The minibus taxi industry ferries over 65% of the South African daily commuters in urban and rural areas. However, partly due to the unsubsidized nature of the minibus taxi industry, the small businesses benefiting directly from the taxi industry tend to vacate the competitive market, because of poor financial and strong cash flows. Even though, the government’s main aim was to compel the taxi industry to contribute towards taxation, failure to this has caused flawed to the economic growth. To this end, “it is now time to bring forward legislation that, will bring stability to the taxi industry and encourage small businesses to grow exponentially.”

## **CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY**

### **4.1 INTRODUCTION**

This chapter employs and discusses the chosen research methodology, which are, both the quantitative and qualitative research design methods (mixed-methods), data collection instruments and analysis, target population and sample size and procedure to ascertain quality criteria. Moreover, ethical consideration, validity and reliability of the study were further discussed. Research methodology helps in defining and refining the main research problem (Clavier, 2013). By so doing, the researcher was able to formulate questions and the latter solutions for the investigated matter. Moreover, the research methodology adopted in this study helped in solving the unsolved problems in the chosen area of study (Kothari, 2005).

### **4.2 RESEARCH DESIGN AND METHODOLOGY**

The research design and methodology is crucially important as it helps in realising the aim and objectives of this study. The research design involves the planning of any scientific research at the beginning of the research to the end of research (Bless & Smith, 1995:63). Research design guides in which way the research is to collect, analyse, and observe to interpret the facts. The purpose of a research design is to enable the researcher to draw attention to the appropriate decisions in research to maximise the accuracy of results. Research design is “a blueprint or detailed plan of a research study is going to be conducted” (De Vos, 1998). Few or no studies exist based on the investigated matter, therefore, this study exploratory in nature, with an empirical bias.

In this study, the research design was suitable and flexible, which in turn allowed the researcher to arrive at the intended aim and objectives, to respond to the research problem and answer the research questioned generated. The designated research design is primarily a case study.

For this study, the framework which was adopted consists of both quantitative and qualitative research methods to deepen understanding of the topic under study. The study applied the case study method that, can be described as an empirical research design. Tellis (1997) indicates that, case studies can be established into theoretical propositions. Tellis (1997) also claims that, the use of a case study is done hoping to incorporate the



perceptions of the participants under the case study. For this, the case was the Mankweng Taxi Association in Limpopo province.

The Quantitative research method was employed to capture and analyse the record of the biographical profile of the participants. This was applied to determine and generalise facts derived from the participants based on the investigated matter. Creswell (2014:4) asserts that, qualitative research is “an approach for testing objective theories by examining the relationship among variable.” Therefore, the quantitative research method was chosen due to its nature of enabling the researcher to ensure objectivity, generalisation and reliability. During data collection with the use of the stratified random sampling technique, participants from the target population were decided on in an unbiased manner. In turn, this helped the researcher to classify and categorise the taxi operators and small business owners at Mankweng. According to Kothari (2005:3), quantitative research is “research that, is based on the measurement of quantity or amount.” In turn, the available variables can be measured based on typical instruments to ensure that, data which is numbered is analysed with the use of statistical procedures. The advantage of the quantitative research is that, it produces a well-structured and written report which consists of introduction, literature and theory, results, methods, and discussion.

The Qualitative research method was employed in the study to determine the operative and administrative use and challenges of the minibus taxi business on other selected small businesses at Mankweng. This was done to check and understand how it affects both taxi operators and the livelihood of their direct beneficiaries. Ghauri & Gronhaug (2002) asserts that, “qualitative data is attractive because it offers a more precise way of assessing causality in organisational affairs than arcane efforts like cross-lagged correlations”. Qualitative research has three major components. Firstly, its data were mostly obtained through interviews and observations. Secondly, it applies the technique to conceptualise and analyse the data to reach conclusions and theories. Lastly, it produces a written or verbal report. However, the complexity of analysis and the flexibility, the volume of data and momentum of analysis are the most identified major disadvantaged in qualitative research. This suggests that, employing qualitative paradigm the researcher literally becomes an instrument of data collection, and results may vary greatly depending on who undertakes the study.

### **4.3 DESCRIPTION OF THE STUDY AREA**

This study was undertaken at Mankweng in Limpopo Province, and mainly focuses on Mankweng Taxi Ranks and the surrounding small businesses. According to Baloyi (2012), there are 15 taxi ranks at Mankweng Taxi Association such as Mankweng, Boyne, Ga-Mamabolo, Ga-Mothapo, Solomondale, Dikgale and Makotopong. The minibus taxi business in this area had its nooks and crannies over the past years. Thus, little or no study exists that, focuses on the role of the minibus taxi business in promoting the development of small businesses around these areas and this is one of the reasons that, influenced the researcher to probe this phenomenon in this area. Out of the taxi ranks, Mankweng and Solomondale are classified as semi-urban, which provides better exposure for small business growth.

### **4.4 TARGET POPULATION**

According to De Vos (1998:191), the population is “a set of entities for which all measurements of interest to the researcher are presented.” Pilot & Beck (2004:289) further define the population as the mass of cases that, meet a designated set of standards. The target population for the study was 10 Mankweng Taxi Association Management, 110 taxi operators and selected small businesses (30 hawkers, 15 filling stations, 15 car washes, 69 street produce sellers, 15 restaurants and 36 caterers) benefiting directly from the activities of the taxi ranks.

### **4.5 SAMPLING SIZE AND PROCEDURE**

According to Bless & Higson-Smith (1995) sample is “the subject of the whole population which is investigated by a researcher and whose characteristics generalised to the entire population”. This study combined both the purposive and stratified random sampling. A sample size of 300 respondents was drawn from small businesses around taxi ranks, split in terms of each sample method chosen for the study. Questionnaires were randomly distributed to identified small businesses (30 hawkers, 15 filling stations, 69 street produce sellers, 15 car washers, 15 restaurants, and 36 caterers nearby these taxi ranks as well as 110 taxi operators at different taxi ranks such as Mankweng, Boyne, Ga-Mothapo, Solomondale and Dikgale. In the context of the study, stratified random sampling was suitable for Mankweng taxi operators and small businesses as they are

cognisant of their business environment. Brynard, Hanekom & Brynard (2014:59) assert that, “selecting an element from a population is called a stratified random selection when each element has the same chance of being selected for sampling. Purposive sampling was adopted to focus on certain people with the relevant information for the study, in this case, the number of taxi operators. For this reason, 10 employees from Mankweng Taxi management were purposively interviewed using the focus group interview technique. The two methods were chosen to enable the researcher to generalise the findings in different ways.” Purposive sampling involves “a process in which a small portion of the whole population with specific behaviour, experience and characteristics are selected to facilitate broad comparisons between certain groups that, the researcher thinks are likely to be important” (Walker, 1989).

#### **4.6 DATA COLLECTION METHODS**

Data collection is a critical part of the research process and contains the collection of data from various sources. Therefore, data was categorised into two types, namely primary and secondary data. The primary data included the data collected through the adopted data collection methods with the participants of the study. In the collection of data, both primary and secondary data were collected using interviews, questionnaires and documentation. Primary data was collected from all the possible participants indicated under the “target population”. The data sought in this regard related to the biographical information of respondents as well as their views and opinions about issues of minibus taxis and small businesses or the lack thereof.

##### **4.6.1 Literature survey**

Data was collected from multiple documented sources. This included but not limited to books, academic journals, legislative and policy framework regulating public transport (minibus taxis) and small businesses in South Africa. Additionally, it was collected from newspaper articles, government documents and reports, and annual reports. All these documents were important for the researcher to understand the rigorous discourses about the matter under investigation.

#### 4.6.2 Questionnaires

This study used structured questionnaires with close-ended questions. Questionnaires were randomly distributed to taxi drivers and small businesses. There was no provision for a participant's name on the structured research questionnaire to guarantee anonymity for the participants. A structured questionnaire helps in dealing with questions asked precisely in advance. Thus, the structured questionnaire can sometimes be amended to suit a certain situation or context of a study. Close-ended questions usually provide a set of questions and options, in which the participants can easily indicate their choice. Therefore, close-ended questions were chosen to structure and prepare the questionnaire.

#### 4.6.3 Focus group interviews

This study adopted focus group interview technique. In its investigation, the researcher focused on the opinions, comments, responses, views, understanding and perceptions of respondents provided during interviews. Even though it was not possible to uncover every story with interviews, additional material such as notes and tape recorder were used to keep all possible records in place of which ensured reliability of this study. Focus group interviews were purposively conducted with employees at the Mankweng Taxi Association main office located at Boyne. Focus group interviews were conducted in this study for respondents to give their personal experiences, views, perceptions, and the understanding of their behaviours and attitudes towards the investigated matter.

### **4.7 DATA ANALYSIS**

In this study, data analysis involved a process of systematically applying statistical and/or logical techniques to describe and illustrate, summarise and recap, and evaluate data (Shamoo & Resnik, 2003). Clay-Helberg (1995) identifies data analysis as a way of how the researcher interprets and summarises data intending to extract what is deemed useful in developing a logical conclusion. This study used both the qualitative data and quantitative data analysis. The researcher organised and prepared all the variables in a database i.e. the Microsoft Excel spreadsheet was employed and used to capture and classify the data analysis. The Statistical Package of Social Sciences (SPSS) was employed for a data management tool. Therefore, data collected through questionnaires

were analysed through pie charts, graphs, and bar graphs were intensively and thoroughly presented in the study with the frequency of themes.

For this study, the focus group interviews as qualitative data were analysed and interpreted using thematic analysis. The thematic analysis helps in analysing and classifying and presenting patterns or themes relating to the collection date (Alhojailan, 2012:10).

This is because it helps to illustrate the data in a detailed manner including the diverse subject through interpretation. During the interviews with the respondents, notes were made and recorded on a notepad to analyse and interpret the investigated matter. Verbal descriptions were made by the respondents to reach a general sense of what the investigated matter meant to them. The data was then derived from the views and perceptions of the respondents to analyse, categorise, and interpret them into meaningful themes and conclusions. Due to the investigated matter, the findings were adopted and analysed the way they were recorded by the researcher.

#### **4.8 VALIDITY AND RELIABILITY OF THE STUDY**

According to Drost (2011:144), validity is “concerned with the meaningfulness of research components. When researchers measure behaviours, they are concerned with whether they are measuring what they intended to measure.” Reliability is concerned with the extent to which the results remain consistent over time and it can be reproduced provided that, similar methodology is applied (Joppe, 2000). In the context of the study, ‘pilot testing’ was chosen to ensure both validity and reliability - to ensure that, questionnaires and interviews are to be conducted in person rather than being conducted online. The pilot testing was done to help in validating the research instruments that, were employed and used to inform the overall design strategy. The initial pilot test focused on both taxi operators and small business owners at Mankweng by approaching those who were willing to complete the questionnaires and return them immediately. This indeed ensured the reliability and validity of the study (Bartlett, 2013).

Gathering data through the pilot test partly minimises the biasness and weakness of data. Hence, choosing a pilot test technique for qualitative and quantitative study can help in corroborating data and also ensure both validity and reliability (Mohammad, 2013:258).

Detailed instructions on how one should complete the questionnaires were clearly defined and explained to save time. Moreover, validity and reliability were also ensured through the degree of conformity. According to (Tobin & Begley, 2004: 392) conformity has to do with the establishment of data and interpretations of the research findings to check if they are not figments associated with the researcher's imagination, but that, findings are derived from the original data. In this study, the researcher used a notepad during the interview proceeding to record and such were presented to the supervisor. This proved that, research findings emanating from the data collected from the respondents, not from the researcher's imagination. Lastly, the availability and transparency of the results were assured to the participants in case one was interested in the findings.

For the interviews, the selected respondents were interviewed in person using focus group interviews with structured questions since all the respondents were willing to participate in this study.

#### **4.9 ETHICAL CONSIDERATIONS**

According to Mouton (2001:238), scientific research involves human conduct, and it also requires the researcher to conform to general accepted ethical standards, norms and values. In this study, the approval to conduct the research was obtained from the University of Limpopo Turfloop Research Ethical Committee. Moreover, another letter was obtained from the Department of Public Administration to request permission to conduct the research study, and such was produced to request permission from Mankweng Taxi Association offices.

- Voluntary participation

In this study, participants were advised to participate voluntarily. Participants were also informed that, no remuneration or incentive were to be offered to any participants.

- Informed consent

It is important to obtain informed consent since it forms part of an ethical issue. The researcher explained the reason to undertake the study and its purpose to the participants. It involved informing the participants to ensure that, participants fully understand their role in the study, before giving their approval.

- Ensuring confidentiality and anonymity

For this study, participants were labelled numerically, to avoid mentioning their names. Their identity was not to be revealed, thus to ensure anonymity. The study was conducted with honesty and good stewardship of public resource used to conduct research. In that sense that, by Mankweng Taxi Association in the study, hence the researcher ensured that, sensitive data/information was kept confidential. Misconduct with the fabrication of data was avoided at all cost to ensure honest conduct of research. Responses obtained were written and presented the way it was generated.

- Avoidance of harm

The golden rule in research is to avoid the harm of participants. The researcher conducted and commissioned the study with respect for all individuals involved regardless of ethnicity, race, religion and culture. Thus, protecting their indignity or personal embarrassment. During the data collection, participants were not coerced into answering questionnaires and where need aroused help was provided by the researcher for them to understand the asked questions, to avoid harming their feelings.

Ethical considerations can be overwhelming to any researcher including the confidentiality of data, alongside the need to preserve the anonymity of respondents and problematic issues emerging from a misinterpretation of findings. Guarantees of confidentiality and anonymity that, have been given to research respondents must be guaranteed and honoured unless there are clear and overriding reasons to do otherwise' (British Sociological Association, 2002).

According to Bryman & Bell (2011), ten principles of ethical considerations must be adhered to concerning analysing the ethical guidelines of professional social sciences research associations as stated as follows:

Research participants were not subjected to harm in any way whatsoever. Full consent was obtained from the participants before the study and their privacy was protected and ensured. The adequacy and level of confidentiality of the research data was also ensured as well as the participants' anonymity throughout the study. Any exaggeration or deception about the aims and objectives of the research was avoided. Affiliations in any forms, means of funding, as well as any possible conflict of interests, should be disclosed.

Honesty and transparency in terms of communication was promoted and any type of misleading information, as well as representation of primary data findings, followed research ethical guidelines stated in the research.

#### **4.10 CONCLUSION**

In this chapter, the research design and methodology employed was presented. The chapter shows that, responses derived from the research findings were reported back according to the employed research design and methodology. This was done to test the hypothesis that, guided the research study, to check if the intended results were attained. As such, the following chapter outlines and discusses the main research findings on the investigated matter, data analysis and the interpretation of the research findings.



## **CHAPTER 5: RESEARCH FINDINGS, DATA ANALYSIS AND INTERPRETATION OF RESULTS**

### **5.1 INTRODUCTION**

This chapter focuses on the research findings, data analysis and interpretation of the research findings. The study was undertaken at Mankweng Taxi Ranks in Limpopo Province. Data analysis helps to reach data deduction into an interpretable and intelligible form. This is to relate research problems and make them easy to be tested, studied and to draw meaningful conclusions (De Vos, 1998). The contents below present a detailed outline of the role of the minibus taxi industry in promoting the development of small businesses in South Africa within, Mankweng Taxi Ranks.

The study was undertaken in five selected taxi ranks of Mankweng Taxi Association: Mankweng, Boyne, Ga-Mothapo, Solomondale, and Dikgale. These taxi ranks were selected as part of the Mankweng Taxi Association. The direct small business benefiting from the taxi ranks also formed part of the study since taxis partly feed them with daily customers. For data collection, two approaches were employed. First, the researcher employed two different questionnaires - a structured questionnaire and a semi-structured questionnaire. The structured questionnaire collected data from taxi operators while the semi-structured questionnaire collected from small business owners. Second, focus group interviews were conducted with the main office staff at Boyne to determine the operative and administrative challenges of the taxi industry in promoting the development of other small businesses. Therefore, the chapter presents and analyses the results of the research findings collected in the five selected taxi ranks.

### **5.2 RESEARCH FINDINGS**

This study investigated the role of the minibus taxi industry in promoting the development of small businesses in South Africa, using a case study of Mankweng Taxi Association. Data analysis and interpretations on the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks were informed by both theoretical and practical considerations of small businesses with the taxi industry. No or few studies exist which focused on the minibus taxi industry as entrepreneurial generators in the development of small businesses in South Africa. Promoting small businesses within the minibus taxi industry remains unnoticed by the government,

stakeholders and various researchers. Moreover, there's little legal status and structures which support the development of the minibus taxi industry and entrepreneurs across taxi facilities because of their informal nature and settings.

For this study, data collection was achieved through the use of structured and semi-structured questionnaires and focus group interviews. The researcher used the mentioned instrument tools to complement each other since questionnaires prevent participants to a single phrase; while, on the other hand, interviews help to combat the disadvantages emanating from the use of questionnaires.

This study revealed that, to develop the minibus taxi business, and the investigated small businesses within the industry, create an active business environment for both taxi owners/operators and other interested stakeholders. It is a necessity that, new and legally recognised small businesses be introduced into the industry, to make it more competitive. This is because the industry is mostly occupied by informal businesses that, are not guided by any specific legal framework; thus, they tend to vacate the industry during an economic crisis and make it less competitive. Data were collected amongst various participants in the industry like taxi operators, hawkers, street vendors, car washers, caterers, and filling stations. The findings begin with findings generated from taxi operators as per questionnaire, and those generated from the investigated small businesses and those from focus group interviews conducted at the Mankweng Taxi offices at Boyne with the taxi management.

### **5.3 DATA COLLECTED THROUGH QUESTIONNAIRE FOR TAXI OPERATORS**

In this study, data were collected through a structured questionnaire. It was constructed to obtain data from the targeted population that, included taxi operators. The questionnaire had relevant and valid questions in line with the aim and objectives and the theoretical assumptions of the literature of the study. Thus, the information provided by the participants was converted and the data made it possible to analyse and measure the views and perceptions of participants.

According to Ary, Jacobs & Razavieh (1985: 357), the validity of questionnaires is critical as the theoretical assumptions forming part of the literature is to be contained in the questionnaire. The Likert scale was chosen to assess what is expected to be assessed

by asking the participants to show whether they strongly agree, agree, strongly disagree or disagree with the formulated and written statement of the investigated matter.

For this study, two sets both structured and semi-structured of questionnaires were constructed as a means of responding to the formulated questions in chapter one. Both the questionnaires were designed the same but with different questions as they were meant for different participants. The researcher distributed all the questionnaires to all participants who were all willing to complete and return them immediately. The first questionnaire was directed to taxi operators and the other to small business owners. Therefore, data collected through the questionnaires were captured in the Statistical Package for Social Science as a management tool and transported into Microsoft Excel spreadsheet to convert the data into pie charts and graphs, to interpret and analyse the collected data. The analysed data begins with that, of taxi operators then followed by that, of small business owners and lastly the responses generated through focus group interviews with the Mankweng Taxi Office.

In terms of Section 1 of the National Land Transport Transition Act, 2000 (Act No. 32 of 2000) which was changed to National Land Transport Act, 2009 (Act No.5 of 2009) an operator refers to a public transport operation as an individual carrying on the business of a public passenger road transport service. In this study, an operator shall refer to taxi owners, taxi drivers at Mankweng Taxi Ranks.

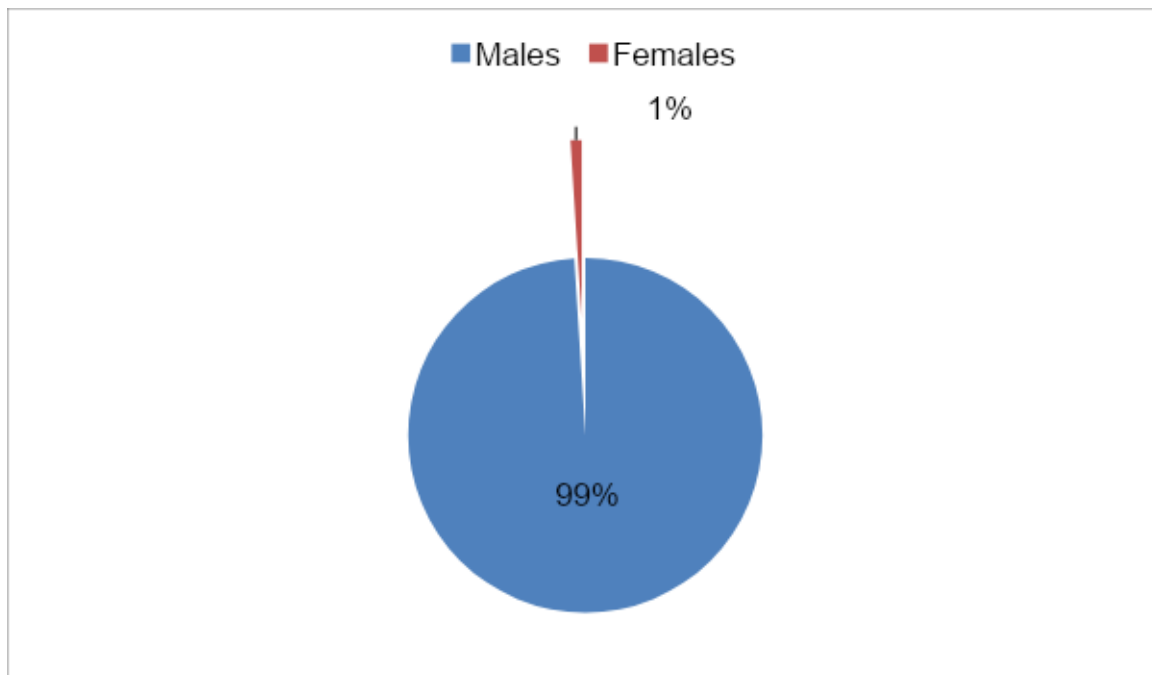
### 5.3.1 Biographical data of participants

According to Thomas (1998:162), biographical data is based on the assumptions that, its categories may be related to the research's target variable. In this study, the biographical data consists of gender profile, age group, marital status, ethnic group, educational status, years in business and the medium instructions as written with the questionnaire for demographic characteristics of the participants.

#### 5.3.1. 1 Gender profile of participants,

The researcher probed gender differences were to determine which gender is more dominant in the industry. Thus, the purpose was to ensure the reliability of the research findings and to check whether gender might affect the finding bases of a different perspective of males versus females.

Figure 1: Gender profile of participants

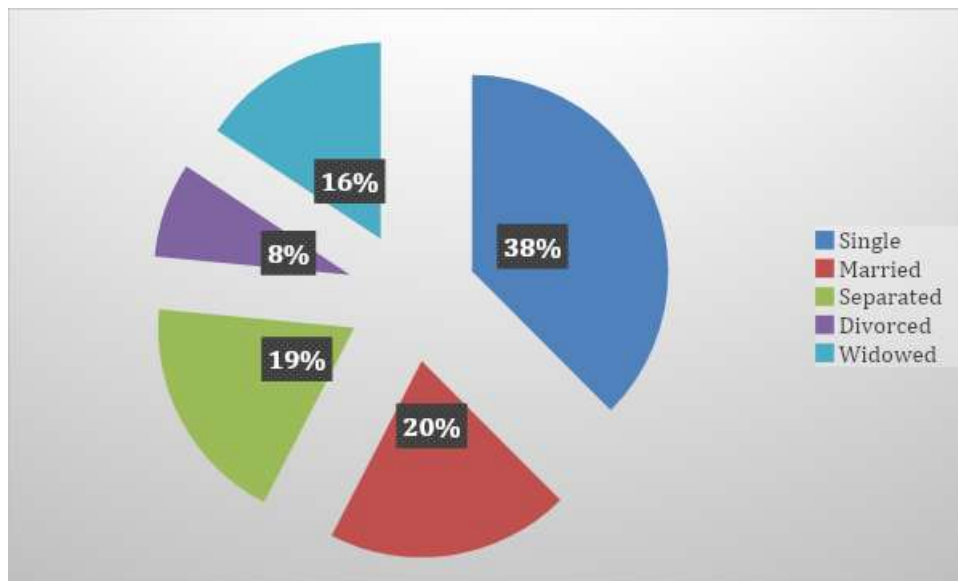


It can be seen from figure 1 that, 99% of taxi operators are males. Therefore, it is certain that, the analysis was influenced by the majority of which were male within, Mankweng Taxi Ranks. In comparison with male participants, female participants were 1%. It would be more constructive for the industry to encourage the involvement of more female taxi operators to improve gender balance. It can, therefore, be deduced that, there is a gender imbalance at Mankweng Taxi Ranks. The gap between the total number of male and female taxi operators should be improved over time.

#### 5.3.1.2 Marital status of participants

Probing the marital status of participants was to determine if the marital status had the potential of affecting the findings or not.

Figure 2: Profile of participants, by marital status



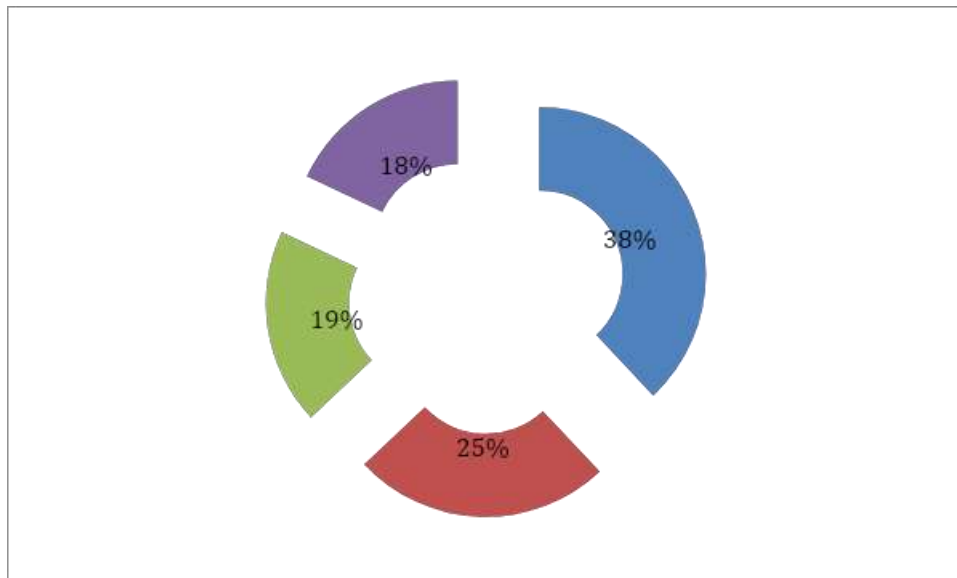
The figure above shows the profile of participants by their marital status. It can be seen that, 37% of the participants were single. It proved that, a large number of taxi operators at Mankweng Taxi Ranks remain single. This is followed by married participants who contributed to 20% of the whole sample. Moreover, 19% of the participants indicated that, they separated from their spouses. Widowed participants were 16%. These were participants over the age group of 40 years. Lastly, 8% of the participants were found to have divorced. The purpose of marital status was to evaluate the impact of each status. For instance, it was found that, windowed participants were partly active in their daily business activities and could make some profits, while the divorced participants, especially the recent ones, were still battling with the psychological effects of their divorce. The single participants had much business confidence and that, worked well for them in attracting more customers.

It can be concluded that,, oftentimes, marital status, especially single and married participants, are dominating at the Mankweng Taxi Ranks. This means more minibus taxis are owned and operated by single and married persons. Widowed and separated participants rank second at Mankweng Taxi Ranks. Divorced participants contributed the lowest percentage on the figure, and only a few participants fell under this category.

### 5.3.1.3 Age group of participants

The aim of probing the age range was to show the age group that, was more dominant at Mankweng Taxi Ranks. Those with older age are assumed to have more experience with the industry. Therefore, the researcher wanted to find out if such would be the case even in this study.

Figure 3: Age group of participants



As shown on the figure, more participants were drawn from the age group of 20 to 30 years, which constituted 38% of the whole sample. Another age group of 31 to 40 years constituted 25% of the identified sample of taxi operators. Moreover, the age of 41 to 50 years amounted to 19% of the entire sample. Lastly, the oldest were drawn from the age of 50 years and above, who were found to be amongst the least at 18% of the sample.

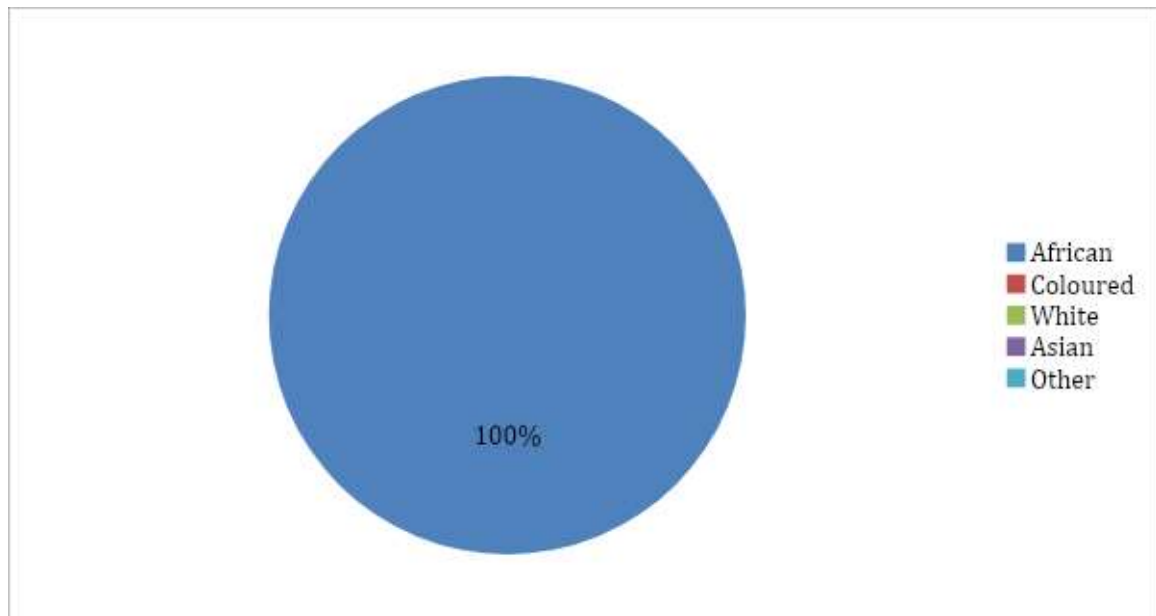
Age in the Mankweng Taxi Ranks is a great concern because most of the oldest participants have a history of the industry. For instance, one participant provided a detailed scenario of what took place in 1996 at Boyne Taxi Rank. Although, much of the related data is provided for under the subtopic of taxi violence and crime at Mankweng Taxi Ranks.

### 5.3.1.4 Ethnic group of participants

Ethnic differences often explain substantial patterns of social inequality. Hence, this is a concern in the taxi industry since it is dominated by one race. Therefore, ethnicity is

important for it may partly affect either occupational or educational achievement. In this study, the researcher highlights a series of concerns that, the taxi industry in South Africa is dominated by one race, which means other races are being neglected.

Figure 4: Ethnic group

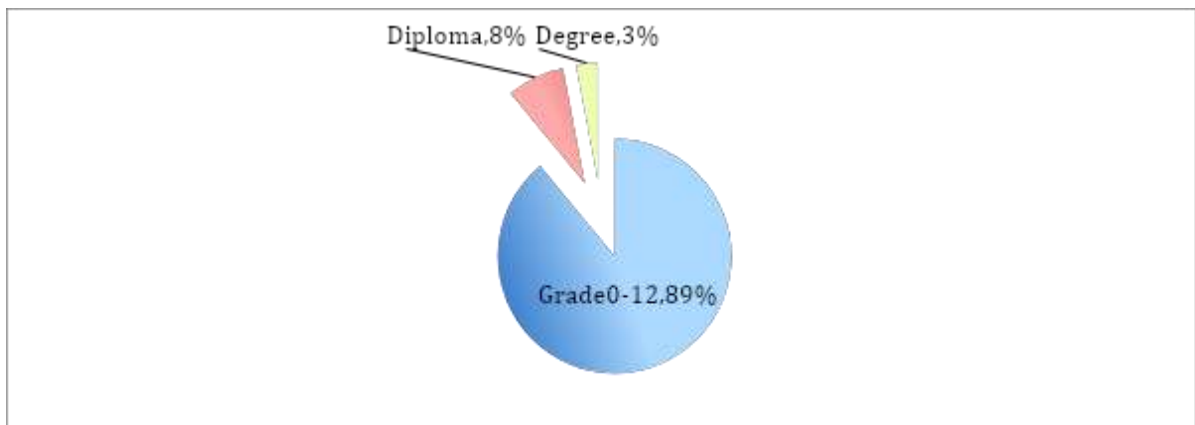


The profile of participants by ethnic group shows that, all participants were African. No Coloured, White, Asian or others formed part of the sample. Africans as participants constituted 100% of the entire sample, meaning the Mankweng Taxi industry is dominated by Africans. Despite the integration pursued by legislation in South Africa, the citizens remain fragmented.

#### 5.3.1.5 Educational qualification of participants

The initial idea to probe academic qualifications was to find out whether the Mankweng Taxi Association encouraged their taxi operators to improve their education or not, as well as to question the old idea of whether education was crucially important in the minibus taxi business. However, for this research, this was done to show the level of understanding amongst participants drawn from Mankweng Taxi Ranks. Lastly, another critical point for academic qualification was necessary for the study to ensure that, at least concepts in this research were well understood and that, the research findings would be relevant and reliable.

Figure 5: Academic qualification

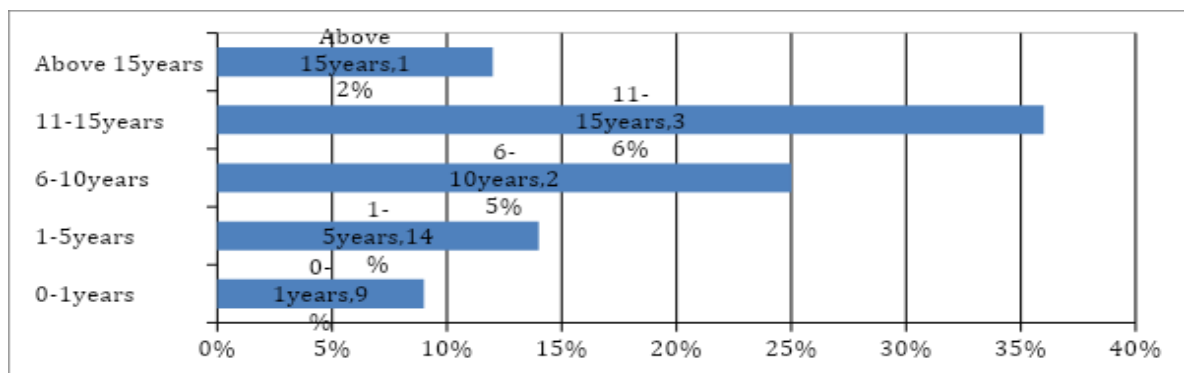


The figure indicates that, 89% of the participants obtained Grade 0 - 12. The perception that, some people have is that, taxi operators are illiterate; however, this is not true. This research found that, this perception was no longer relevant. The majority of the participants indicated that, they had at least matric or Grade 12. This shows the level of education at Mankweng Taxi Ranks. This means that, the taxi industry values the importance of education in boosting their businesses. Those who obtained a diploma were 8% of the participants and 3% of those had a degree qualification. However, amongst the participants, none of them claimed to have obtained any post-graduate qualification.

### 5.3.1.6 Profile of years in business of participants

Years spent in any particular business are crucially important, as it goes well with knowledge. The key idea to probe the years in business was to find out if those with more years have more experience than others in the taxi business.

Figure 6: Years in business



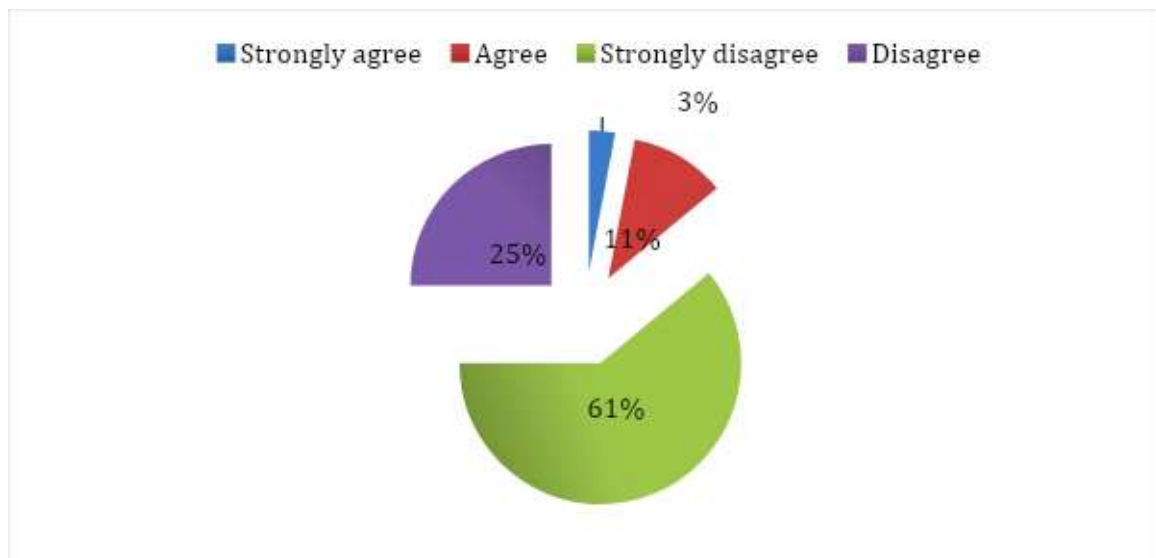


The highest percentages, 36%, on the figure above represent participants who have been in the taxi business for 11 to 15 years. Actually, 25% of the participants have been in the business for the past 6 to 10 years. This is followed by participants who have been operating in the industry from 1 to 5 years, who constitute 14%. The new entrants in the industry range from 0 to 1 year at 9%. Participants with above 15 years in the business were 12%. Therefore, this provides the impression that, participants who have remained in the business for many years are well aware of the modus operandi of the taxi business.

#### 5.4 The understanding of a taxi business plan and its interpretation

A business plan and its interpretation play a very critical role in understanding any kind of business. However, in the case of Mankweng taxi operators, the logic of business plan and its interpretation remains a big problem. Most participants who constitute 61% indicated that, no business plan is drafted and communicated to them. In other words, taxi bosses do not have any taxi business plan. Participants constituting 25% continued to disagree that, a taxi business plan is even hardly considered. They simply follow orders from the taxi bosses and none of them even understand how it feels to actively work in the taxi industry.

Figure 7: Understanding of a taxi business plan



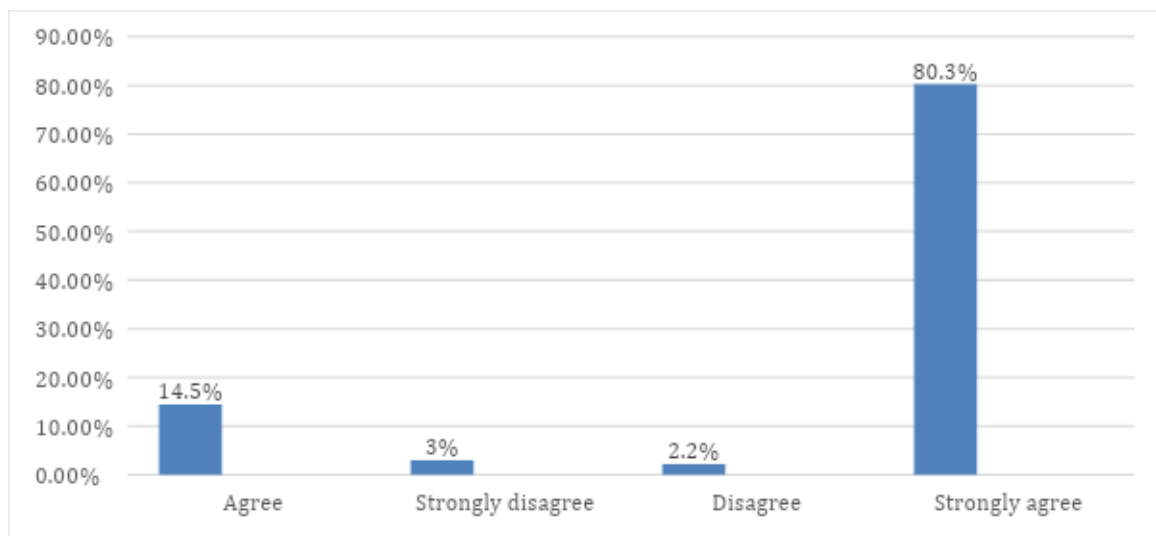
In the provision of different responses, certain participants were of a different kind of logic and understanding. This was 11% of participants who claim that, their taxi bosses do prepare a business monthly/annually. Moreover, 3% of the participants strongly agree

that, their bosses plan for the business and ensure that, such is explained in detail and communicated to the taxi operators.

### 5.5 Information associated with the job roles

The prime idea to probe this question was to find out whether there's information associated with the job roles of taxi operators at Mankweng Taxi Ranks.

Figure 8: Responses of information relating to job role

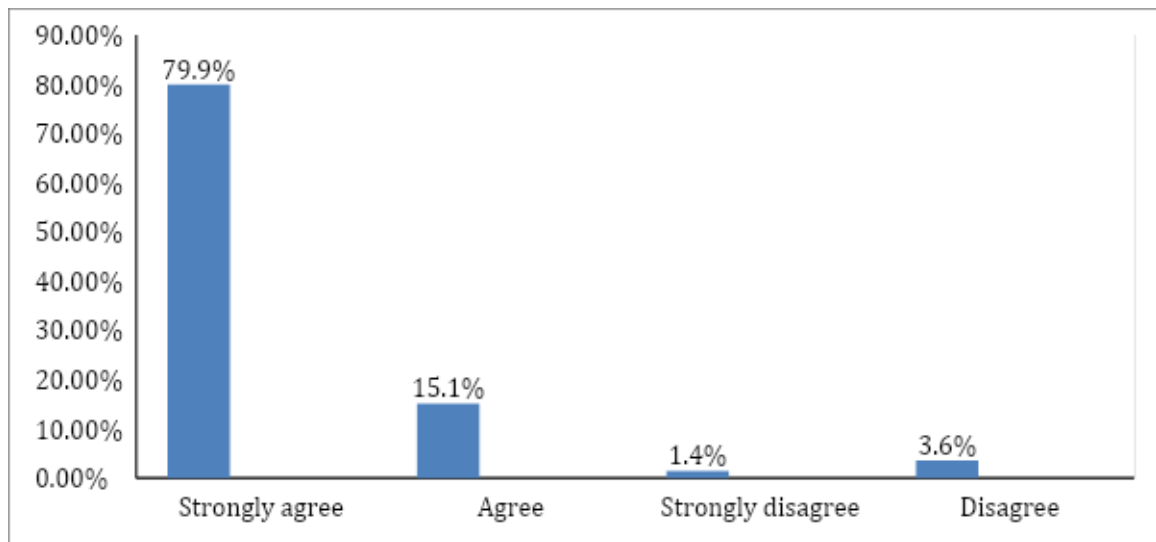


In promoting the development of small businesses around Mankweng Taxi Ranks, no sort of any information is provided as to how to support other businesses. The majority of participants with 94.8% confirm that, the information relating to their job role in promoting the development of small businesses is very vague, thus insufficient. While only a few participants with 5.2% are of a different opinion on the development of small businesses, which means they claim that, information regarding their role in developing other small businesses is clear to them.

### 5.6 Instructions regarding the support of small businesses

Probing this question was to find out whether instructions regarding the support of small businesses are provided for at Mankweng Taxi Association. This was done to conclude if support for small business is encouraged. Therefore, the question is, are instructions provided for in supporting other small businesses at Mankweng? Is this the case or not? The following figure answers this question:

Figure 9: Instructions to support small business

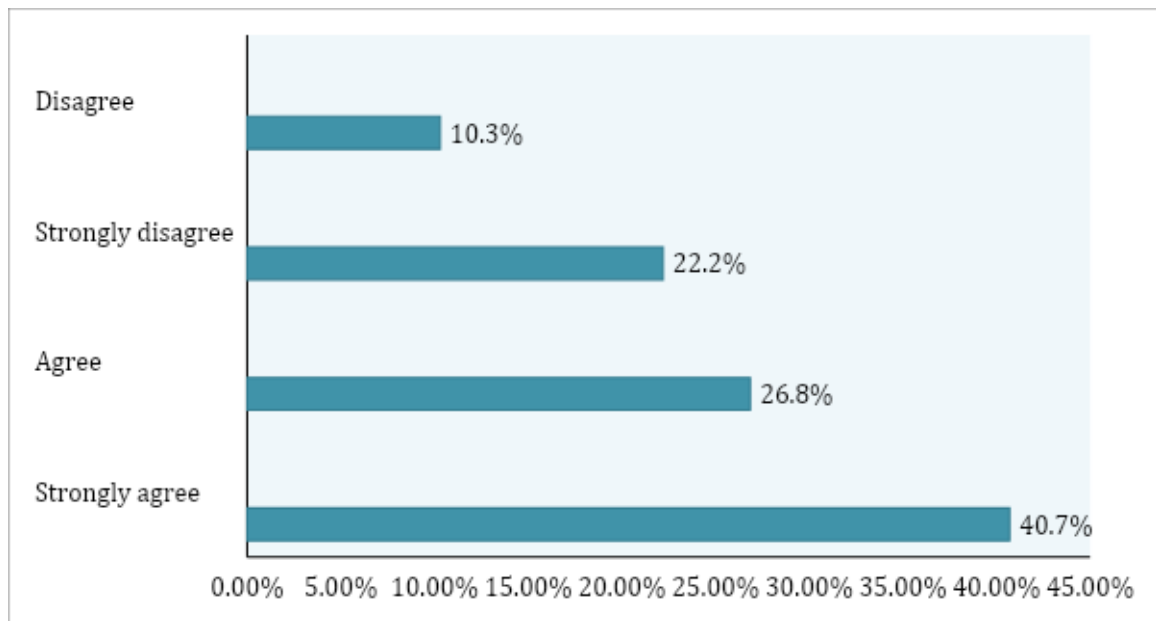


Informal businesses at Mankweng Taxi Ranks fail because there's a lack of business support. In this regard, 95% of the participants agree that, it an individual choice to choose is whether or not to support other small businesses through personal instruction since the association do not impose any instructions to do so. The support of small business or the lack thereof intimidate newest entrants in the industry to become less motivated; thus, they tend to vacate the business pool. Once various small business fails to remain in the industry, the development of small businesses suffers the most at Mankweng. On the other hand, 5% of the participants disagree that, taxi operators are given instructions as to whether they should support nearby businesses. However, they can support them whenever they wish to do so.

### 5.7 The complexity in supporting the small business

The majority of the participants with 67.5% agree that, it sometimes becomes a complex problem for them to make adjustments between the taxi business and supporting other small business. This problem arises from a different perspective, which is partly associated with lack of support from the government, and big private businesses. Hence, this was an initial idea to probe this kind of a question in this study. The figure below provides answers as to whether this may be the case at Mankweng Taxi Ranks:

Figure 10: The complexity in supporting the small business



In turn, the researcher found out that, the taxi operator focused on maximising profits and minimally supported other businesses, such as car washers, street vendors, and restaurants. The findings show that, the one business that, is guaranteed support is the filling stations because all taxi vehicles need fuel almost every day. Caterers receive massive support when selling meals to taxi operators and other potential customers. Other participants who constitute 32.5% provided that, they have to eat to energise themselves since the caterers are their instant choice to buy from.

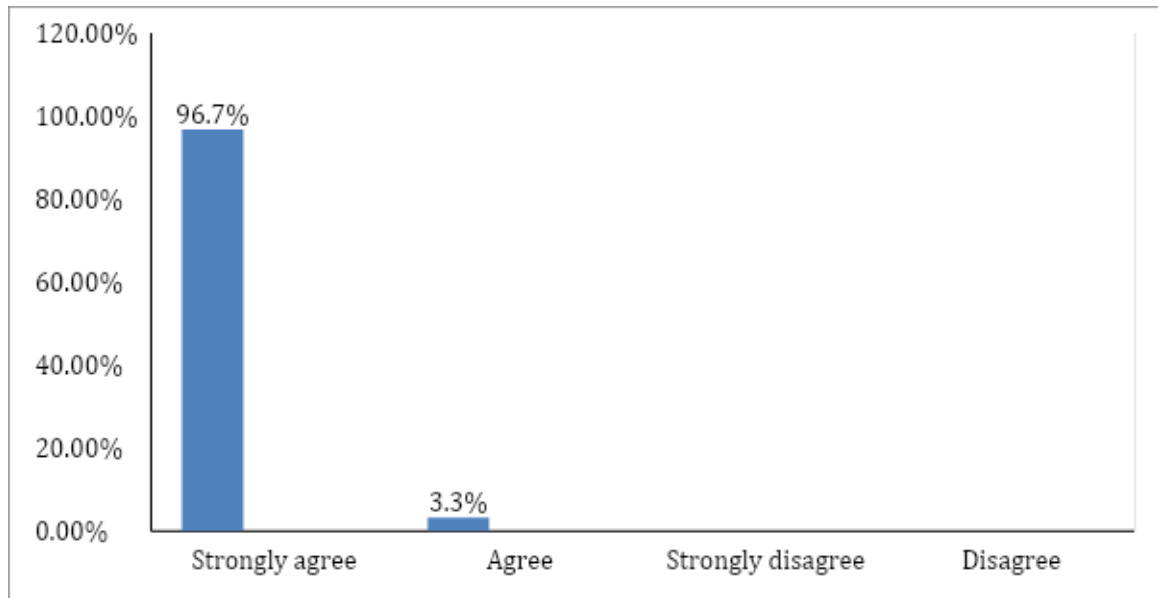
The main finding reveals that, within Mankweng Taxi Ranks there's no chain of communication between the taxi business and every small business surrounding the area.

Therefore, taxi operators and business owners do not understand what, where and how to play a critical role in promoting the development of small businesses. This is because every business area needs to be studied first and understood. The misunderstanding and mishaps of the industry partly make small businesses to remain small.

### 5.8 The efficiency and productivity of the industry in promoting small business

The efficiency and productivity of Mankweng Taxi Association in promoting the development of small business remains none of their responsibility, as shown in the figure below:

Figure 11: The efficiency and productivity of small business



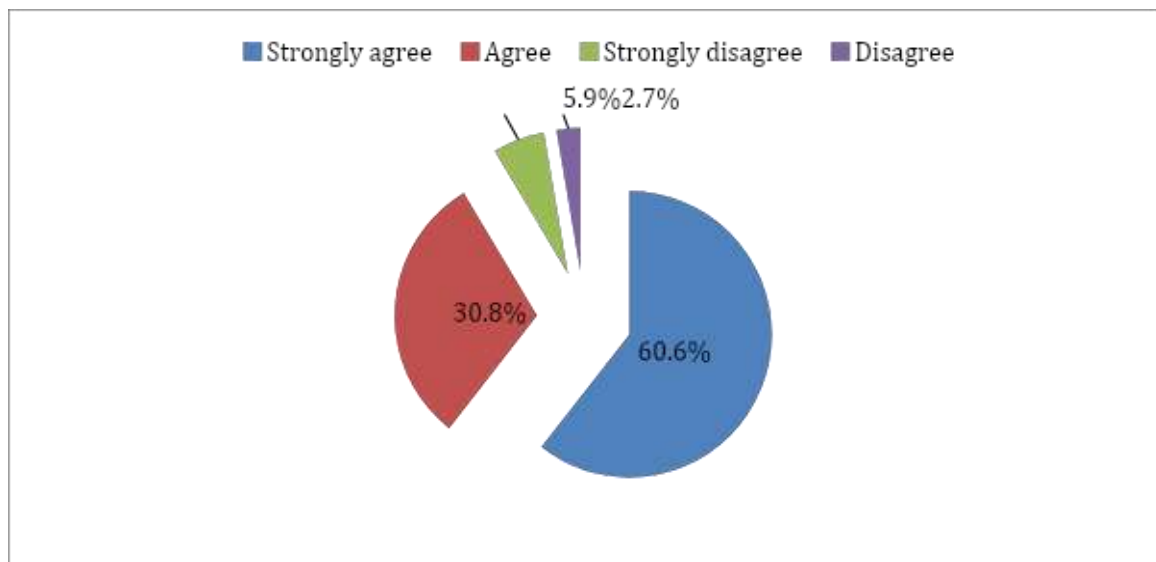
All of the participants who constitute 100% agree that, it is not part of their business plan in promoting the development of small business. Their main aim to be in the minibus taxi industry is to maximize profits daily. The data from participants shows that, whether there are efficiency and productivity in the development of a small business or not, it remains no one's responsibility to promote the development of small business at Mankweng Taxi Ranks.

The responsibility of promoting the development of small businesses is neglected. This reveals the fact that, the industry has not any commitment to developing its beneficiaries in any possible, which may partly include developing a primary bank which will seek to support small businesses financially.

## 5.9 The implementation of plans and projects in the taxi association

The main focus to probe the implementation of plans and projects at Mankweng Taxi Association was to find out as whether plans and projects are communicated to employees before being carried out. The figure answers this question.

Figure 12: Implementation of plans and projects

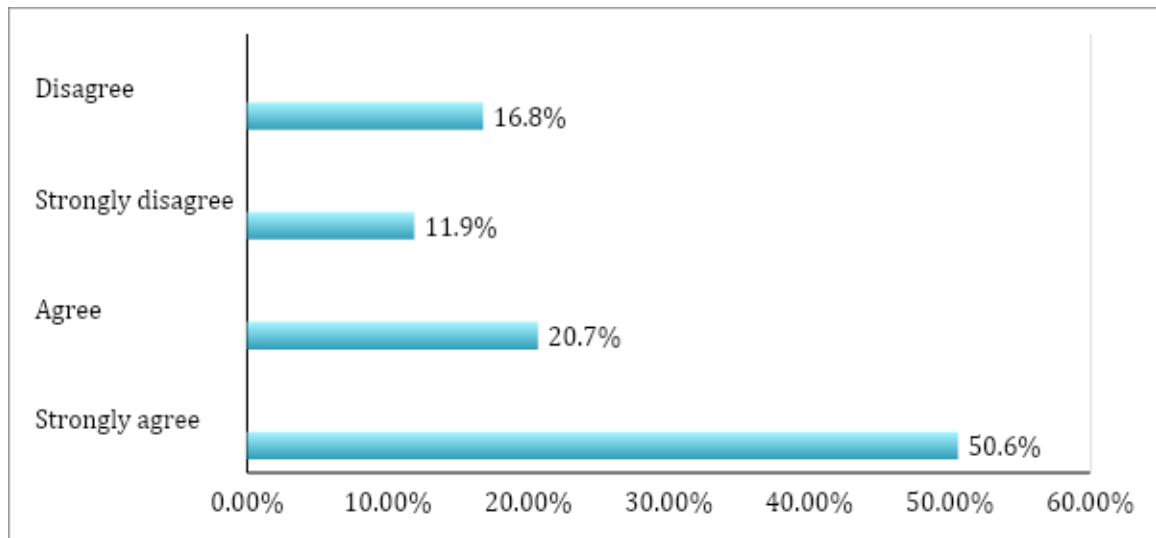


The figure shows that, 91.4% of participants highlighted that, plans and projects are communicated in the association and throughout the taxi ranks. Amongst other things, the participants agree that, plans and projects are discussed and communicated with taxi operators, such include amongst other things; the building of taxi facilities, taxi fare adjustments, government requirement concerning operating permits. On the other hand, the legislative framework governing public transportation remains a problem since minibus taxi are yet classified as formal public transport. On the other hand, 8.6% of the participants show that, they disagree with the fact that, plans and projects are being discussed, communicated and implemented with them in the taxi ranks. Since the majority of participants agree that, plans and project are being communicated within the association, therefore, it means Mankweng Taxi Association values the importance of communication in their businesses.

## 5.10 Taxi violence and crime at Mankweng Taxi Ranks

The main idea to probe about taxi violence and crime was that, over the years this has questioned before and it seems like it remains difficult to resolve it. The figure seeks to find out if at Mankweng taxi ranks such cases affect taxi operators and other small businesses.

Figure 13: Profile of taxi violence and crime



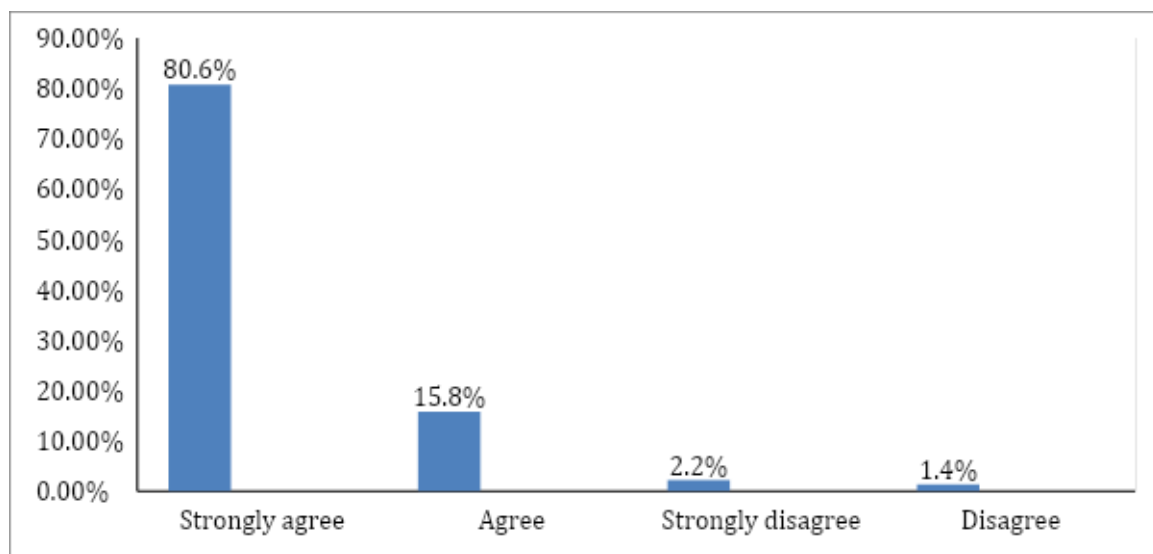
Over the past few years, Mankweng Taxi Ranks have not seen taxi violence and crime. However, 71.3% of the participants agree that, taxi violence and crime affect the taxi business and their direct beneficiaries. On the other hand, the participants noticed that, violence and crime affected the taxi industry and its beneficiaries. This was influenced by the fact that, one of the respondents, who was once a bus driver, indicated that, unbearable taxi violence and crime occurred in 1996. During that, year, one taxi boss was killed in cold blood. The killer had a gun and shot the taxi boss. This happened in front of everyone at Boyne Taxi Rank, which forms part of Mankweng Taxi Association. One of the respondents noted on the questionnaire that, he was a friend with the killed taxi boss. This scared off various small businesses around different taxi ranks. Even to this day, the rumours and occurrences of taxi protests still affect the taxi business and the investigated small businesses at Mankweng. Violence and crime escalate almost every year and is one of the unending challenges in the minibus taxi industry across South Africa.

However, certain taxi operators who constitute 28.7% of the participants disagree that, violence and crime affect the industry and direct beneficiaries because violence and crime are hardly experienced at Mankweng. Lastly, some responses show that, participants have not experienced taxi violence and crime affecting the industry and beneficiaries.

### 5.11 The business profit versus the quantity of work

Taxi operators are known as business people who go to work early in the morning and knock off late at night. The amount of work and time dedicated to their job is tense. Therefore, the figure below seeks to find out if the profit made satisfies the quantity of work covered.

Figure 14: Profit versus the quantity of work



The majority of the participants who constitute 96.4% agree that, the amount of work worked is too much; thus, the profit made is less as compared to the quantity of work. They provided that, make more money during month-end and festive seasons. Some participants constituting 3.6% indicated that, they put in a large amount of work and get less paid. These are taxi operators who work for their bosses. Those who own their taxi vehicles shows that, they need to work harder from early morning till late to maximize profits.

The findings show that, taxi operators who have been working in the industry for more than five years provided that, if they do not report to taxi ranks a large number of workers could lose their jobs. This is because a large number of workers do not own cars, and

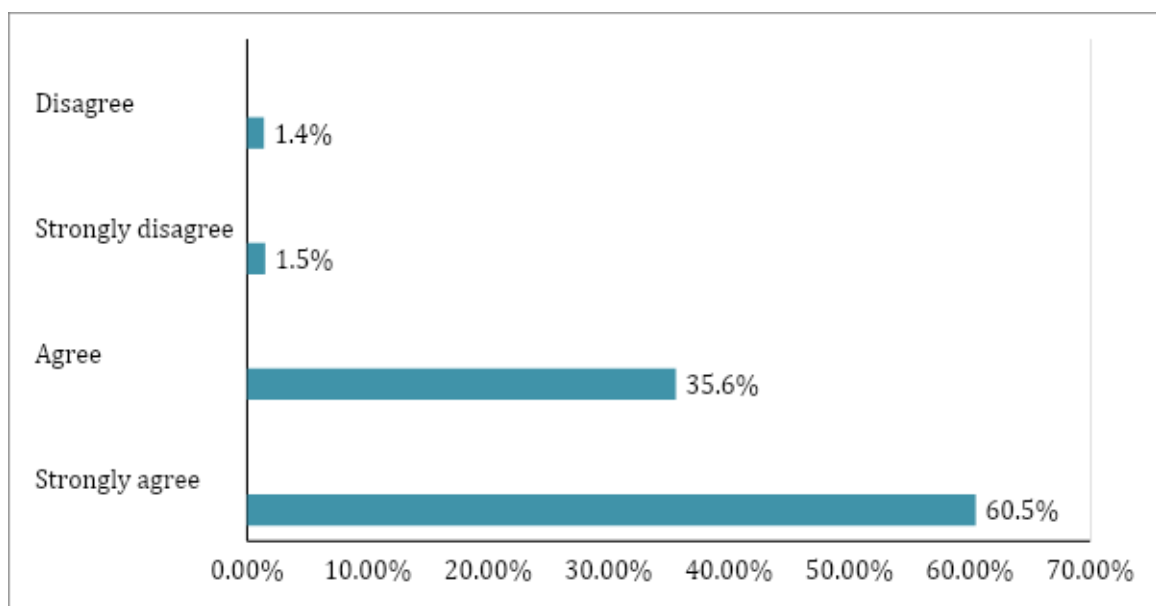


they depend on minibus taxi for transportation. Mankweng taxi operators are determined to support business people and workers without cars in the form of transportation. These operators have no working hours, nor schedules.

### 5.12 Small businesses operating nearby taxi facilities

Facilities built for both the taxi business and other small businesses at Mankweng plays a very critical role in promoting the development of small businesses. In the study, the reason to probe this question was to find out as whether both the taxi business and its direct beneficiaries at taxi facilities operate in an acceptable, poor state and healthy environment or not. Thus, the figure below seeks to answer this question at Mankweng Taxi Ranks.

Figure 15: Small businesses at taxi facilities



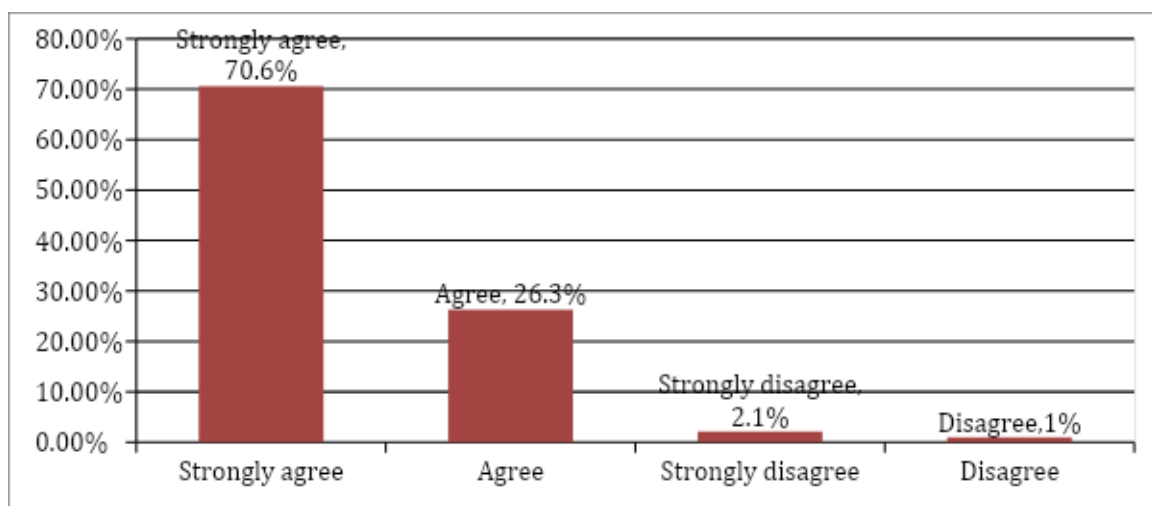
During data collection, participants indicated that, they work under tense circumstances because of poor road infrastructure and taxi ranks. Many participants, who constitute 96.1%, highlighted that, even though the road and taxi facilities are poorly maintained. However, taxi facilities are partly maintained today. The facilities are the only kind of support small businesses have at their disposal at Mankweng. This facility is the heart and backbone of these small businesses. Without them, it would become difficult to operate their business, thus to make a living. On the other hand, 2.9% of the participants disagreed that, taxi facilities contributed to the support of small businesses.

Taxi facilities play a significant role at Mankweng because the direct beneficiaries of the taxi industry often get established due to the existing taxi facilities. In other words, for small businesses at Mankweng, the taxi facilities form an integral part in promoting the development of small businesses.

### 5.13 Government support for the taxi industry

The key idea to probe government support for the taxi industry was to make conclusions as to whether the industry is being supported in any way by the elected government or not. Thus, the main idea was to ensure the reliability of the research findings.

Figure: 16: Government support



The majority of the participants who constitute 96.9% indicated that, a lack of government support causes some operators to ignore the importance of promoting the development of small business. This means the government has failed the Mankweng Taxi Ranks in the improvement of roads and taxi facilities.

However, 3.1% of the participants disagree with any failure of the government in improving the taxi facilities and roads.

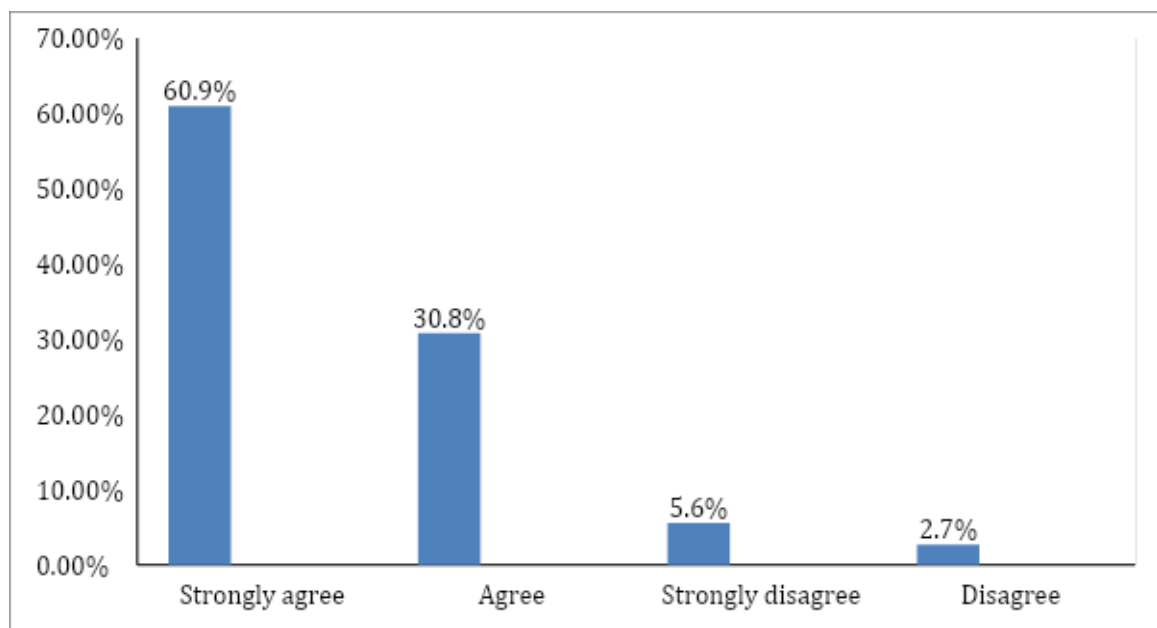
The finding proves that, the government failed Mankweng in terms of providing and investing in the improvement of road infrastructure and the taxi facilities. The taxi operators' highlighted that, since they operate under unregulated environment; it becomes a problem to get immediate support. Thus, they must make a living. It's unfair

that, the government encourages the start of small businesses and the minibus taxi has been around for many years, but still do not get any funding even to this day.

#### 5.14 Operating taxi route

The initial idea to put taxi route into question, was to find out as to whether operating route limits the scope of taxi operators to generate more profits or not. Thus, the figure below seeks to show the differences into this question.

Figure 17: Taxi routes



Operating taxi routes are critical for the functioning of taxis at Mankweng. In collecting data of whether or not taxi routes limit the scope of maximising profit, and 91.7% of the participants indicated that, they agree with the fact that, they are unable to make more profits due to assigned operating routes. Furthermore, 8.3% of the participants disagree that, assigned routes limit them to perform smoothly their duties and making more profit.

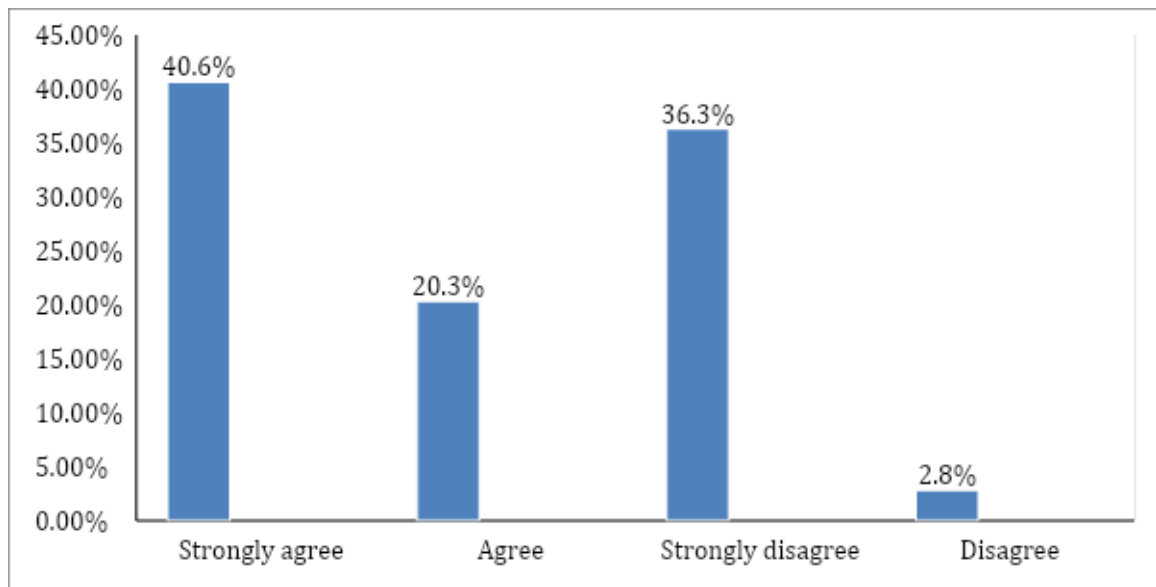
The findings show that, taxi operators at Mankweng have been assigned with legal operating routes by the association. However, due to the assigned routes, it becomes difficult for most of the taxi operators to perform their work smoothly. This is because of their uncertainty and ambiguity of the assigned operating routes. No taxi operator is allowed to operate on another route that, is not assigned to them. If one was to be found operating on the illegal route, then one would be in contravention of the association's

allocation of routes. Mankweng Taxi Association is aware of which taxi vehicles assigned to which operating route.

### 5.15 The transportation of passengers

The idea to probe the transportation of passengers was to find out whether transporting more passengers helps in making more profit or not. Therefore, the figure below wants to shows if this is the case or not.

Figure 18: Transportation of passengers



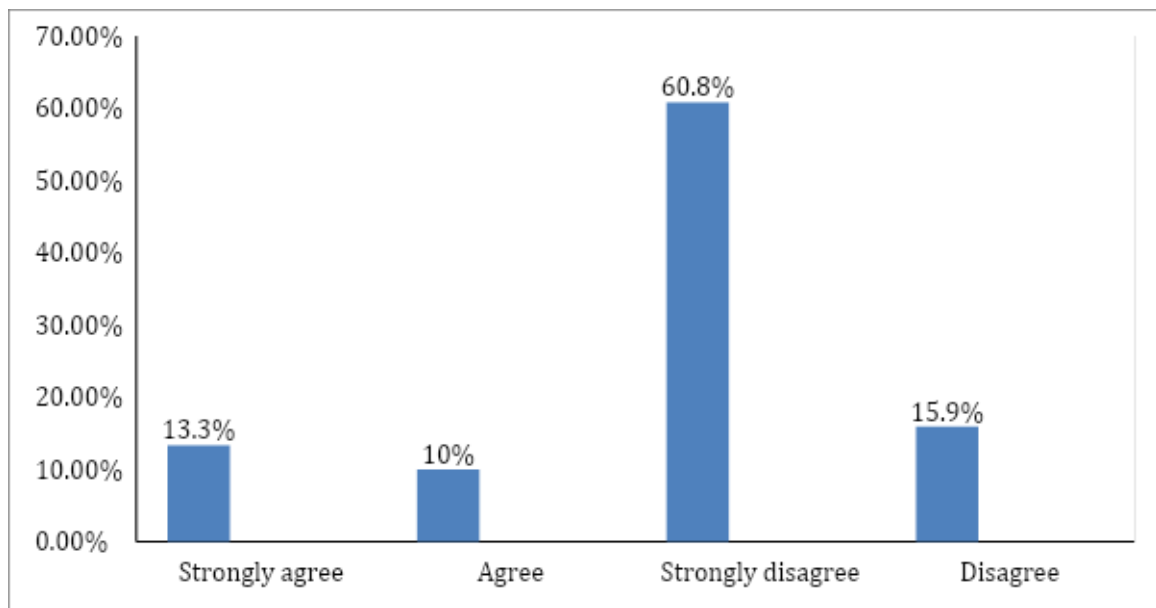
The figure shows that, 60.9% of the participants agree that, to maintain group-conformity, sometimes taxi operators have to transport more passengers than usual to make more profits. During the middle of the month, taxi operators find it partly difficult to make more profits as compared to the end of each month. Participants with 39.1% disagree that, they have to transport more passenger, to fit or maintain group-conformity, to make more profit.

The majority of the participants show that, they can never ascertain and often maintain group-conformity because they sometimes have to transport more passengers beyond their normal schedule to generate daily profit. This is partly because normally during the month taxi operators hardly transport enough passengers as compared to month-end. The other participants who disagree that, they ought to transport more passengers to maximise profit were those who transport passenger locally.

### 5.16 Administrative work of the taxi business

The administrative work of the business is a very complicated job. It requires one to a little background of how the taxi business works. The idea of questioning the administrative work was to establish whether taxi operators are also expected to perform administrative work or are helped by some of their colleagues.

Figure 19: Administrative work



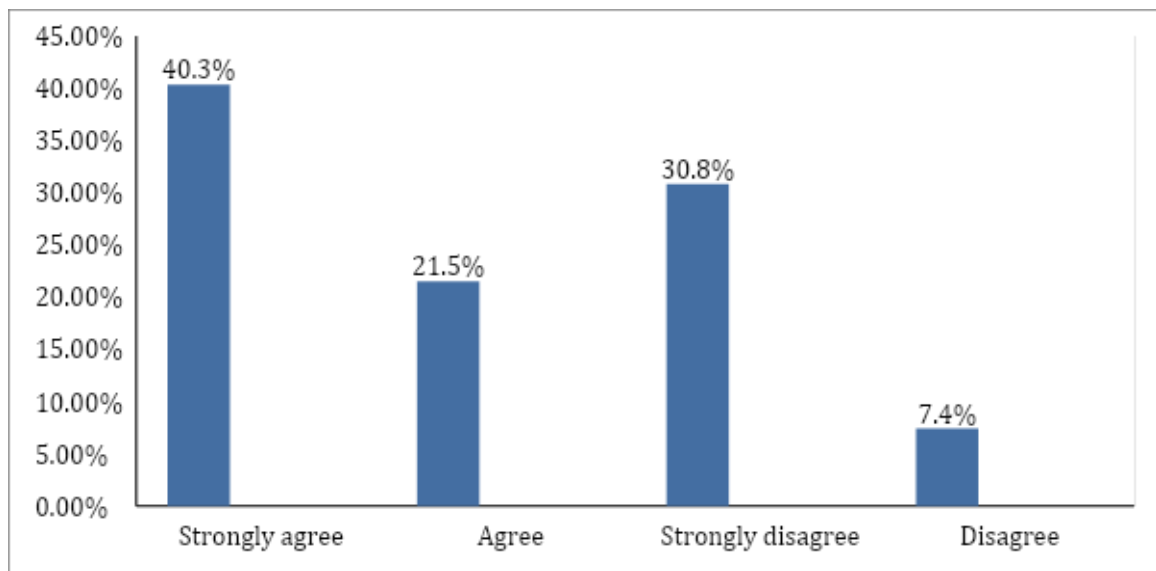
In the case of Mankweng Taxi Ranks, participants who constitute 76.7% of the highlighted that, no colleague co-operate, or often volunteer in solving administrative related problems or work. They disagree that, they are being helped with any administrative work and in fact, every taxi operator is responsible for doing their administrative work. They set their financial calculations and monthly expenses. The findings show that, the owners of taxi vehicles are to perform this kind of work on their own. On the other hand, some taxi operators working for a certain taxi boss are only expected to gather all the profit and give back to their boss.

While buying items from small businesses, like fuel and food, the operators are to keep a record of such, to show it to their bosses. However, 23.3% of the participants show that, they are often helped with administrative work and related problems by some of their colleagues. As for taxi owners, all the arrangement en route is kept in a record, especially for those who pay a monthly instalment of their taxi vehicles.

### 5.17 Sufficient time for personal problems and time for persuading other business initiatives

It has been said that, time is priceless; some say time is money. While this is the case, participants at Mankweng highlighted that, they can devote sufficient time to their domestic and personal problems. They are also allowed to pursue other business initiatives, particularly those working under a certain boss. Mankweng Taxi Association does encourage taxi operators to think outside their normal daily thinking and pursue other business ideas. The figure below supports these findings.

Figure 20: Personal problems versus time for business



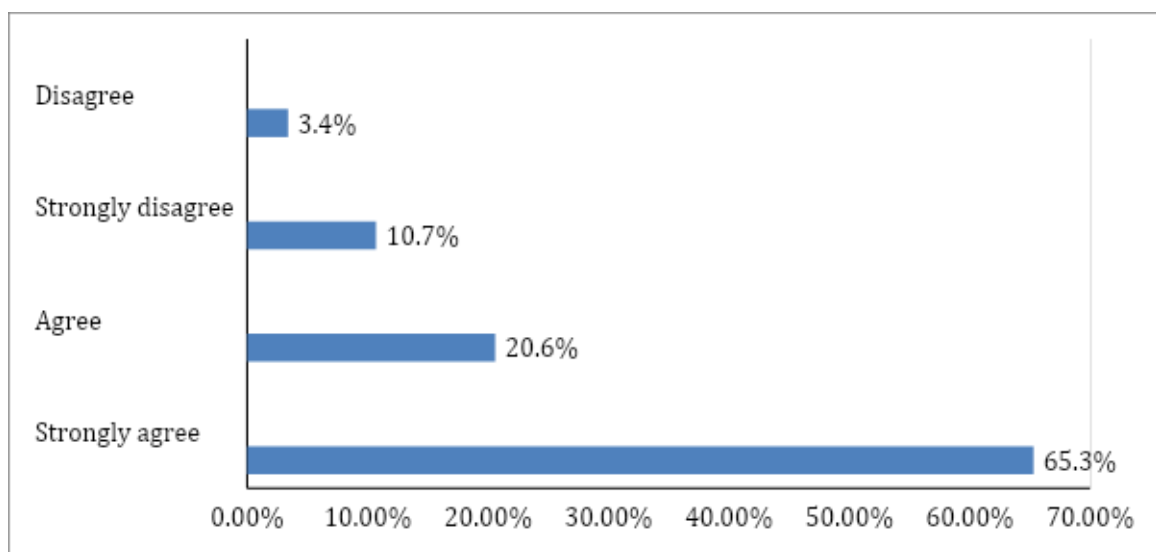
The figure above shows that, 61.8% of participants agree that, they are not able to devote sufficient time to their domestic and personal problems, and as well as pursuing other business initiatives. Even though they are too busy with taxi services, they are allowed to explore other business opportunities, as well as to attend to their issues. On the other hand, 38.2% of the participants disagree that, they are unable to attend to personal problems and to explore other business opportunities due to being occupied with taxi work.

### 5.18 Work behaviour

Work behaviour can either affect or affect the business. Since taxi operators are not classified as professionals, but, they are somehow professional transporters. According

to the Business Dictionary work behaviour refers to the “pattern of actions and interactions of the members of an organization that, directly or indirectly affects its effectiveness”. In case of a taxi business, work behaviour could refer to sort of taxi operations and interactions of both taxi operators and passengers of a taxi rank or association that, could either affect positively or negatively the business. Therefore, the primary idea to probe into the work behaviour of taxi operators was to find out what kind of work behaviour is expected to display or show at work. The figure below seeks to respond to the expected work behaviour of taxi operators at Mankweng.

Figure 21: Work behaviour

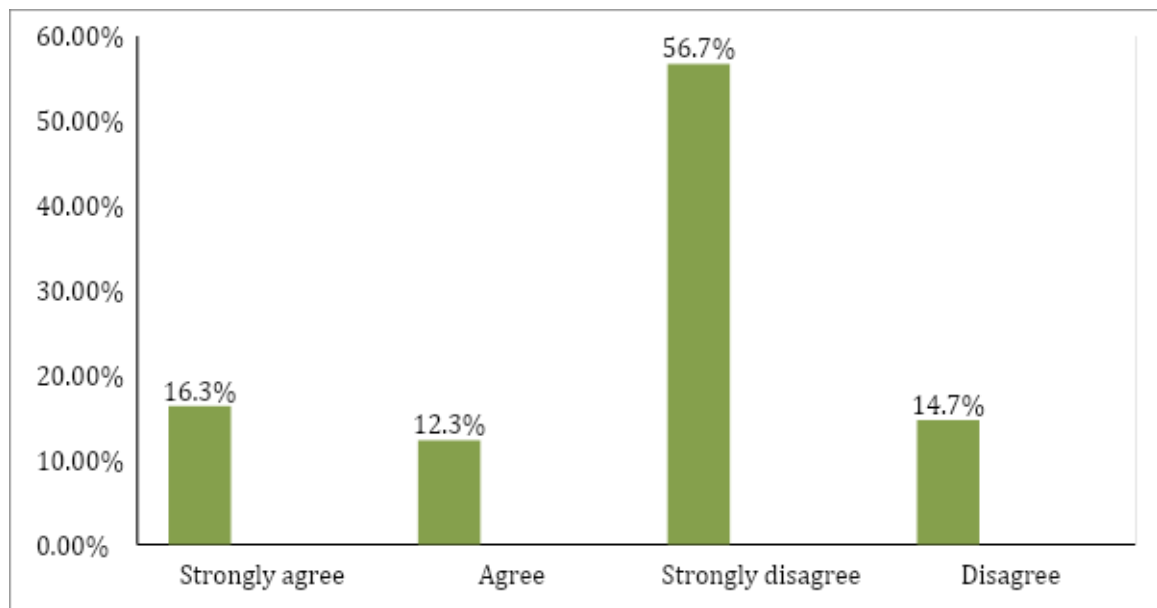


In the case of Mankweng Taxi Ranks 85.9% of participants are often confused about the type of work and behaviour they out to display because they do not have or somehow have signed any code of conduct. Therefore, taxi bosses, supervisors, colleagues and passengers do not have clear expectations of how one operator ought to behave in the industry. The situation is unequal because 14.1% of participants claim that, they understand the type of work and behaviour they ought to do and display across all taxi ranks. This is because as observed by the public, taxi operators are often labelled them as reckless operators, rude business people. This is the reason the kind of behaviour taxi operators ought to display remains unclear even to this day since they are no legal requirements for such behaviours in the industry.

## 5.19 The working condition at Mankweng Taxi Ranks

The key idea to probe the working conditions at Mankweng taxi ranks was to find out as to whether the conditions are satisfactory or not. The figure below seeks to respond to this question.

Figure 22: Working conditions



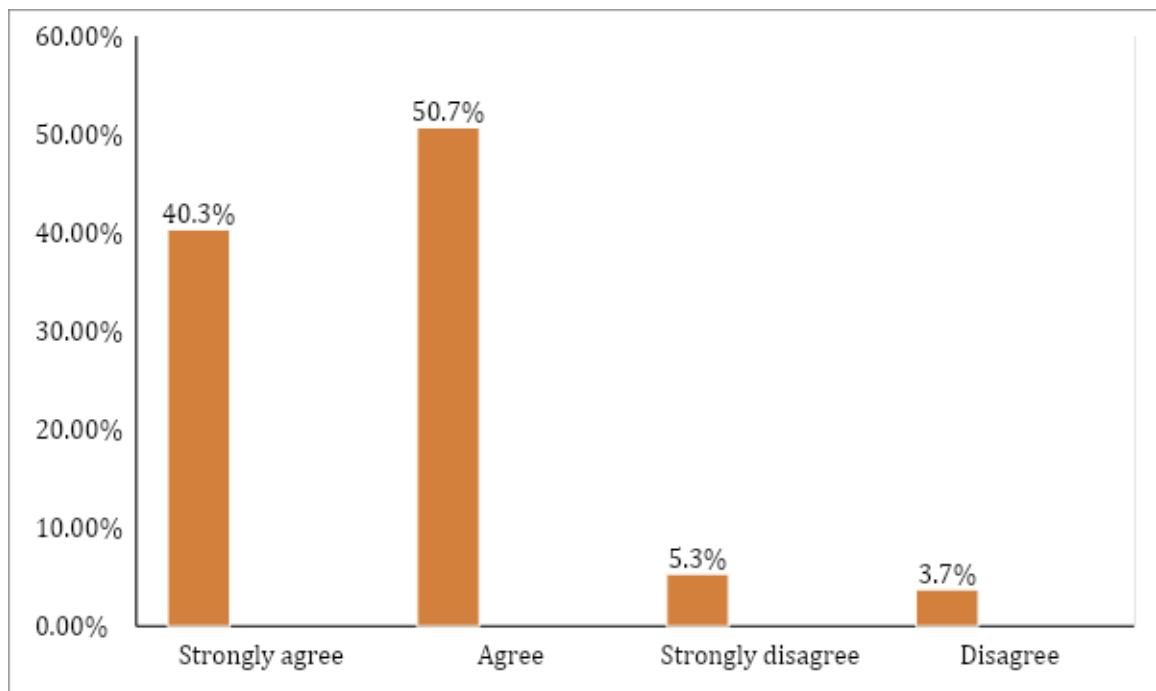
A large number of the participants, 71.4%, disagree that, the working conditions are not satisfactory from their point of view and that, their welfare and convenience is being compromised. Others who constitute 28.6% of the participants agree that, the working conditions are satisfactory from their point of view. The participants who provided that, they were satisfied were those whom taxi facilities are built and provided for in their area unlike those without any built taxi ranks. In considering the whole issues of working conditions in this study, both taxi operators and hawkers are people who work as early in the morning and knock as late in the evening. Therefore, they do not have time to visit clinics and do health check-ups. This is serious at Mankweng because they have never had a health campaign which is meant to promote their wellbeing. However, it can be deduced that, working conditions in some of the investigated taxi ranks were found unhealthy for the wellbeing of taxi operators. This in turn, can affect passengers and their wellbeing in general.



## 5.20 The implementation of new dealing procedures and policies at Mankweng Taxi Ranks

This question seeks to conclude whether the new implementation of procedures and policies affects taxi operators. The figure below is a response.

Figure 23: New procedures and policies



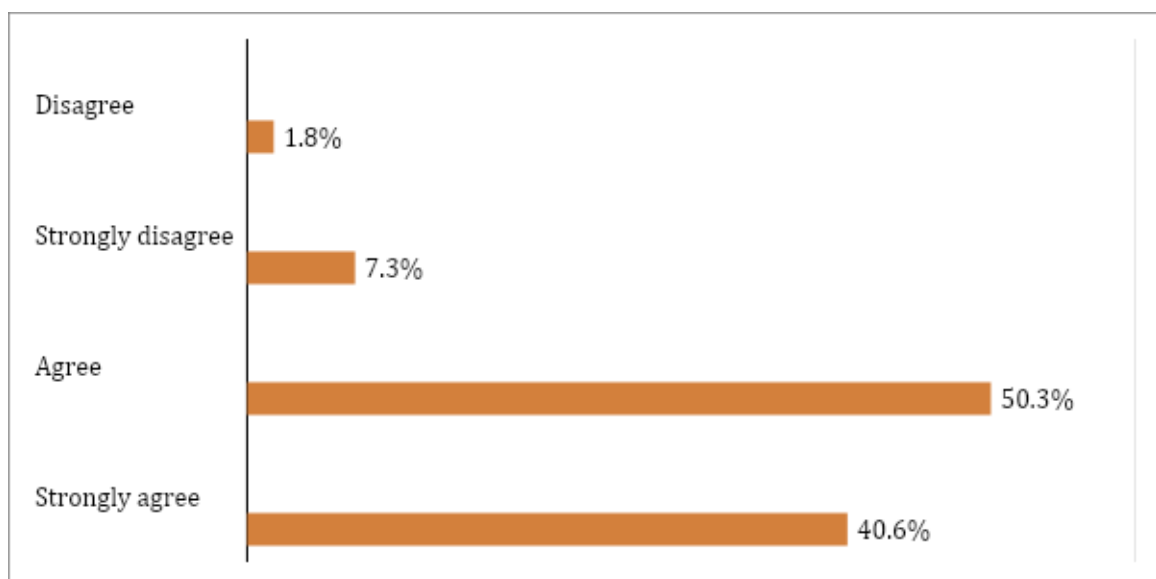
The participants in the figure agree with 91% of data that, it often becomes difficult to implement new procedures and policies in place of those already put into practice to improve the taxi business. The majority of participants reveal that, there's difficulty in implementing the said procedures and policies established by the Mankweng Taxi Association main offices, which can affect the industry if continued to be neglected. Other participants with 9% data strongly disagree that, there's any difficulty experienced in applying new procedures and policies, which means they believe that, it is not difficult to deal with newly introduced procedures and policies provided for in the association. The findings under this question were probed because oftentimes in the investigated area in this study, new deals like taxi fares and their increment are only decided upon by taxi bosses. Therefore, taxi operators requested to put those new taxi fares and also display a date in which it will become effective. The new price increments often get challenged by passengers and other small business owners depending on the minibus taxi industry

to provide transport. This is because they are the ones who get affected by some of these procedures and policies, especially by the increment of taxi fares across all the taxi ranks at Mankweng.

### 5.21 The support and development of small business

Minibus taxi business at Mankweng is the heart and backbone of hawkers, caterers, car washers, passengers, filling stations, freshly produce sellers, and restaurants. Even this research area is rarely invested; the respondents strongly indicate on the provided figure that, the minibus taxi industry plays a critical role in feeding small businesses with potential customers. It is quite evident from the findings that, without the transportation offered by minibus taxis at Mankweng, various businesses and workplaces would become unproductive. This is because more than 65% of passengers are transported through the use of minibus taxis. This means that, Mankweng taxi operators hold the chain of providing customers and business owners to their business areas. The figure below seeks to find out whether the industry does support and promote the development of a small business or not. Promoting the development of small businesses should be the highest form of improving the lives of the people whose lives rely on businesses as shown in the figure below:

Figure 24: Support and development of small business



The Mankweng minibus taxi industry plays a significant role to promote the development of small businesses. Providing businesses with potential customers is a massive role played by the industry.

It is evident from the figure that, 90.9% of the participants agree that, the minibus taxi industry at Mankweng supports the development of small business. The participants show that, they agree with the fact that, the industry supports and promote the development of small business in the investigated taxi ranks. This is done by buying food from hawkers and caterers, fuel from the filling stations, taking their vehicles to car wash contribute towards the support of these businesses. However, 9.1% of the participants show disagreements that, the industry supports and promotes the development of small businesses.

#### 5.22 The minibus taxi business versus small business at Mankweng

The researcher measured both the minibus taxi business against those of the invested small businesses at Mankweng. Participants could measure their businesses using the five indicators: 1. All of the time, 2. Most of the time, 3. Some of the time, 4. A little of the time, 5. None of the time.

Table 2: The minibus taxi business versus small businesses at Mankweng

How often is your taxi business performance higher than most other small business in your area?	1= 0%	2= 20%	3= 0%	4= 74%	5= 6%
How often is your taxi business performance lower than most taxi businesses in your area?	1= 39%	2= 10%	3= 51%	4= 0%	5= 0%
How often do you find yourself not supporting other small businesses when you were supposed to?	1= 33%	2= 47%	3= 17%	4= 3%	5= 0%
How often do you find yourself not working as carefully with other small businesses relying on your passengers as you should?	1= 100%	2= 0%	3= 0%	4= 0%	5= 0%
How often is your quality higher in feeding small businesses with customers?	1= 54%	2= 8%	3= 0%	4= 21%	5= 17%

How often do you find yourself not concentrating on the information about taxi routes and other business points?	1= 66%	2= 14%	3= 7%	4= 0%	5= 13%
How often do assigned routes limit the amount of your daily profit?	1= 72%	2= 28%	3= 0%	4= 0%	5= 0%
How often do you check your wage/profit structure?	1= 21%	2= 51%	3= 24%	4= 4%	5= 0%
How often do you set realistic financial management to start making a profit?	1= 15%	2= 14%	3= 62%	4= 8%	5= 0%

The following section presents the analyses and interprets the data shown in table 1. The section measures the support and performance of both the taxi business and the selected small businesses in this study. The researcher developed this section intending to make and reach meaning conclusions on the role of the minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Ranks.

#### 5.22.1 How often is your taxi business performance higher than most other small businesses in your area?

Taxi operators at Mankweng lack a proper scale of measuring how their business differs from the investigated small businesses in this study. The majority of the participants with 74% estimated that, their taxi business performance is higher than most of the invested small businesses at Mankweng, only a little of the time. Other participants with 20% are of a different opinion that, most of the time their business performance is higher compared to the concerned small businesses while others highlighted that, the performance is higher some of the time especially towards the end of the month. New taxi operators as participants believe that, the investigated small business and their performance are higher. However, it depends on the type of business, like that, of the filling station. A filling station is assumed that, it makes more profit daily compared to the taxi business. A little number of participants with 6% provided that, none of the time is their business performance higher than the surrounding small businesses.

5.22.2 How often is your taxi business performance lower than most other small businesses in your area?

Lower performance in a business may be caused amongst others by lack of financial support and relevant skills in the area. Fear may also be one of the major problems why new small businesses remain small. However, 39% of participants indicated that, oftentimes business performance is lower all of the time than those of the investigated small businesses. While on the other hand, others claim that, this is only experienced a little time in the business. A large number of participants with 51% highlighted that, lower performance of the taxi business often happens some of the time, depending on whether there's a large number of passengers to transport or not. Some participants with 10% are of the view that, most of the time a taxi business is lower than small businesses, especially hawkers and filling stations. None of the respondents mentioned if ever, none of the time the business is lower than the mentioned small businesses in the study.

5.22.3 How often do you find yourself not supporting other small businesses when you were supposed to?

The support of a particular business supporting another is very challenging, especially if such business does not benefit. In this case, one should note that, informal business only cares about making profits, and supporting other informal business would be out of the benefit of the business itself. In the case of this study, few participants with 33% provided that, all of the time they found it difficult to support other small businesses because their role was to provide transport to passengers. Of which some of those could be entrepreneurs in the area. Therefore, they are certain that, all of the time they provide them with transportation.

Some of the participants with 17% claim that, some of the time they fail to support other small businesses, particularly hawkers and restaurants due to time constraints. The majority of the participants with 47% claim that, supporting other small businesses is not their responsibility, since everyone is in the industry to maximise profit. However, they are compelled to support filling stations and the caterers almost every day, since they have to buy their lunch and fuel, to keep up with the daily taxi operations. A little number of the participants with 3% highlighted that, a little of the time they find themselves not showing any kind of support due to bosses' activity logs and arrangements en route. One to third

of the respondents indicated that, none of the time did they find themselves not supporting other small business in their area, because at the end of the day one should feel the sense of support and belonging in the industry in general.

5.22.4 How often do you find yourself not working as carefully with other small businesses relying on your passengers as you should?

Most small businesses at Mankweng rely on passengers transported through the use of minibus taxis. These passengers do not just travel for the sake of travelling. Some have to reach some amenities, which include business facilities or areas. Therefore, this means most passenger automatically become potential customers to most businesses. Positively, 100% of the participants often work carefully with the investigated small businesses, because they understand that, they have to make the customer happy.

5.22.5 How often is your quality of feeding small businesses with customers?

The majority of the participants with 54% vehemently agree that, their quality is high all of the time as they provide small businesses with potential customers. The respondents highlighted that, the high quality of feeding businesses with customers is the number one public role that, they critically play. In other words, minibus taxis can make random stops, and provide instant customers to businesses. Other participants with 8% indicated that, most of the time do they provide customers of high quality to small businesses, and the customers can buy most of their items from small businesses because they are affordable. In turn, small businesses appreciate the effort made by taxi operators at Mankweng.

Some of the time taxi operators may provide a low number of customers due to financial issues experienced by customers, especially during the middle of the month. The belief is that, most customers travel to shops month end, and minibus taxis are the main form of transportation to this business area. A little of the time as highlighted by 21% of participants shows that, it can get difficult to often support small businesses, due to passengers travelling to meet friends and families and failing to make stops at other investigated small businesses, particularly the caterers, street freshly produce sellers. A filling station is the one business that, is often supported both by taxi operators and passenger due to stops made during long-distance travelling. Moreover, participants with

17% highlighted that, none of the time did they find themselves not feeding small business with customers. This is because most passengers prefer the use of minibus taxis.

5.22.6 How often do you find yourself not concentrating on the information about taxi routes and other business points?

Information about taxi route at Mankweng is very indicative, and all of the taxi operators are aware of the routes assigned to each one of the operators. Participants who constituted 66% of the sample size highlighted that, all of the time each operator only operated within their assigned route. On that, route, there are also boards, notices and stickers that, indicate some of the businesses in the area. Therefore, this shows that, taxi operators are aware of their routes and do know other business points. Taxi operators are the first people passengers ask when looking for a particular business point.

In improving information and communication, participants with 14% indicated that, they do listen to radio stations which may announce the opening of a new business, of which they must grasp such location. The grasping of the location helps whenever; passenger would like to be transported to such a business area. Taxi operators play the most significant role in promoting the development of small businesses at Mankweng. This significant role is often ignored and not seen, because the majority assume that, taxi operators only care about maximising profits, and do not support anything. Few participants with 7% provided that, some of the time, they fail to know other small business areas, especially businesses of which, their existence is not known in the area. Therefore, in that, case, they find themselves not concentrating on such business areas. Other respondents, especially new taxi operators find themselves not concentrating on the information about taxi routes and other business points. This is because they are still learning the place and starting to become aware of how, when and where something should happen. Other participants with 13% did indicate that, they often do not concentrate on the information about taxi routes and other business points at Mankweng.

5.22.7 How often do assigned routes limit the amount of your daily profits?

A large number of participants with 72% highlighted that, assigned route limited their daily profits all of the time. These respondents believe that, assigned routes are done so as not to encroach on another taxi association's assigned routes. Even though that,'s the case, respondents provided that, taxi vehicle instalments and insurance, and living

expenses don't care about assigned routes, because they need to be settled and paid some daily and some monthly. Few participants with 28% struggle to make beyond their normal profit because of the limit of routes. Maximising profit is one of their goals; however, taxi operators are compelled to stick to their assigned routes and are never allowed to transport beyond their normal transportation decided upon by the taxi association.

#### 5.22.8 How often do you check your wage structure?

The literature review under challenges associated with the minibus taxi industry in South Africa shows how unfair wages are to taxi operators. Most taxi operators as this study reveal do not sign any binding contract to indicate the hours ought to be worked each day, and how much should one get paid for such hours. As the wage structure is concerned, the minority of the participants with 21% highlighted that, all of the time, which meant very good in terms of measuring, check their wage structure. The point in doing this is to find out as whether their bosses often pay them based on the profit made or on the hours worked. However, the reality is that, these respondents are aware that, they get paid based on the profit made. On the other hand, some participants with 24% check their wage structure and sometimes do pay themselves and sometimes they don't since they're their boss.

A good measuring the majority of participants with 51% indicated that, most of the time checking their wage structure is one of the reasons they have to be dedicated to their job. They claimed that, no profit means no payment of wages. This means one has to maximise more profit to boost their wage. Other participants with 4% provided that, little of the time do they pay attention to their wage structure, which indicates that, it's not fair in terms of measuring and checking their wage structure to make a wise decision in terms of expenses. In poor ratings, these participants who provided that, little of the time they check their wage structure, meaning that, they may not even know how much the cost of their monthly expenses are. Lastly, it can be highlighted that, some participants do not even bother in checking their wages because their bosses determine how much one should be paid.

In a nutshell, the participants whom this question applies positively to are taxi owners who also operate on their own. They are very calculative in terms of dividing their normal wage



and checking it all of the time, to make necessary arrangements, like that, of paying monthly taxi vehicle instalment and other expenses.

5.22.9 How often do you set realistic financial management goals to begin making a profit?

Financial management is crucial in any existing business, either small or big. This is because as a business owner, one should learn and know how to make money work on their behalf. Proper financial management is a perquisite, and setting realistic financial goals should be inevitable before making a profit. This question tapped the minds of participants, the majority of them with 62% indicated that, some of the time they set realistic financial management before making a profit, which is fair in terms of measuring in this study. However, some participants with 15% who have ownership of the minibus taxis provided that, all of the time (very good rating) have to set realistic financial management goals to start making a profit. These respondents as taxi owners show that, realistic financial management goals are necessary for the industry and that, it also helps in knowing the profit made.

Few participants with 14% indicated that, most of the time, which means good rating set realistic financial management goals before making a profit. A little number of the participants with 8% shows that, a little of the time do they set realistic financial management goals before making any profit, this indicates a poor rating. Numerous respondents highlighted a very poor rating by showing that, none of the time did they set realistic financial management goals before making profits. In other words, these respondents show that, financial issues do not matter to them because they claim that, no business can survive in the industry with a realistic financial plan. Therefore, it is fair to say there's a lack of financial commitment in the minibus taxi industry.

### **5.23 DATA COLLECTED THROUGH QUESTIONNAIRE FOR SMALL BUSINESSES AT MANKWENG**

Semi-structured questionnaires were prepared and distributed to selected small business owners across Mankweng taxi ranks, and all different participants filled and immediately returned the questionnaires. Extensive literature proves that, small businesses account for more than 90% of various firms and employs more than 60% of the workforce across the world (Berisha & Pula, 2015). The focus of this study was gathering scientific evidence

of how the Mankweng taxi industry helps promote the development of the investigated businesses, of which included small businesses like hawkers, filling stations, street produces sellers, car washers, restaurants, and caterers nearby these taxi ranks. The reason to select this kind of businesses is that, they are classified as direct beneficiaries of the Mankweng Taxi industry. Therefore, the following deals with the biographical data and findings generated from the investigated businesses.

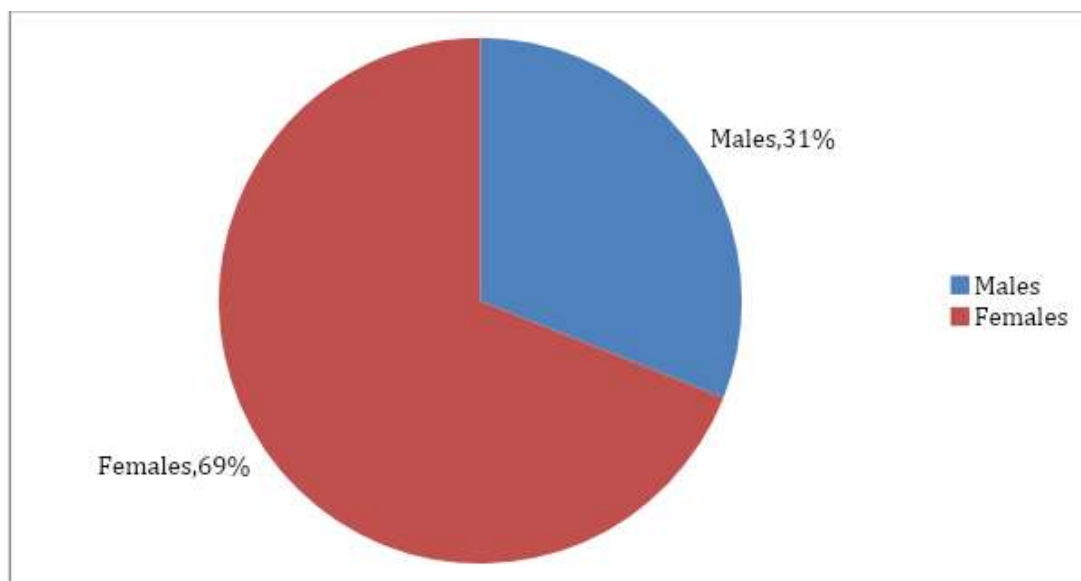
### 5.23.1 Biographical data of participants

According to Thomas (1998:162), biographical data is based on the assumptions that, its categories may be related to the research's target variable. In this study, the biographical data consists of gender profile, age group, marital status, ethnic group, educational status, years in business and the medium instructions as written with the questionnaire for demographic characteristics of the participants.

#### 5.23.1.1 Gender

The main reason to probe gender was to determine the gender that, is more dominant within the businesses investigated. This is done to check whether the gender of participants either affects the findings of the study.

Figure 25: Gender



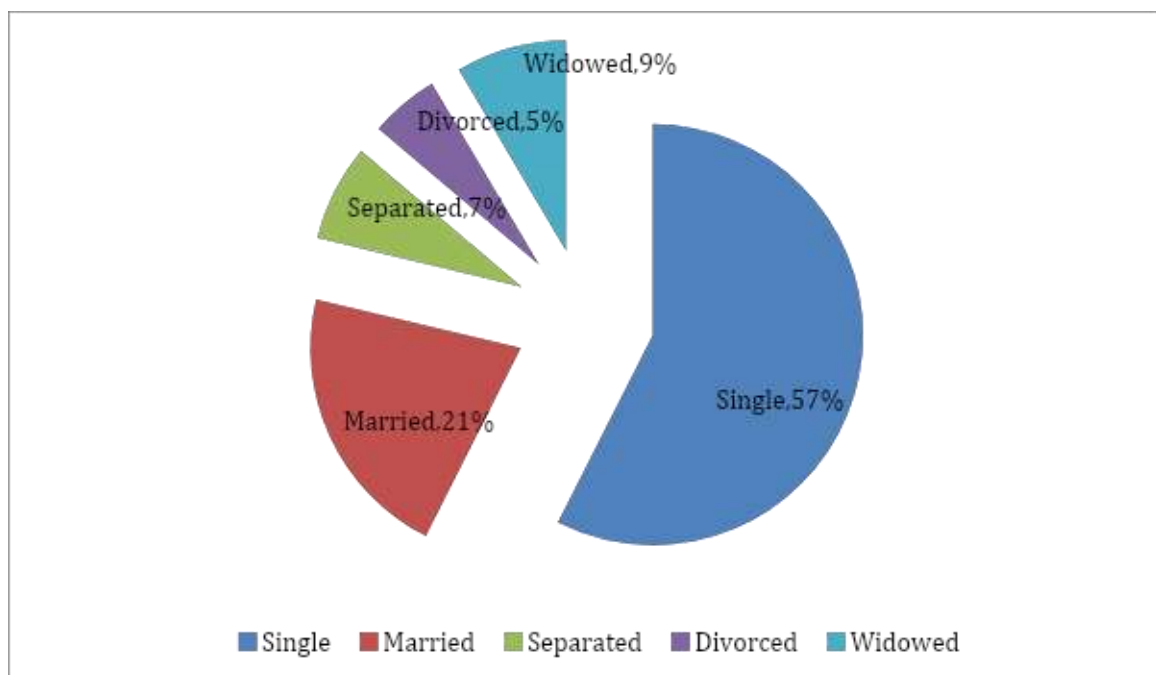
The section that, presented the findings of taxi operators as the participants showed that, over 90% of the participants were males and less than 2% were females. However, in this

case, under the investigated small businesses at Mankweng, males constituted 31% and females were dominant at 69%. This suggests that, the direct beneficiaries of the Mankweng taxi ranks are more women than men since they dominate in the business other than women.

### 5.23.1.2 Marital status

This study explored the marital status of participants to check whether persons who were single, married, separated, divorced and widowed could record active or inactive numbers of their business days. There is a growing interest in how marital status can influence social and economic benefits in the business environment. In this study, the researcher noted that, the marital status of the participants could either include social benefits, such as support during times of stress, which can protect the health of the participants or otherwise.

Figure 26: Marital status



Marital status of individuals in business can either affect them negatively or positively. This is because other businesses may be in the form of partnership with a particular spouse of which, if the two are no longer together such incidents may affect the business negatively. However, the figure shows that, 57% of the participants are single, and only 21% are married. Separation shows a lesser percentage than married ones with 8% and

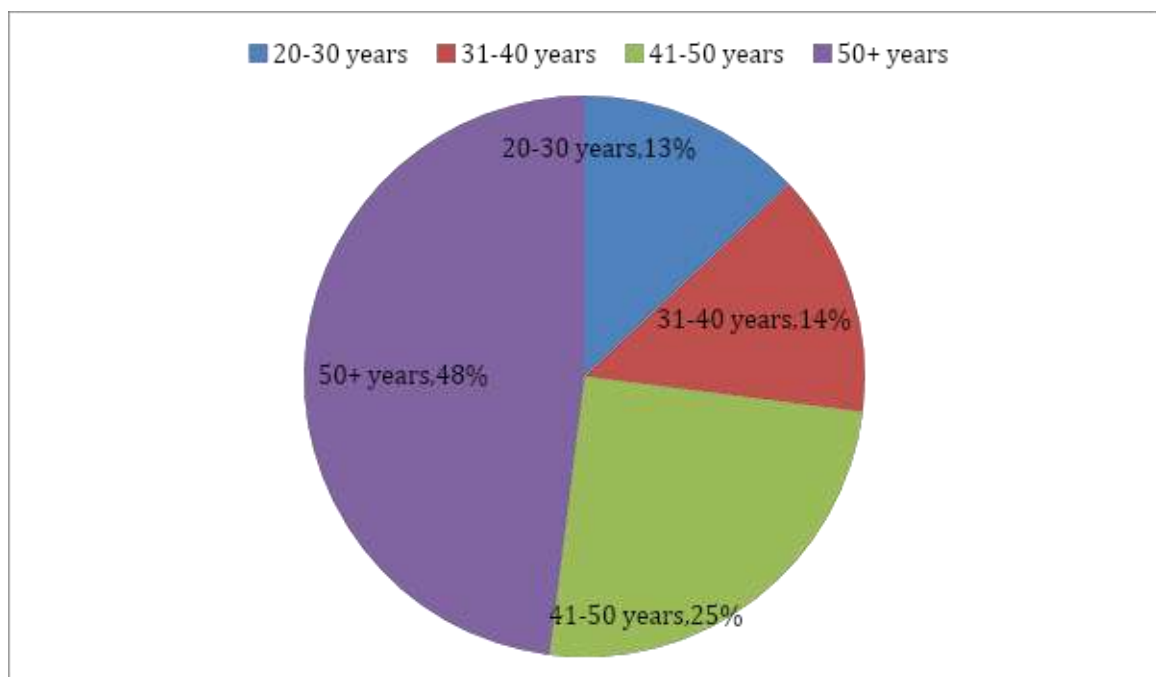
widowed with 9%. The participants who constitute 5% form part of the category of the divorced. This suggests that, only a few of the participants can be experiencing stress and lack of support during tough times of their businesses. Therefore, this should not be neglected at Mankweng.

The figure above shows that, single participants are dominating in the investigated businesses. The married participants can either or not have the social support during times of stress depending on the kind of a relationship they are involved in.

### 5.23.1.3 Age range

The researcher probes the age range to the age group of those dominating into the investigated businesses.

Figure 27: Age range



The figure shows that, the majority of participants were above the age of 50 years at 48%. Thus, most of the participants are well mature and experienced in the business, which means the data collected can be considered valid and reliable. The age group of 41 to 50 years constituted only 25%. With such age into the business, it can be considered that, the participants are mature and understand clearly the working environment.

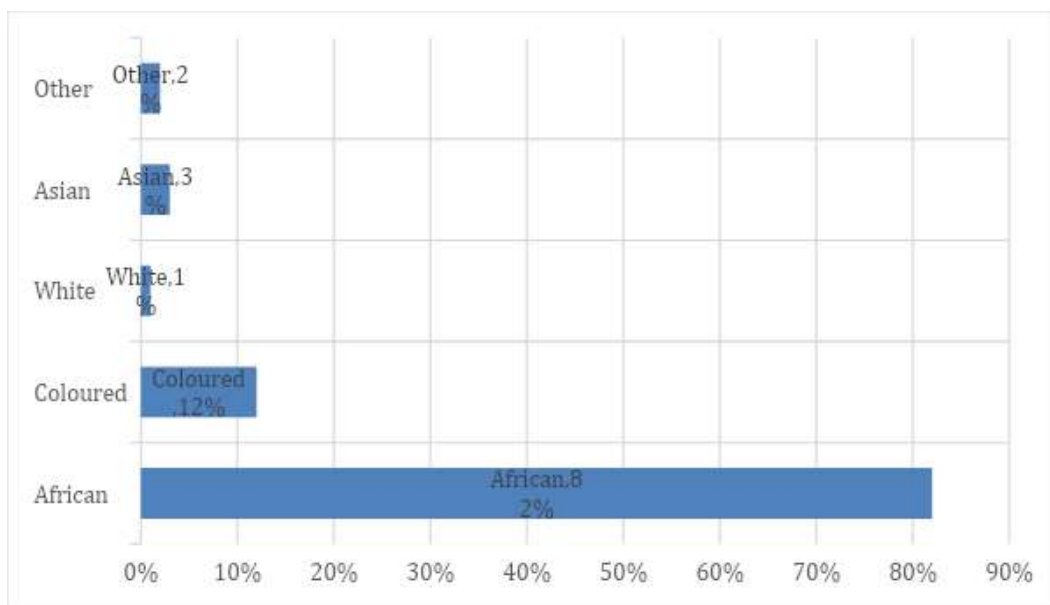
The group of those with 31 to 40 years of age constituted 14%, and 13% was for those from the age of 20 to 30 years. This proves that, the age of 20 to 40 is less dominant,

except in the taxi business. Therefore, it is fair to say that, the investigated small businesses at Mankweng are predominately owned by those aged between 41 and 50 and above.

#### 5.23.1.4 Ethnic group

Ethnic differences often explain substantial patterns of social inequality. Therefore, ethnicity is more important as any other concept which may partly affect either occupation or educational achievement. In this study, the researcher highlights a series of interests that, the small business industry in South Africa is dominated by more than one race, which means other races are not being neglected. Probing ethnic group differences was to determine the group that, is more dominant in the operation of the investigated small businesses at Mankweng.

Figure 28: Ethnic group

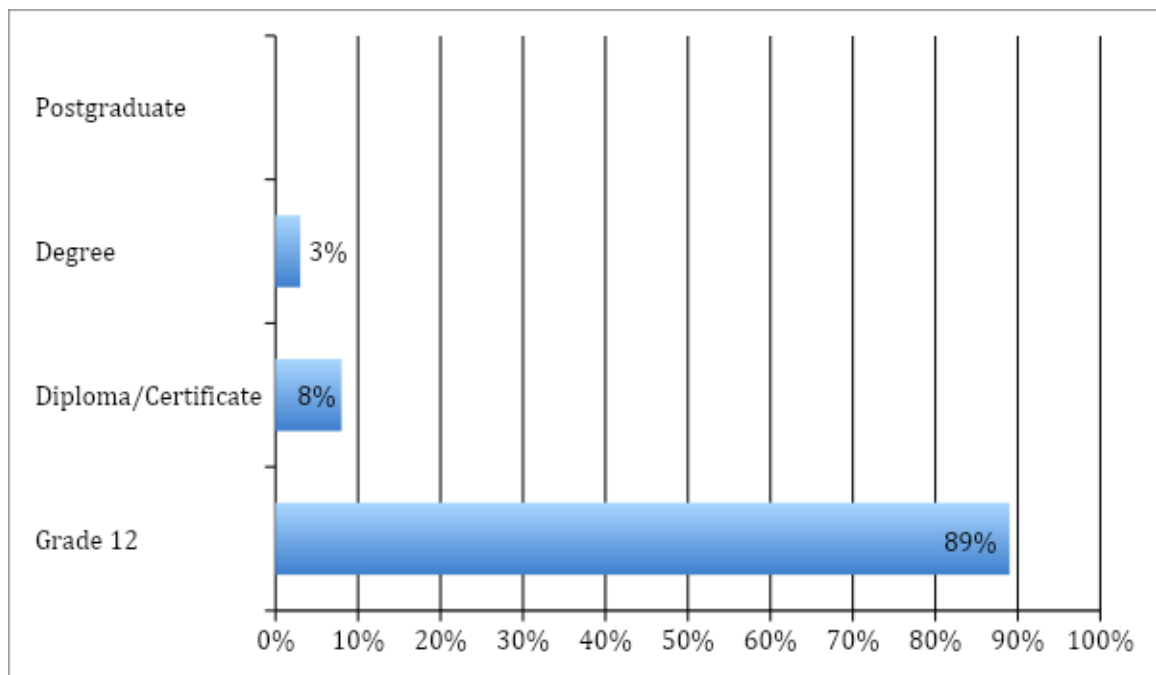


The figure shows that, African business participants who constitute 82% are dominant in the investigated small businesses at Mankweng. The second race is Coloured with 12% who continue to form part of the small businesses at Mankweng. The White race constituted 1% of the selected businesses. The Asian race dominated the business with 3% and the other race constituted 2%.

### 5.23.1.5 Educational qualification

Educational qualification in the business plays a major role. It is critical to know the education levels of participants to check if they have an educational understanding of entrepreneurship to ensure that, the findings provided are reliable. Therefore, the figure shows the different qualifications participants hold in their existing small businesses.

Figure 29: Educational qualification



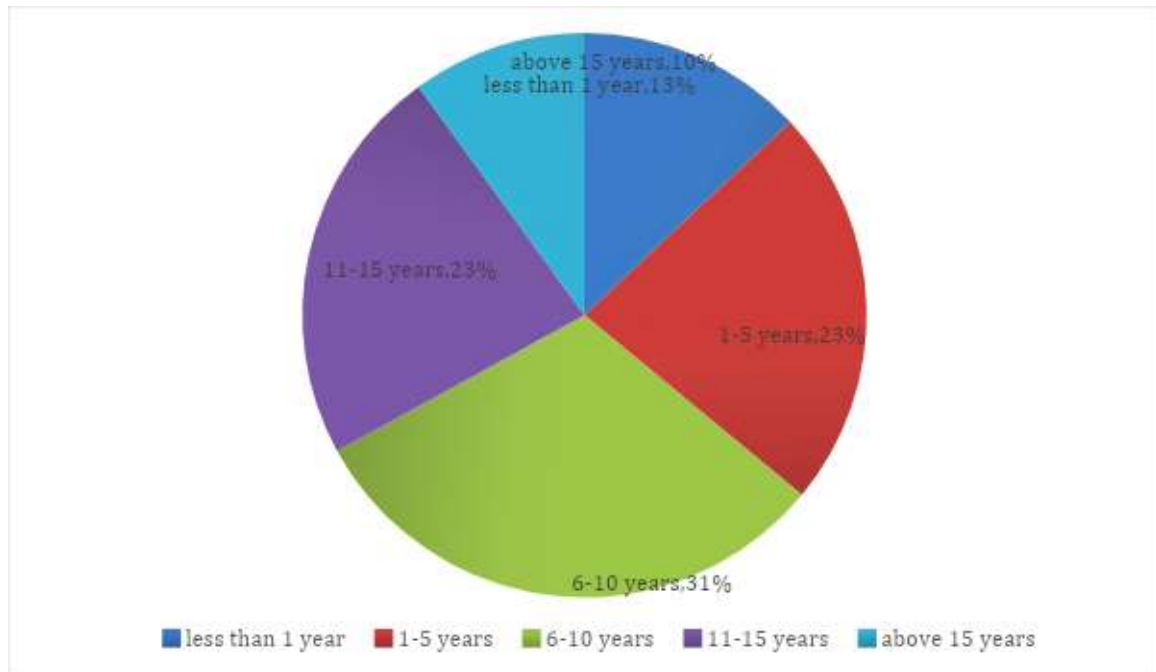
The figure illustrates clearly that, most of the participants with 89% hold at least Grade 12 as their academic qualification. This is a massive stride towards the educational level in the informal business sector. Participants with diploma or certificate constitute 8% and 3% of the participants hold degrees. However, none of the investigated participants was found in a position of any post-graduate degree during data collection. This proves that, the findings gathered can be trusted and relied on since their educational levels speak volume. For this study, education in business is what the person has after the completion of their educational qualification. This helps in responding to uncertainty in business.

### 5.23.1.6 Years in business

The key idea to probe years in business was to determine the year's participants have been into the business. Thus, it is considered that, participants with more years into the

business can help with providing more reliable information because they have enough experience in the business.

Figure 30: Years in business



The figure above illustrates that, most participants with 31% have been into the business for 6 to 10 years. This proves that, the data can be trusted and reliable since they have enormous experience with their business. Participants with 11 to 15 years constituted 23% and this percentage is changed with those with 1 to 5 years into the business. Other participants were drawn from those with less than a year experience in the business. Thus, to find out the opinions of participants on how the business is like for them. Lastly, 10% of the participants were those above 15 years' experience in the business. Knowledge of the business can help one to approach the situation of uncertainty, and respond positively to certain business challenges that, could be identified.

#### **5.24 THE ROLE OF THE MINIBUS TAXI INDUSTRY IN PROMOTING THE DEVELOPMENT OF SMALL BUSINESSES AT MANKWENG TAXI RANKS**

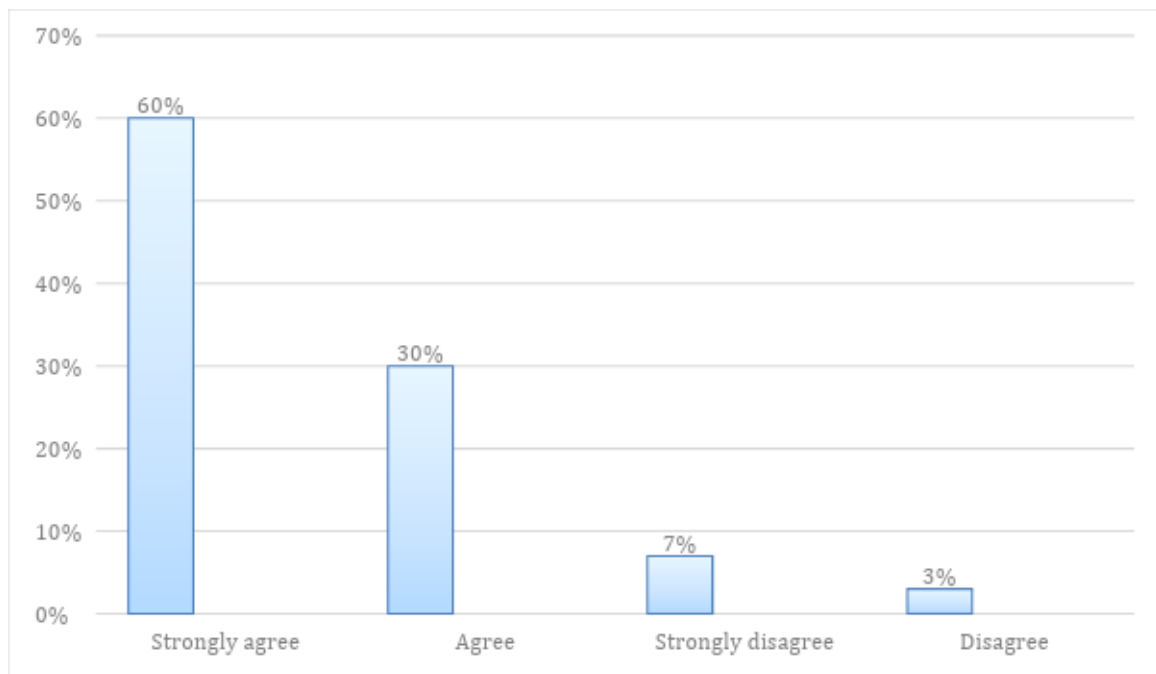
The role of the minibus taxi industry is crucial to the development of small businesses at Mankweng. In this study, the kind of businesses considered included hawkers, caterers, filling stations, street produce sellers and restaurants located within taxi ranks under Mankweng Taxi Association, such as Mankweng, Boyne, Ga-Mothapo, Solomondale,

and Dikgale. Amongst others, below are the findings generated on the topic of the roles that, are played by the Mankweng Taxi Ranks in promoting the development of the selected small businesses:

#### 5.24.1 Supports the small business

The minibus taxi industry plays a vital role in supporting small businesses at Mankweng. The researcher probed the support of small business at Mankweng to make a reliable conclusion as to whether or not the minibus taxi industry support the direct beneficiaries found within their taxi ranks/facilities.

Figure 31: Small business support



The figure above illustrates that, support is being given to the investigated small businesses. The majority of the participants who constitute 90% have indicated that, the industry supports their businesses daily. This is something that, cannot be ignored, and in fact, this kind of support is the breath of survival that, such businesses need daily. Furthermore, 10% of the participants believe that, the industry does not necessarily provide them with the right kind of support. However, it can be deduced that, not all businesses at Mankweng can be supported by the industry, but the massive strides made by the industry cannot be overlooked.



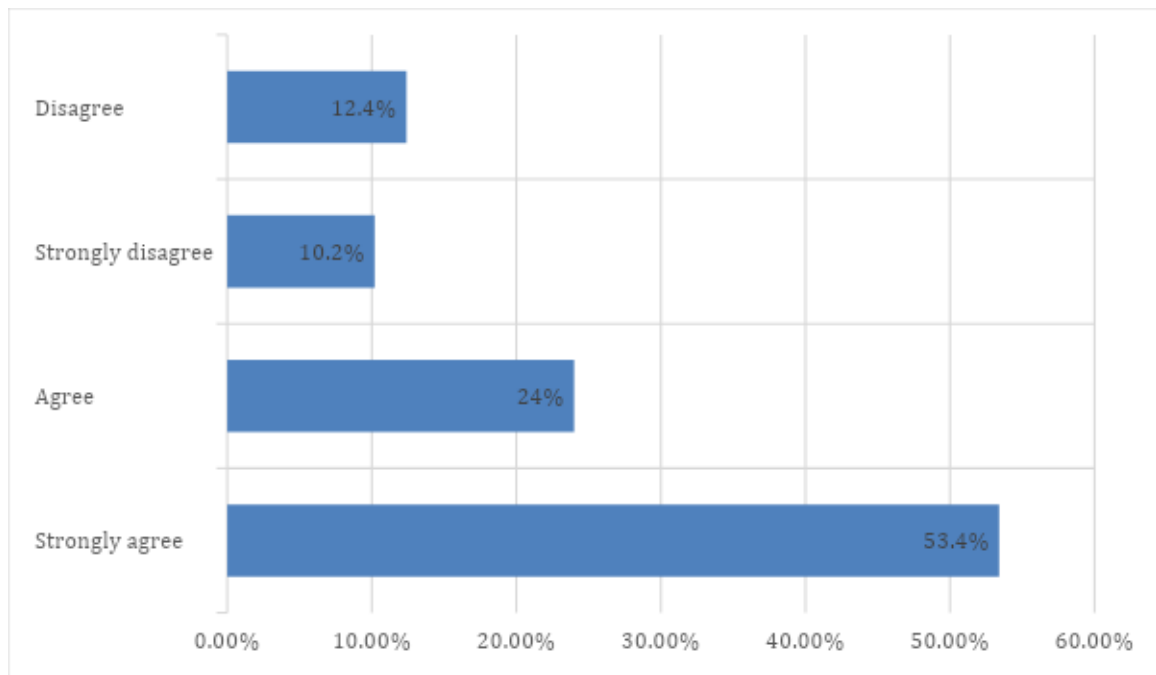
In actual terms, the data shows that, taxi operators and taxi owners' support their businesses in terms of purchasing items and requiring some of their services to be provided to them, particularly food from the caterers or restaurants. Other participants like filling station managers agree that, minibus taxi operators purchase their fuel from their respective stations most of the time, and that, show massive support from the industry. Car washers nearby different taxi ranks highlighted that, the support from the industry is neutral since most taxi vehicles do not have adequate time to take their vehicle to car washers as compared to filling stations.

The caterers and the street fresh produce sellers agree that, a large number of taxi operators often buy their meals from their businesses. In a questionnaire for taxi operators, it is also evident that, the caterers and street fresh produce sellers do often receive noticeable support from taxi operators. For instance, food like pap and meat, and bread-quarter are the meals that, countless taxi operators prefer in all these investigated taxi ranks. Therefore, it can be concluded that, the minibus taxi industry at Mankweng plays a massive and supportive role in promoting the development of small businesses. The supports of small businesses, especially the informal ones, need to be highly considered by both the government, and the private sector. This is because most the investigated business at Mankweng play a critical role in the daily lives of their customers.

#### 5.24.2 Representation of the small business

Most of the small businesses found within, Mankweng Taxi Ranks are classified as informal businesses, except the filling stations. This means they do not have any formal or legal representation formed on their behalf. It is quite unfair because the South African government over the past years have encouraged the society to establish their small businesses while there's partly no government support to promote the development of such businesses. It is important to find out whether the minibus taxi industry can be considered as the representative of the businesses or not. Thus, this would be answered by the targeted participants as shown in the figure below:

Figure 32: Business representation



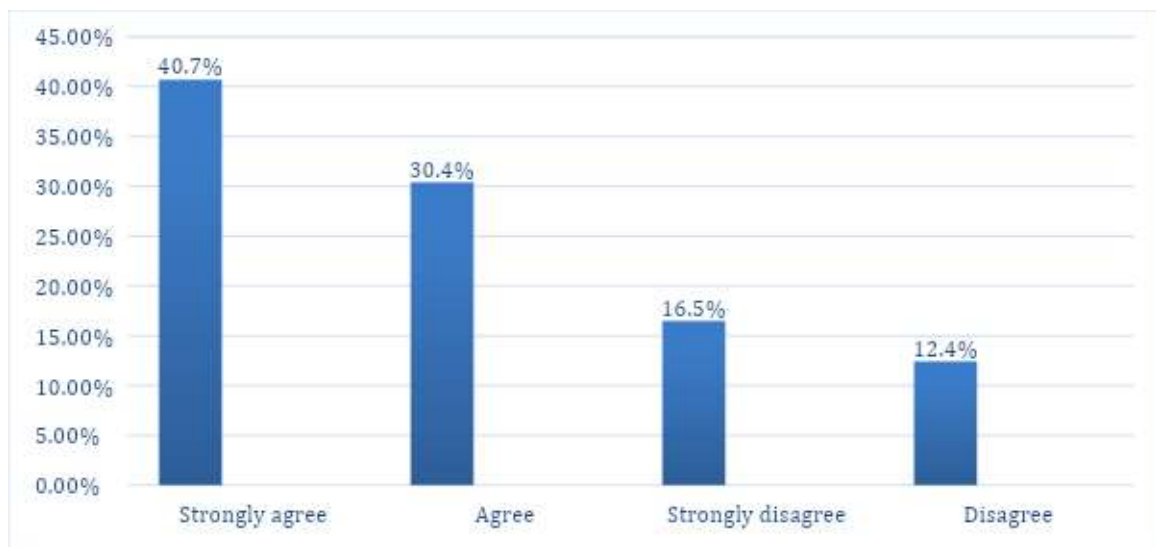
The majority of the participants with 77.4% agree that, even though the taxi industry is not compelled to represent small businesses, but they do so indirectly since there is no formal requirement. From observation during the study, it is evident that, some of the minibus taxis display stickers of other small businesses, to attract passengers who might become potential customers to such businesses. Some of these small businesses amongst others include local restaurants and hawkers. However, these are not only businesses that, could be represented by minibus taxis.

Participants like car washers, caterers, and street fresh produce sellers also agree that, the minibus taxis represents them, which means that, without taxi ranks/facilities, some of them would not be existing even to this day. This is because; some of these existing small businesses came into existence partly due to the built and established taxi facilities and taxi ranks. However, few participants with 22.6% disagree that, they recognise any sort of representation from the minibus taxi industry. Therefore, it can be said that, even though some participants disagree, the minibus taxi industry at Mankweng does represent small businesses.

### 5.24.3 Reduces high transport costs

As highlighted in chapter 3, the minibus taxi industry plays an important role in reducing high transport costs for small business owners who are not mobile. This role is very critical as it also reduces the high risks of road traffic, delays and fatalities in general. Thus, the key idea to probe this question was to find as to whether it is also the case at Mankweng, as shown in the figure below:

Figure 33: Transportation costs



Public transport must be provided as it bridges the gap between the goods and services desired by customers. Transportation in simple terms ensures accessibility of goods, services, and desired amenities. However, transport has to be affordable, available, accessible, and acceptable. Thus, transportation costs have to offer value for money meaning, the costs incurred should not be high, than the benefits enjoyed.

The figure illustrates that, 71.1% of the participants agree that, minibus taxis relieve them of high transportation costs. This suggests that, more participants rely on minibus taxis than private vehicles as their preferred mode of transport. Moreover, 28.9% of the participants disagree that, minibus taxis helps in reducing high transportation costs. Therefore, it can be concluded that, the majority of the participants are being relieved of high transportation costs pressure through the use of minibus taxis.

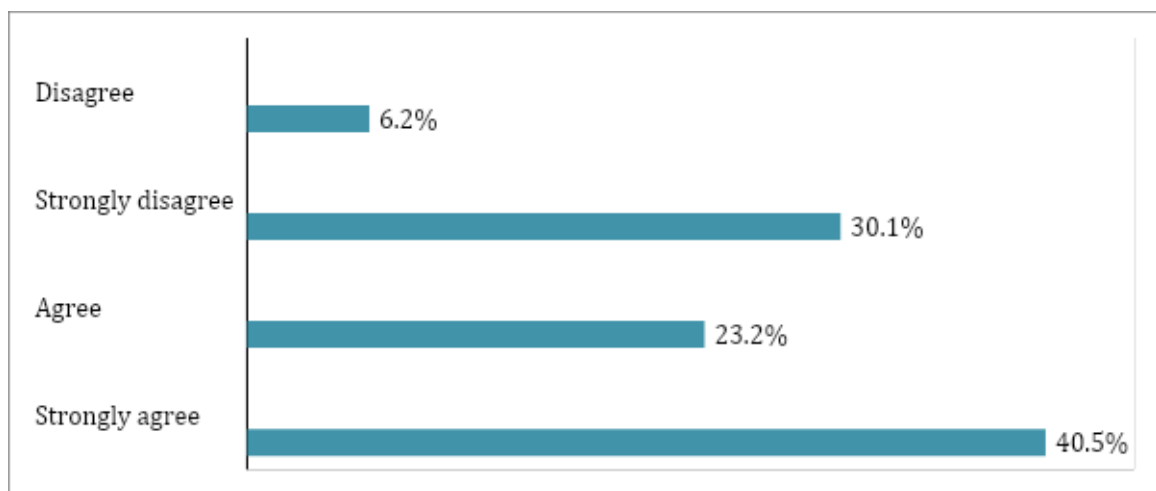
In this study, the participants show that, indeed the minibus taxi industry reduces high transportation costs. Private transportation can be very costly because fuel prices do not

remain static. Other participants are of a different opinion of this role, and this is because street produce sellers, for instance, have to transport their goods which can only be done through the use of bakkies.

#### 5.24.4 Provides potential customers

Potential customers are important to any existing business. Minibus taxis play a significant role at Mankweng small businesses. Thus, the initial purpose to probe this was to find out as to whether the industry provides potential customers:

Figure 34: Potential customers



Potential customers are a pre-requisite to any existing business. The figure illustrates the most important role played by minibus taxis at Mankweng. Participants who constitute 63.7% agree that, the industry plays the most dominant role in feeding them with potential customers. Other participants with 36.3% are of a different opinion by disagreeing that, the industry through their minibus taxis provides them with potential customers.

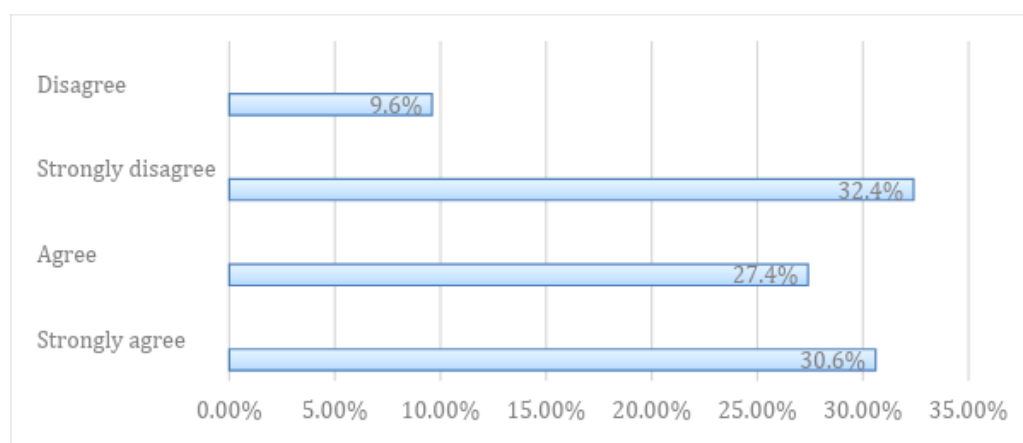
The participants have highlighted with a higher percentage that, most potential customers are transported through the minibus taxis. Few participants disagree that, customers are provided through the use of minibus taxis. This is because some customers have their cars and can drive to such business centres. Participants like caterers, restaurants, hawkers and fresh street produce sellers most agree that, it is indeed a privilege for minibus taxis and taxi ranks to bring potential customers to their businesses. Participants like car washers and filling stations disagree that, potential customers are being brought to them through minibus taxis.

It can be deduced that, more of the participants highlighted that, the taxi industry at Mankweng provides them with customers, and this, in turn, helps in offering their products to various customers across the investigated area.

#### 5.24.5 Increases the number of businesses

The number of small businesses nearby taxi facilities has increased over the past years. Thus, the researcher probed this question to be able to conclude as to whether this can be considered true or not. The figure below seeks to deal with this question.

Figure 35: Number of businesses



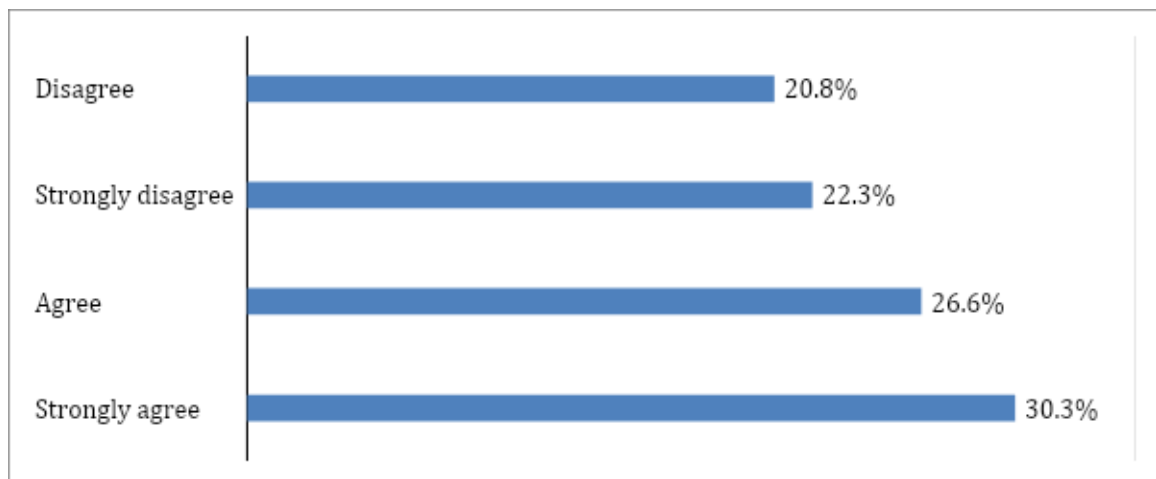
The figure illustrates that, 58% of the participants agree that, numerous businesses have emerged and increased over the years because of the existing minibus taxi industry. While 42% of the participants are of a different opinion that, they have not recognised any increase in the existing small businesses at Mankweng. This is partly because some of the participants have lesser years of experience at Mankweng. Therefore, they do not know the history of Mankweng taxi ranks.

It can be concluded that, numerous small businesses have increased exponentially over the past years. For instance, during data collection, due to Solomondale taxi rank, the researcher noticed that, there's a new BP filling station that, has been built. Car washers and hawkers are found within these areas. Even participants agree that, the minibus taxi industry increases the number of small businesses. It is quite evident that, different businesses as investigated exist because of the industry.

### 5.24.6 Helps small businesses to generate profit

No business can sustain itself without any profit. Therefore, generating profit makes a business to stay in the business environment. This was probed in the study to be able to make conclusions as to whether the minibus taxi industry helps businesses generate profit or not.

Figure 36: Business profit



Businesses want to generate profit, therefore, this figure illustrates how the minibus taxi industry helps the investigated businesses generate profits. Participants with 56% show that, they agree that, the industry helps them generate profit. To be more precise, this is achieved through passengers who often tend to become potential customers to some businesses. Moreover, 43.1% of the participants disagree that, they can generate profit because of the industry. They show that, they are of a different opinion or rather ignorant of the kind of role the industry plays.

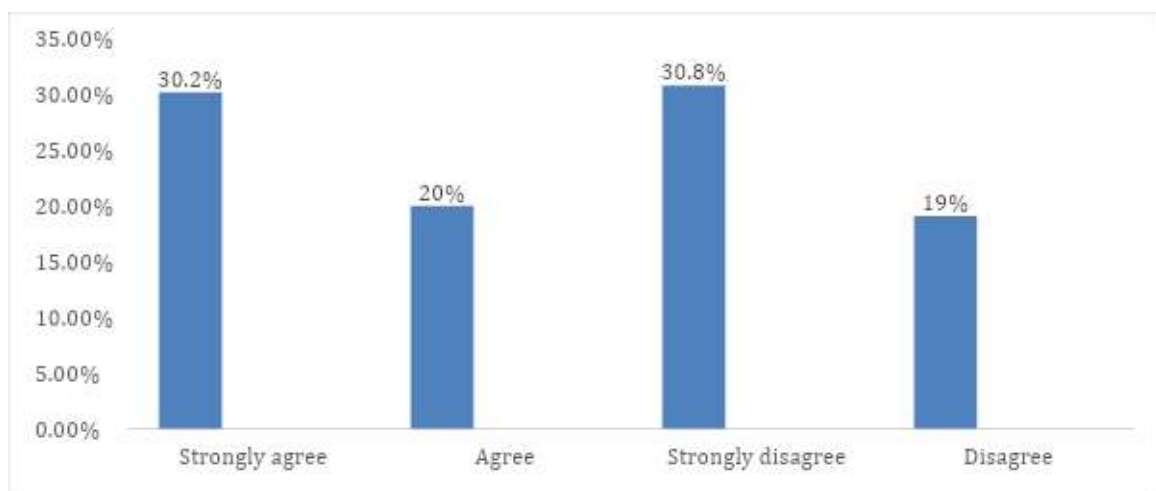
The Majority of the participants highlighted that,, through the potential customers provided by minibus taxis get to generate profit. The participants who disagree were filling stations because fuel is purchased by motorists, not passengers. However, participants such as the caterers, restaurants, and fresh street produce sellers agree that, taxi operators and passengers who often become customers help their business to generate profit. To this end, it can be said that, numerous small businesses would be unable to generate profit if taxi ranks or facilities were not built and provided at Mankweng. This suggests that, numerous taxi ranks have influenced businesses. The industry helps them in generating

profits because of passengers who in turn are likely to become potential customers of such small businesses.

#### 5.24.7 Promotes financial returns

A good business should be able to satisfy the owner with financial returns. The capital of which was used to start the business should be covered within an expected period. Thereafter, one should be able to make a profit. Thus, the researcher probed this question to find out as to whether the industry helps promote financial returns for their direct beneficiaries.

Figure 37: Financial returns



Financial returns are the main goal of the investigated businesses at Mankweng. The figure shows that, 50.2% of the participants agree that, they can notice their financial returns due to the role played by the industry, in which they provide them with potential customers to buy their products. On the contrary, 49.8% of the participants disagree that, they realise any financial returns because of a particular role played by minibus taxis.

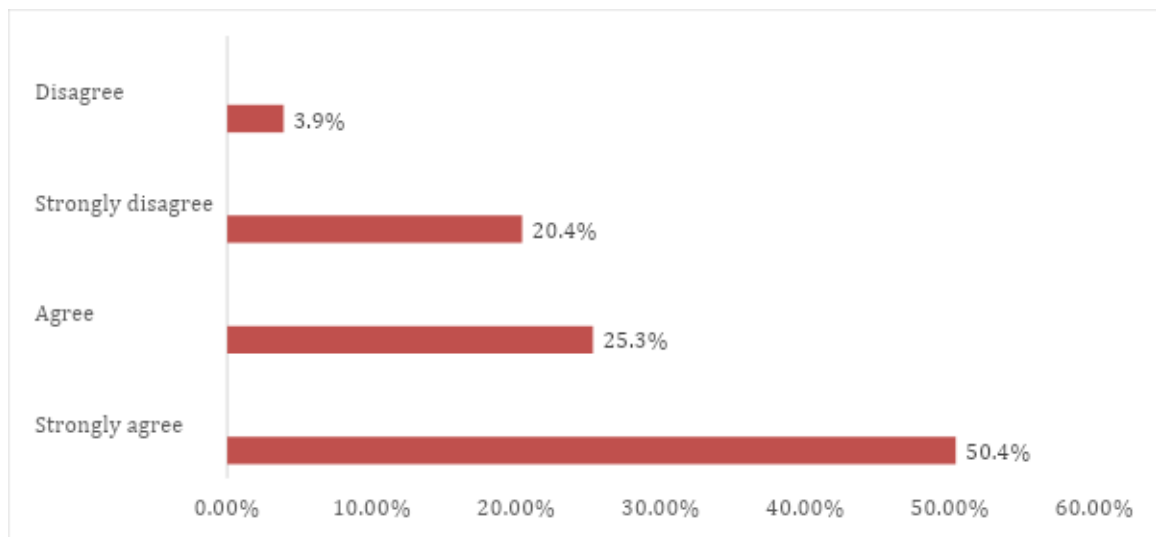
As illustrated on the figure above, no conclusions were drawn as to whether the industry helps promote financial returns of small businesses, because a large number of the participants vehemently disagree with the role played by minibus taxis in promoting their businesses. However, few of the participants like hawkers, restaurants, caterers and filling stations agree that, through the role of the minibus taxis in buying fuel, and in providing them with customers it helps in promoting and receive some financial returns. Some participants like car washers strongly disagree that, the minibus taxi industry at

Mankweng helps them promote financial returns. On the contrary, other participants like street produce seller agree that, the industry does help them receive their financial returns.

#### 5.24.8 Increases more business opportunities

Since the dawn of Mankweng Taxi Ranks, multiple small businesses have been established and owned. Thus, the researcher probed this question to conclude as to whether more business opportunities have increased over the years because of the minibus taxi industry or not.

Figure 38: Business opportunities



The figure illustrates that, 75.7% of the participants agree that, more business opportunities are being created by the industry. This show that, these participants are quite aware of the crucial role the minibus taxi industry is significantly playing at Mankweng. On the other hand, 24.3% of participants' show that, they disagree with this role that, the industry claims to play. However, the majority of participants approves of this critical role played.

It can be deduced that, over the past years more business opportunities have been identified and created due to the existence of the minibus taxi industry. This means that, more economic and social activities have been improved because of the industry. Participants agree that, most businesses have increased at Mankweng due to the multiple taxi ranks around the area. Some businesses as identified include the caterers, car



washers, restaurants, and street freshly produce sellers have increased due to the number of taxi ranks. The Mankweng taxi ranks have influenced a large number of the investigated businesses to increase to an exponential level around the area.

## **5.25 CHALLENGES ASSOCIATED WITH SMALL BUSINESSES AT MANKWENG TAXI RANKS**

Small businesses at Mankweng encounter various challenges from time to time. In this regard, the semi-structured questionnaire provided a section for participants to mention some of the challenges they are confronted with daily. Therefore, small businesses like the filling stations, hawkers, restaurants, caterers, car washers and street freshly produce sellers often experience amongst others the following challenges a generated through the distributed questionnaire:

### **5.25.1 Dissatisfaction of fuel costs due to fuel increment**

Customers often complain to fuel attendants that, fuel is becoming more and more expensive almost everyday. The filling station managers and attendants sometimes deal with challenges of impatience of motorists while queuing for filling their vehicles with fuel. The customers complain that, queuing for minutes while paying high prices is dissatisfactory.

### **5.25.2 Taxi operators rushing to the filling stations**

Taxi operators often tend to rush to filling stations, which may compromise the safety of other motorists and road users like pedestrians.

### **5.25.3 The harm of fuel**

The fuel can have detrimental effects on the health of the environment and the health of both customers and those who work at the stations. The filling station supervisor provided that, this kind of harm is dangerous not only to the involved employees but to children and passengers inside vehicles passing by to fill their cars with fuel.

As for hawkers, caterers and restaurants challenges are experienced almost every day. Some of the challenges identified are beyond the control of the minibus taxi industry. Amongst other the challenges are singled out below:

#### 5.25.4 Robbery

Robbery is one of the most frightening challenges for the identified businesses at Mankweng. From the investigated businesses, none of them has indicated whether they have been robbed before or not. However, they are aware of a case where other businesses have been robbed in the past years.

#### 5.25.5 Financial support

Lack of financial support is a huge problem for these businesses. The participants highlighted that, in instances where the financial support of the business was not satisfactory, they could be forced to omit the buying of other products, which might often lead to the dissatisfaction of potential customers. One well-experienced hawker claims that, out of 10 hawkers established, only one or two may survive for the next three to five years. Government support is tricky. Donors are also the hardest people to attract as they often require a business plan, of which some businesses do not have, as few participants have highlighted.

#### 5.25.6 Rude and disrespectful customers

There is a famous phrase that, says, "The customer is always right." On the contrary, participants disagree with this phrase. They claim that, some customers are just rude and disrespectful towards them, even though they try to show some courtesy. The participants provided that, it was not always the case where a customer was right. This is because investigated participants claimed that, sometimes customers shouted at them unnecessarily.

#### 5.25.7 Stock shortages

The shortage of stock can massively affect businesses. Participants highlighted that, they have multiple cases where the shortage of stock has cost them a large number of potential customers. Some of these customers often become dissatisfied.

#### 5.25.8 Lack of customers

Customers are the breath of the investigated small businesses. The lack thereof negatively affects them. No customers mean no business. These businesses at Mankweng provided that, there's no reason to establish a certain business if the customers won't support a business.

### **5.26 DATA COLLECTED THROUGH FOCUS GROUP INTERVIEWS**

The researcher conducted focus group interviews with the respondents to organise individuals to gain the depth of their views and experiences of the investigated matter. The respondents were the Mankweng taxi administrators at the main office at Boyne. A focus group discussion has to do with the gathering of individuals from similar experiences altogether to discuss a particular investigated matter. It forms part of qualitative research where questions are drafted, thereby, respondents about their views, perceptions, attitudes, beliefs, ideas, and opinions. In a focus group discussion, a small group of members of about 8 to 12 people are encouraged. In this research, 10 respondents were drawn from Boyne main taxi office for Mankweng taxi ranks, to provide their views and perceptions on the role of the minibus taxi industry in promoting the development of the small businesses. One of the most common advantages of focus group discussion is that, it offers "a free and open discussion amongst participants results in the generation of new ideas that, can be very useful for decision-making" (Baral, Uprety & Lamichhane, 2016).

In this study, the focus group interviews were conducted to uncover issues of regarding the plan for promoting the development of small businesses, challenges associated with promoting the development of small businesses, government support for the business, the number of taxis operating across the Mankweng Taxi Ranks, challenges associated with taxi operators, the working conditions between the different business individuals, the application of legislative framework at Mankweng Taxi Ranks, and the labour practices of the Mankweng Taxi Association.

#### 5.26.1 A plan for promoting the development of the small business

The respondents provided that, their taxi association had a plan for promoting the development of small businesses. To be more precise, they highlighted that, one of their

plans is ensuring that, no small business can generate profit through the selling of harmful and dangerous goods like guns across the taxi ranks. During the interview, one of the respondents indicated that, it was hard to plan for small businesses without government funding. This shows how determined the association is, let alone the fact that, they are affected by poor financial resources.

One of the most common plans that, are very evident is that, over the past years, they have allowed small businesses to sell their products where taxi operation takes place. Although, their plans are not legally binding. The respondents highlighted that, it is very important for them to work with small businesses because it helps business activities across the taxi ranks to remain active. On the other hand, respondents highlighted the small business fall under the informal business sector, and they often neglected by the government even they generate daily and active street activities.

#### 5.26.2 Direct beneficiaries of Mankweng taxi ranks

As the researcher posed a question whether the respondents were aware of the direct beneficiaries of the taxi ranks, the respondents provided some of those benefiting from the taxi ranks. One of the respondents mentioned directors of private businesses because they often purchase some of their fruits and vegetables from vendors nearby taxi facilities. Some of the respondents heightened that, taxi owners and operators are direct beneficiaries of the taxi ranks through free parking as compared to private cars that, have to incur parking fees at shopping malls. Small businesses such as the caterers, car washers, filling stations, and hawkers because most of their customers are the passengers transported through the minibus taxis.

#### 5.26.3 Challenges associated with the development of promoting the small business

Small businesses at Mankweng are confronted with various challenges which cut across the business sector in South Africa. One of the respondents mentioned that, some of the businesses sell similar products of which it might affect some owners to generate enough profit. Some of similar products sold in some of these businesses are sold over time, which could compromise the health of the end-user.

The challenge identified by the respondents is that, taxi owners cannot own more than 10 vehicles in the association. This, in turn, could discourage the increase of taxi vehicles in

the association. The association discourages small businesses sell other products which are not recommended.

#### 5.26.4 Government role and other interested stakeholders

The respondents want government intervention, especially the Department of Transport, Department of Small Business Development and other interested stakeholders. The association want the government to provide acceptable and workable infrastructure for the existing small businesses in the taxi ranks. Respondents also have highlighted the issue of the government providing training and development to such businesses and not neglect their importance.

Respondents believe that, operating businesses need extreme exposure to newly introduced products in the business sector. This means private businesses should uplift their communities through business initiatives which have worked on their behalf. Another request from the office is that, they need the government to allow various sorts of products to be sold at their taxi ranks except for toxic products. The restructuring and transformation of the taxi facilities are one of the major request mentioned by the respondents. One of the respondents also suggested that, it would be appreciated if the government would deal away with, long processes of applying for business funding because it demotivated a lot of small business-minded people to establish their small businesses.

#### 5.26.5 Number of registered minibus taxis and their service

The association plays an important role in providing passenger transportation. Its main aim to ensure and promote ultimate access for its customers. One of the administrators affirmed that, Mankweng Taxi Association consists of 494 taxi vehicles registered on their system. All the 494 vehicles offer both short and long-distance transportation; hence, it makes no sense that, the industry even to this day is denied funding from government, said one of the respondents’.

The minibus taxis offer unscheduled passenger transportation, and their service is well received across Mankweng. The respondents indicated that, the area would suffer the most had it have not been of the association and its numerous vehicles.

#### 5.26.6 Minibus taxi support of the small business

The association is cognisant of the small businesses operating nearby the taxi ranks. All of the respondents agree that, taxi operators should help small businesses with transporting their packages and luggage. This shows an understanding that, one of the immediate roles of taxi operators is to support small businesses with the transportation of their products or items as encouraged by the association. Street freshly produce sellers or street vendors are supported in a way that, the association can intervene in terms of dealing with any harsh actions induced by taxi operators. Business owners are allowed to report any kind of misconduct to the executives at the office of the association. One of the respondents provided that, since they cannot offer funds to small business owners, they can support them in dealing with the harsh actions they experienced.

#### 5.26.7 Challenges associated with taxi operators

The majority of the respondents provided that, taxi operators and owners are from different backgrounds and they are being raised in various ways. Therefore, due to different cultures involved in the business, some of them are likely to undermine their jobs and what the association seeks to achieve. Some of the respondents highlighted that, other taxi operators often display bad attitudes towards each other while transporting passengers. In turn, this also exposes passenger customers to the kind of behaviour operators are associated with. Another challenge mentioned was that, taxi operators are being labelled as reckless, of which of this case are caused by passengers due to their demand to ask drivers to make rapid and unsafe stops. This is due to their locations which do not include stop signs.

#### 5.26.8 The working conditions between the taxi business and direct beneficiaries

One of the respondents indicated that, they ensure and maintain a healthy environment for both the taxi business and their direct beneficiaries. Littering across the taxi ranks is highly discouraged to avoid the difficulty of minibus taxis to smoothly move passengers from one location to another. The respondents also provided that, both the taxi operators and direct beneficiaries are given permission to report any misconduct, and other unhealthy situations happening within the industry, to ensure a healthy working environment.

#### 5.26.9 Taxi violence and its effect on small businesses

The researcher probed a question of taxi violence and its effect on small businesses, and one of the respondents said it is dealt with in various ways. This involves the police to control the situation. Moreover, they highlighted that, in turn, taxi violence affects business people because they are the ones who suffer the most since they make a living through the selling of their products. Other respondents mentioned that, those who sell perishable products suffer a huge loss if taxi violence were to persist for a long time. The violence as provided for by the respondents affects small logistics businesses because they would not be able to deliver goods that, would be ordered by some of the other businesses.

#### 5.26.10 Legislative frameworks regulating the transport industry

Legislative frameworks play a critical role in ensuring that, the operation of the taxi business is done accordingly. The association is aware that, the minibus taxi industry must adhere to the National Land Transport Act, 5 of 2009; the National Road Traffic Act, 93 of 1996; the Administrative Adjudication for Road Traffic Offences, 46 of 1998 and other important regulations. For instance, one of the respondents provided that, no taxi operator can operate a vehicle with an operating permit, which is one of the National Land Transport Act requirements. They further revealed that, no taxi operator can operate their vehicle without being registered under the association. The association also encouraged taxi operators to settle their traffic fines whenever charged or imposed on them by traffic officials.

#### 5.26.11 The practice of labour relation laws and basic conditions of employment laws

Over the past years, the minibus taxi industry has been labelled as one of the industries that, do not practice fair labour practices. However, at Mankweng the respondents agree that, the practices of these laws are implemented 100 per cent. They highlighted that, this is because taxi operators register to work early in the morning and knock off late in the evening. After all, they offer unscheduled kind of transportation. One of the respondents indicated that, taxi operators spend most of their time waiting for passengers to fill their vehicles, and thus this differs with some other days. Sometimes they forced to work long hours because the low number of passengers found, especially in the middle of the month, of which normally only a few people travel to certain areas. Even though the

Labour Relations Act, 66 of 1995 and Basic Conditions of Employment Act, 75 of 1997 stipulate on matters of fair labour treatment, working conditions and working hours, the taxi association still fail to locate themselves with these laws, because the industry is operated differently and it is not yet formalised.

One of the respondents, however, indicated that, over the years they have tried to improve the working conditions, but, as for working hours such is beyond their capacity to control. This is because taxi operators are allowed to operate whenever the time they want. It can be said that, slow progress with improving the working conditions of the association is better than no progress at all.

## **5.27 CONCLUSION**

This chapter presented and analysed research findings generated through questionnaires and focus group discussions. Data were collected from taxi operators, small businesses, and Mankweng taxi management. The analysis consisted of the biographical data of the participants to understand their background, and the latter analysed their insights, views, perceptions, opinions, and experiences on the role of the Mankweng Taxi Ranks in promoting the development of the small business. The next chapter deals with the summary of the study, conclusions and recommendations.



## CHAPTER 6: SUMMARY, RECOMMENDATIONS AND CONCLUSION OF THE STUDY

### 6.1 INTRODUCTION

This chapter provides recommendations and conclusions based on the investigated matter. Recommendations are given based on the discrepancies, problems, loopholes and gaps identified during data collection and analysis. The South African minibus taxi industry is confronted with different challenges in terms of promoting the development of the small business, and the Mankweng Taxi Associated is not spared. The taxi industry itself has special and unique needs that, need to be addressed through active business initiatives. The ultimate aim of this research study as set out in chapter one was to investigate the role of the South African minibus taxi industry in promoting the development of small businesses using a case of Mankweng Taxi Ranks. Therefore, this chapter focuses on the summary of the study, recommendations for this study and future studies, and conclusion.

### 6.2 SUMMARY OF THE RESEARCH STUDY

**Chapter 1:** This chapter dealt with the introduction and background of the study, problem statement as a hypothesis - why the study was conducted, the research aim, objectives and research questions the study seeks to achieve and answer. The chapter also discussed literature on the South African minibus taxi industry and other selected small business across various taxi ranks. Moreover, definitions of concepts adopted for the significance of the study were defined and clarified.

**Chapter 2:** This chapter looked at small businesses and the South African minibus taxi industry. The chapter begins by introducing small business development stages that, small businesses may adopt and apply in maximising their performance in their operative and administrative environment. Both the international and the South African experiences on the taxi business and small businesses were discussed to expose both the previous and the current trends in the business arena. The types of small businesses operating in the South African minibus taxi industry and their contribution to the development of the industry were also discussed. Furthermore, the chapter discussed the context and the legislative frameworks regulating small businesses in South African to give a legal framework for the existence of small businesses.

**Chapter 3:** This chapter outlined the role of the minibus taxi industry in promoting the development of small businesses in South Africa. The challenges associated with small businesses in the minibus taxi industry and the legislative frameworks regulating public transport in South Africa were further discussed.

**Chapter 4:** This section outlined the research design and methodology, description of the study area, target population, sample size and procedure, data collection methods, data analysis, validity and reliability of the study, ethical consideration were cleared explained and discussed as to what transpired throughout the study. The study employed both the use of qualitative and quantitative research methodology which included the techniques of two sets of questionnaires structured and semi-structured. The structured questionnaire was designed and distributed randomly to taxi operators, and semi-structured questionnaires were designed and distributed randomly to small businesses known as direct beneficiaries of the taxi business at Mankweng. The focus group interview technique was also used and applied to the selected respondents of the Boyne Main Taxi Office to guide the study. Upon completion of the study, data and responses were gathered accordingly and reported back in chapter five to test the hypothesis that, led towards the execution of this study.

**Chapter 5:** This chapter focused on the presentation of research findings, data analysis, and interpretation of the research findings of the study to achieve the research aim and objective and also to answer the research questions generated and developed in chapter one of the study. The research aim was to investigate the role of the minibus taxi industry in promoting the development of small businesses in South Africa under selected taxi ranks at Mankweng Taxi Association. The main research findings show that, the development of small businesses investigated at Mankweng are less supported because they are established on no legal framework whatsoever. Tax operators play a critical role in feeding small business owners with their passengers who then turn into potential customers for these businesses. Instructions regarding the support of small businesses remain complex since the investigated taxi association lacks any professional or expertise in promoting the development of small businesses. In other words, to support the development of the selected businesses in this study is an individual choice. The indirect support that, can be exposed is that, of built taxi facilities only in selected areas like at Boyne, and Ga-Mothapo to mention but few since Mankweng still doesn't have a proper

taxi rank. Other than these findings, taxi operators play a vital role in support of small businesses through the provision of unscheduled transportation to reach various business areas.

**Chapter 6:** This chapter provides a summary of the study, recommendations and other recommendations that, can be investigated in detail in future studies. Conclusions based on the investigated matter and the basis of existing literature and its research findings were further drawn and presented.

### **6.3 RECOMMENDATIONS**

The study aimed to investigate the role of the South African minibus taxi industry in promoting the development of small businesses at Mankweng Taxi Association. Despite the above chapter, the enormous strides made by the taxi industry it are significantly important for both the government to form a special policy to improve the South African minibus taxi industry. The development of the small business, and their contribution to economic activities across South Africa, should not be undermined. It is very evident from the research findings that, informal businesses are still neglected in terms of government funding and legislation. Thus, this affects the growth of the informal business to formal business because of their size and scope. The taxi industry needs immediate and special government intervention to address issues of taxi violence and crime, which tend to affect the operations of small businesses depending on taxi facilities.

Given the claims made in the literature review by different authors that,, the South African police often ameliorate the taxi violence and crime affecting small businesses. There's still a bigger fish to fry. This means that, the government need to change their focus that, is only on the taxi violence and crime affecting business to investing in the development of both the minibus taxi industry and small businesses. It can be said that, taxi violence is due to insufficient business initiatives, restrictive operative routes, lack of funds to fund small businesses, unclear legislative role and functions guiding taxi operators and owners. These issues are being overlooked and there are little research studies that, exist to address the role of the taxi industry and government in promoting the development of the small business. Therefore, the study provides the following recommendations:

### 6.3.1 Business structures

It is very evident from the research findings that, there are no business structures with the ultimate aim to promote the development of small businesses. The complete exclusion of government legislation, funding, and the private sector to provide exposure to informal businesses are burdensome for the development of the investigated businesses. Choosing the correct business structure, can result in benefits and protect a business. Although each chosen structure might be influenced both by the advantages and disadvantages, it is without a doubt that, it can improve numerous businesses. As the research findings have shown some of the investigated businesses fall under a sole trader with few employed staff, especially the taxi business which might not have great commercial risks. However, the right structure might be appropriate for their development.

An effective business structure means the creation of new business ventures and can expose business owners to current and selling products in the market. This can also assist taxi operators to improve their transport management and style. Williams, Barton & Coltrain (2000:4) assert that, organising the business structure is very important to meet individual and collective needs. There's a need for the associate an active business structure for the small business, which will strictly deal with issues affecting the investigated businesses. On the other hand, establish another structure for all taxi operators. All these structures should report to the taxi main offices. In simple terms, creating these business structures will help the association to know where, when, and how to deal and address certain challenges.

Business structures created can attract funding from across the industry. Even though these structures will be operating under no legal regulation by the government, it is still relevant for the association to have a strong and active direction with the development of the small business. Just because there's no legal regulation from the government, that, should not mean the industry should be undermined and neglected. Business structures can have a big impact on the development of small business (Jarman, 2006).

### 6.3.2 Investment

The roots of the investigated small businesses and the taxi industry operate in the informal sector; thus, it has a primary source of empowering opportunities for the previously disadvantaged population. Tendering with the industry and offering contracts to taxi operators would be the best investment the government and the private sector can do. This kind of investment would give the taxi industry a competitive edge, ultimately improving road-based public transport tenders while influencing the taxi industry to improve its working environment. Considering effective tendering in the industry can result in success drivers from relatively poor business conditions to a more satisfactory business environment.

The traditional way of relying on big business for promoting economic development, growth and employment opportunities has changed (Dhanah, 2016). There's a paradigm shift that, exists today, of which small businesses can contribute to a massively towards employment creation. This means that, investments should be directed to the development of such businesses. Over and above dealing with informal business sector investment, the government should place their focus on customer vulnerability, and financial conditions at a relevant level as this can help improve the development of the small business.

The government and interested stakeholders should strive towards the support of small businesses and the taxi industry through "vertical investment" for the sake of ensuring longevity. Introducing and providing new technology could be the current investment for the industry needs.

### 6.3.3 Active government and private sector intervention

Necessary intervention is a pre-requisite for the development of small businesses in the taxi industry. Exposure to new business initiatives could be one way to improve the informal business sector. With the unstable South African economy, the government should develop a dynamic model to improve the informal business sector. For instance, the reduction of Value Added Tax (VAT) on items could help small businesses not to incur high prices on their products. Government together with policymakers should review the

business policies and consider the informal business sector as an integral part of the overall economy.

The cost of fuel is another challenge affecting the minibus taxi operators and owners. The increment of fuel does not only affect the industry but also the passenger customers because they are compelled to incur transport costs introduced by various taxi associations. Therefore, considering the role of the taxi industry which is to offer public transportation, a system of exemption to pay higher fuel costs should be cut, to relief customers who rely on the industry for transportation.

The informal businesses including the taxi industry offer legal goods and services, of which partly fail to comply with all government regulations (Ihrig & Moe, 2001). Therefore, since they offer legal goods and services, the business environment should allow them to operate smoothly like any other business. Active intervention through flexible legislation and acceptable funding for the informal businesses will surely help them to stay afloat.

#### 6.3.4 Streamline and professionalise the taxi industry

Over the past years, the South African minibus taxi industry has been lurking the shadows partly due to unfair government policy. The Taxi Recapitalisation Programme (TRP) was a remarkable effort by the government. However, it is still unclear to state as to whether or not the programme did achieve its goal. It is high time that, the taxi industry is modernised to fit the needs of passenger customers. This is because customers are becoming more and smarter, and even private vehicles are more advanced. Therefore, introducing smart taxi vehicles can attract more customers. Thus, this can also reduce high traffic volumes caused by private cars, and delays of the movement of goods and people.

Professionalizing the taxi industry should be taken into account. The crowd-taxis including Uber is posing a threat to the industry. Leiren & Aarhaug (2016) argues taxi owners and operators have felt the competitive pressure over the years since the introduction of crowd-taxis. Professionalising the industry can help the industry not to worry about decreasing revenues and poor working conditions just to win more customers. If the crowd-taxis be regulated it might affect the importance of taxis preferred by the public. Even though professionalizing cannot be overnight, it is still the best way to achieve a world-class public transport in the country.

The professionalizing the taxi industry should not exclude issues like ethical standards about the kind of expected behaviour from taxi operators, a mentorship programme to equip taxi operators with thorough experience of the industry, and an education system should be provided that, seeks to improve the taxi industry. Training taxi operators and owner about customer care should form a part of the training could improve their working environment. Taxi associations should be guided by a binding set of rules, values, principles, norms and standards and such should be highly enforced. However, it is crucially important to ensure that, such set rules and regulations in a particular association are not just exercised in words but with strict actions towards those who fail to comply. Professionalism in the taxi industry should be done with the right consultations with the affected parties. The benefits of professionalising the industry should be shared, to convince the taxi operators and owners.

#### 6.3.5 Financial inclusion

The South African minibus taxi industry comprises of black persons who are not fully catered for by traditional credit providers. Therefore, the government and other interested stakeholders should provide financial advice and resources to help boost entrepreneurs who are often excluded from the formal economy. To achieve financial inclusion, financing should be provided based on the customer, not the kind of a business one owns.

#### 6.3.6 Environmental sustainability

Over the past years, the environmental impact caused by transportation has received much attention from the South African government. The society is aware of the carbon footprints caused by taxi vehicles and other cars. Therefore, taxi associations should closely with the government tirelessly to help reduce old vehicle fleet. In turn, this will help in reducing vehicle emission, as well as improving the health of the environment.

#### 6.3.7 Small business empowerment

Since the inception of the South African minibus taxi industry, multiple businesses have been realised and established especially by the previously disadvantaged group. Most of the investigated small businesses in this study were established because of the existing taxi industry. Therefore, empowering them in terms of how to grow their size and scope

could be a remedy for their current problems. This kind of empowerment could be achieved by the Department of Small Business and other interested stakeholders.

#### 6.3.8 Public transport infrastructure

The minibus taxi industry forms part of public transportation, and it has a direct impact on the society, environment and the economy. Improving its infrastructure will help small businesses to have access to various facilities such as market centres, commercial centres and others. The public transport infrastructure if well improved could significantly contribute more to the taxi industry and their direct beneficiaries. This would mean direct access to taxi facilities and business centres.

#### 6.3.9 Safety and efficiency

The roadworthiness of minibus taxis should be taken into account because it can trigger safety issues. Taxi associations and government need to improve the roadworthiness of taxi vehicles. This can be done through the restriction of old vehicles and replace them with reliable and new quality vehicles. On the other hand, offering insurance and repair of vehicles and facilities could improve safety.

#### 6.3.10 Regulation

Given the setting and roots of the taxi industry, it remains in the informal sector. The industry is largely self-regulated and black-owned. However, it is without any doubt that, the industry has proved to be sustainable up to current date. It should be noted that, the National Land Transport Act and its regulations stipulate on vehicle specification and standards, operating permits. On the contrary, the issue of working hours, minimum wage, and also termination of work is poorly enforced. Therefore, the government should play a critical role in ensuring that, these labour laws are duly exercised and practised not just in words but with active actions.

### **6.4 LIMITATION OF THE STUDY**

The study has its flaws and shortcoming which was the result of the unavailability of resources, the chosen sample size and the flawed methodology. No study can be flawless and all-inclusive of all the possible aspects. Therefore, this study was only aimed at the Mankweng Taxi Association and selected small businesses. The study reflected only on



the findings generated based on the understanding of the topic by the selected participants.

## **6.5 RECOMMENDATIONS FOR FUTURE STUDIES**

The road to paving the promoting of the development of small businesses through the South African minibus taxi industry cannot be side-lined and neglected because they are not thoroughly catered for in legislation. The South African government and all interested stakeholders should not partly disregard the development of informal small businesses and taxi industry because proper legislative framework which strictly focuses on the improvement of these businesses doesn't exist. It is the responsibility of the government to introduce new legislation that, should promote the development of unrecognised small businesses. Few studies or no study exists that, focuses to promote the development of the taxi industry and other unrecognised businesses. Much research across this topic should abound in the academic world and the field of business.

## **6.6 CONCLUSION**

The role of the South African minibus taxi industry in promoting the development of the small business sector has not received enough attention over the years. Minimum or no research studies exist that, address the promotion of small businesses within the taxi industry. Over the past years, numerous research studies have focused on policy issues affecting the industry, neglecting the development of the small business in the industry. Therefore, the government goals and objectives and that, of researchers should change their focus from only policy issues to how the taxi industry can be developed and sustained.

There seems to be a huge gap both in research and government policy in promoting the development of small businesses depending on the taxi infrastructure to operate. Incorporating informal cash flow by informal small businesses in the taxi industry contributes indirectly to the formal economy. To this end, it fair to indicate that, the government need to pass active and specific legislation which does not neglect the development of the informal businesses, because eventually they contribute somehow to the economy, and create multiple job opportunities.

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Appendix A: Consent Letter of Participants

University of Limpopo  
Faculty of Management and law  
Private bag x 1106  
Sovenga  
0727  
Date .....

Dear Participants

I ..... Would be thankful if you could be of assistance for participating in the study aimed at investigating “The Role of Minibus taxi Industry in Promoting the Development of Small Businesses in South Africa: A Case of Mankweng Taxi Association, Limpopo Province”.

The participation in this study is solely for academic purposes on the above mentioned topic. Kindly note that, all information collected will be dealt with strictly confidential and the participant’s identity will be treated anonymously.

Researcher: .....

Date: .....

Supervisor: .....

Date: .....

Appendix A1: Lengwalo La Tumelelano La Batšeakarolo

University of Limpopo  
Faculty of Management and law  
Private bag x 1106  
Sovenga  
0727  
Date .....

Batšeakarolo ba ba rategago

Nna ..... nka thaba kudu ge le ka tšea karolo mo nyakišišong ye e beakantswego go nyakišiša diphetogo le tema ya “The Role of Minibus taxi Industry in Promoting the Development of Small Businesses in South Africa: A Case of Mankweng Taxi Association, Limpopo Province”.

Go tšeeng karolo mo nyakišišong ye ke fela go phethagatša morero wa thuto. Ka boikokobetšo elang hloko gore tshedimošo ye e tlo kgoboketšwago e tlo dirišwa bjalo ka khupamarama le gore maina a ba tšeakarolo a ka seke a bolelwa.

Monyakišiši: .....

Letšatšikgwedi: .....

Molebeledi: .....

Letšatšikgwedi: .....

Appendix B: Consent Form of Mankweng Taxi Operators/ Small Businesses/ Mankweng  
Taxi Main Office

I.....consent to participate in the study on “The Role of Minibus taxi Industry in Promoting the Development of Small Businesses in South Africa: A Case of Mankweng Taxi Association, Limpopo Province”.

I understand that, participation in the study is completely voluntary, in that, no remuneration will be given to me.

By signing this consent form, I therefore agree that, I have read and understood the information above and I freely give my consent to participate in the study.

Signatures:

Participant: .....

Date: .....

Witness: .....

Date: .....

Researcher: .....

Date: .....

Appendix B1: Lengwalo La Tumelelano La Baotledi Ba Dithekisi/ Dikgwebo Potlana Tsa  
Mankweng/ Mankweng Ofisi E Kgolo

Nna ..... ke a dumela go tšea karolo mo nyakišišong ye, sehlogong thaba se se rego “The Role of Minibus taxi Industry in Promoting the Development of Small Businesses in South Africa: A Case of Mankweng Taxi Association, Limpopo Province”.

Ke a kwešiša gore go kgatha thema mo nyakišišong ye ke boithaopo fela le gore ga go maputso wok e tlogo go fiwa wona.

Ka go saena pampiri ye ya tumelellano, ka go rialo ke a dumela gore ke badile le gore ke a kwešiša ka tšhedimoso ye e ngwadilwego, ka bolokologi ke neelana ka tumelelo go tšeeng karolo mo nyakišišong ye

Mesaeno:

Motšeakarolo: .....

Letšatšikgwedi: .....

Hlatse: .....

Letšatšikgwedi: .....

Monyakišiši: .....

Letšatšikgwedi: .....

Appendix C: Questionnaire Semi-Structured For Mankweng Small Businesses/  
 Lenaneopotšilošišo Le Lerulagantšwego La Nyakišišo La Dikgwebo Potlana Tša  
 Mankweng

My name is Terrance Molobela, a Master’s student in Bachelor of Administration in the School of Economics and Management at the University of Limpopo. I am inviting you to participate in my research in the form of filling a questionnaire. My research is titled “The role of the minibus taxi industry in promoting the development of small businesses in South Africa: A case of Mankweng Taxi Association, Limpopo Province”. This questionnaire is for academic purpose only and confidentiality will be highly maintained. As a respondent, you are not obliged to disclose your name. I humbly request you to assist by answering the following questions which will take about twenty minutes. However, the completion of the questionnaire is voluntary. Please complete the biographical information by ticking the appropriate box. The question consists of section A and B.

SECTION A: Biographical data

1. Gender/Tekano

Male/Monna	Female/Mosadi
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2. Marital Status/ Maemo a lenyalo

Single	Married	Separated	Divorced	Widowed
--------	---------	-----------	----------	---------

3. Age/ Mengwaga

20-30 years	31-40 years	41-50 years	50+ years
-------------	-------------	-------------	-----------

4. Ethnic group/ Sehlopa sa mmala

African	Coloured	White	Asian	Other
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5. Highest Academic Qualification/ Tlhatlhobo ya sekolo ya godimo e e fentšwego morago ga dithuto

Grade 1-11/Matric/ Certificate	Diploma	Degree	Postgraduate degree (Specify).....
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## 6. Length of Service/ Nako ye o šomilego yona

Less than 1 year	1-5 years	6-10 years	11-15 years	Above 15 years
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### SECTION B: The role of the minibus taxi industry in promoting the developing small businesses at Mankweng Taxi Association, Limpopo

Please mark the appropriate answer which best represents your response with an (X)/ Ka kgopelo, efa karabo e nepagetšego, e bontšang maikutlo a gago ka (X):

Key:

1. SD - Strongly disagree/ Ga ke dumele ka kudu
2. D – Disagree/ Ga ke dumele
3. NS - Not sure/ Ga kena bonnete
4. A – Agree/ Kea dumela
5. SA - Strongly agree/ Ke dumela ka kudu

1	Taxi drivers/operators/owners support your business by purchasing or requesting your products/services.  Baotledi ba dithekisi/beng ba dithekisi, ba thekga kgwebo yaka ka go reka ditšweletšwa tša ka.	1	2	3	4	5
2	The Mankweng Taxi industry indirectly represents our businesses in our area.  Mokgahlo wa Mankweng wa dithekisi o emela dikgwebo ka tsela e seng mabela lefelong la lena.	1	2	3	4	5
3	The Mankweng minibus taxi industry is often our key stakeholder for small businesses depending on its passengers.  Mešemo ye ya dithekisi tša Mankweng e phela e ba karolo ya rona ye bohlokwa go dikgwebo potlana, tše di tshepilego le mo ba banamedi ba bona.	1	2	3	4	5
4	Minibus taxis reduce high transportation costs in our areas, as compared to private transportation.	1	2	3	4	5



	Dikoloi tša dithekisi di fokotsa tšhelete ya go nametša lebakeng la rona, ge di tshwantšwa le dikoloi tše dingwe tša bohle.					
5	As a small business I am always provided with potential customers because of the minibus taxis.  Bjalo ka kgwebo potlana kamehla ke fanoa ka batho ba ka kgo nago go ba bareki ka lebaka la dithekisi.	1	2	3	4	5
6	Mankweng minibus taxis are promoting the development of the small business by influencing the increase the number of businesses, like car washers, restaurants, caterers, hawkers, street produce seller, and filling stations.  Dikoloi tša Mankweng di kaonafatša tšwelepele ya dikgwebo potlana ka go eketša palo ya dikgwebo, bjalo ka dihlahišwa tša dikoloi, direstšhorente, barekiši ba seterateng le diteišene tša tlatša makhura a koloi (petrolo).	1	2	3	4	5
7	Minibus taxis often help the business generate profit based on the customers provided through them.  Dikoloi tša dithekisi ga ngtšhi di thuša kgwebo gore e dire meputso e thegilego.	1	2	3	4	5
8	Minibus taxis often attracts new business opportunities in our area  Ga ngtšhi dithekisi di goga menyetla ye meswa ye kgwebo lefelong la rona.	1	2	3	4	5
9	The Minibus taxi industry often help me set realistic financial goals and to start making profit.  Dikoloi tša dithekisi ga ntšhi di nthuša go bega dipakane tša sebele tša tšhelete le go thoma go dira meputso.	1	2	3	4	5
10	The Minibus taxi often helps to find it simple to realize financial returns as a small business.  Dikoloi tsa dithekisi di phakiša go nthuša gore ke kgwetša go le bonolo go kgwetša meputso ya tšhelete bjalo ka kgwebo potlano.	1	2	3	4	5

Please fill in the following/ Ka kgopelo tlatša tše di latelago:

11	<p>What kind of a small business are you? Hawker, car wash, restaurant, caterers, filling station, street produce sellers, other specify?</p> <p>Na o kgwebo potlana efe?</p>	
12	<p>Mention some of the challenges you face as a small business at Mankweng Taxi Rank</p> <p>Efa dihlotlo tšeo o gahlango le tšona bjalo ka kgwebo potlana ka renkeng tša Mankweng</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p>
13	<p>Does the Mankweng Taxi Association know of your business existence?</p> <p>Na mokgahlo wa dithekisi tša Mankweng o tseba ka kgwebo ya gago?</p>	
14	<p>Have you ever benefited anything from any project implemented by Mankweng Taxi Association? Mention some of those benefits?</p> <p>Na o ile wa holega ka se sengwe gotswa projekeng ya dithekisi tša Mankweng?</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p>

Thank you!! Kea leboga!!

Appendix D: Questionnaire for Mankweng Taxi Operators/Drivers/: Lenaneopotšilošišo  
 Le Lerulagantšwego La Nyakišišo La Baotledi Ba Dithekisi Tša Mankweng

My name is Terrance Molobela, a Master’s student in Bachelor of Administration in the School of Economics and Management at the University of Limpopo. I am inviting you to participate in my research in the form of filling a questionnaire. My research is titled “The role of the minibus taxi industry in promoting the development small businesses in South Africa: A case of Mankweng Taxi Association, Limpopo”. This questionnaire is for academic purpose only and confidentiality will be highly maintained. As a respondent you are not obliged to disclose your name. I humbly request you to assist by answering the following questions which will take about twenty minutes. However, completion of the questionnaire is voluntary. Please complete the biographical information by ticking the appropriate box. The question consists of section A and B.

SECTION A: Biographical data/ Boitšebišo ba Biographical

1. Gender/Tekano

Male/Monna	Female/Mosadi
------------	---------------

2. Marital Status/ Maemo a lenyalo

Single	Married	Separated	Divorced	Widowed
--------	---------	-----------	----------	---------

3. Age/Mengwaga

20-30 years	31-40 years	41-50 years	50+ years
-------------	-------------	-------------	-----------

4. Ethnic group/ Sehlopa sa mmala

African	Coloured	White	Asian	Other
---------	----------	-------	-------	-------

5. Highest Academic Qualification/ Tlhatlhobo ya sekolo ya godimo e e fentšwego morago ga dithuto

Grade 1-11/Matric/ Certificate	Diploma	Degree	Postgraduate degree (Specify).....
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6. Length of Service/ Nako yeo oe šomilego

Less than 1 year	1-5 years	6-10 years	11-15 years	Above 15 years
------------------	-----------	------------	-------------	----------------

SECTION B: The role of the minibus taxi industry in promoting the developing small businesses at Mankweng Association, Limpopo

Please mark the appropriate answer which best represents your feeling with an (X)/ Ka kgopelo, efa karabo e nepagetšeng e bontšhago moikutlo a gago ka (X):

6. SD - Strongly disagree/ Ga ke dumele ka kudu
7. D – Disagree/ Ga ke dumele
8. NS - Not sure/ Ga kena bonnete
9. A – Agree/ Kea dumela
- 10.SA - Strongly agree/ Ke dumela ka kudu

1	I have a taxi business plan and can interpret it very well./ Kena le leano la kgwebo ya ditekisi gomme ke kgona goe hlalosa ka mokgwa wo o kgotsofatsago.	SD	D	NS	A	SA
2	The available information relating to my job role in promoting the development of small businesses is vague and insufficient./ Dinhla tseo di lego gona tseo di tsamaishanago le karolo ya moshomo waka go hlohleletsa tswelopele ya dikgwebo tse di nyenyane ke tseo disa kopanego gape ase tse kalo.	SD	D	NS	A	SA
3	My supervisors often give contradictory instructions regarding my work and support of other businesses./ Mohlahlhi waka wa tsa dithutho ona le gofa ditaelo tseo disa dumellelanego le moshomo waka le hlohleletso ya dikgwebo tse dingwe	SD	D	NS	A	SA
4	Sometimes it becomes a complex problem for me to make adjustment between taxi business and supporting other businesses./ Dinakong tse dingwe e ba bothat,a bo bogolo bago kopakopana gonna go dira di phetogo magareng ga kgwebo ta ditekisi le hlohleletso ya dikgwebo.	SD	D	NS	A	SA

5	<p>The responsibility for the efficiency and productivity of many taxi owners, operators and drivers in promoting other small businesses is not our responsibility/</p> <p>Maikarabelo ao a tletsego le kgato yabo raditekisi le baotledi go hlohleletsa dikgwebo tse dingwe tse dinyenyane ase maikarabelo a rena.</p>	SD	D	NS	A	SA
6	<p>Most of the suggestions are heeded and implemented here in our taxi association./</p> <p>Bontshi ba dinhla tseo di filwego di elwa hloko ebile di a phethagatswa mo lekgotleng la ditekisi.</p>	SD	D	NS	A	SA
7	<p>Taxi violence and crime affect the taxi business and direct beneficiaries (small businesses).</p> <p>Dikgobatso le botsotsi di ama kgwebo ya ditekisi le bao ba holegago thwi.</p>	SD	D	NS	A	SA
8	<p>I get less salary/wage/profit in comparison to the quantity of my labor/work./</p> <p>Ke humana mogolo o monyenyane geke bapatsa le ba moshomo waka.</p>	SD	D	NS	A	SA
9	<p>I do my work under tense circumstances because of poor road infrastructure./</p> <p>Ke dira moshomo waka ka fase ga maemo ao a that,afetsego ka baka la bohloki ba mebila eo e loketsego mebotoro ya rena.</p>	SD	D	NS	A	SA
10	<p>Our taxi facilities are poor, thus small businesses should be supported./</p> <p>Mekgahlo ya dithekisi tsa rena eya hloka, ke ka fao kgwebo tse dinyenyane di swanetsego gore di humane hlohleletso.</p>	SD	D	NS	A	SA
11	<p>Government has failed us in terms of providing and investing in the improvement of roads and the taxi facilities in our area./</p> <p>Mmuso o re ishitse fase mabapi le gose refe tshetele eo e lekanetsego go tsosholosha mebila le ditekisi tulong y arena.</p>	SD	D	NS	A	SA

12	<p>I am unable to perform my duties smoothly owing to uncertainty and ambiguity of the scope of my assigned operating routes./</p> <p>Ke palelwa ke go phetha maikarabelo aka gabotse le ka tshwanelo ka baka la go hloka tshedimosho mabapi le mebila eo reka e shomishago.</p>	SD	D	NS	A	SA
13	<p>I am not provided with clear instructions and sufficient facilities regarding the new assignments entrusted to me e.g. offering unscheduled service to small business people./</p> <p>Gake ya fiwa melao eo e hlakilego eo e lekanago mabapi le dikabelo tse dintshwa tseo kedi filwego. Mohlala: gofa tshebeletso eo esa lokishwago go dikgwebo tse di nyenyane.</p>	SD	D	NS	A	SA
14	<p>In order to maintain group-conformity, sometimes I have transport more passengers than the usual in order to make more profits./</p> <p>Gore ke kgone go tshwarelela dihlopha, nakong tse dingwe ke tshwanetse go sepedisha banamedi ba bantshi go fitisha ka moo ke tshwanetsego go dira tshelete e ntshi.</p>	SD	D	NS	A	SA
15	<p>My colleagues do co-operate with me voluntarily in solving administrative and other work related problems./</p> <p>Bashomi ka nna ba na le shomishano mmogo le nna go lokisha mathat,a ao ago beakantsha le amangwe ao re lebanago le ona moshomong w arena.</p>	SD	D	NS	A	SA
16	<p>I am not able to devote sufficient time to my domestic and personal problems as well as pursuing other business initiatives due to being too busy with taxi services./</p> <p>Ke palelwa ke go beya nako eo e lekanego go phetha mathat,a goba mabaka aka gae le aka gammogo le amangwe a kgwebo ka baka la go tshwaragana le moshomo wa ditekisi.</p>	SD	D	NS	A	SA
17	<p>The type of work and behavior my supervisors, passengers and colleagues expect from me is not clear./</p>	SD	D	NS	A	SA

	Mohuta wa moshomo le maitshwaro a mohlali waka, banamedi le bashomi mmogo baka eo ba e hlokago gotswa go nna gae tshwelele botse.					
18	Working conditions are satisfactory here from the point of view of our welfare and convenience./  Mabakeng ao re shomago go ona a kgotsofatsa goya le ka mo ke bonago ka gona boiketlong ba rena.	SD	D	NS	A	SA
19	I have to do such work as ought to be done by others (like transporting passengers using other's routes to their preferred business facilities)./  Ke swanetse go dira moshomo woo o dirwago ke ba bangwe go swana le go sepedisha banamedi ke berekisha mebila e mengwe.	SD	D	NS	A	SA
20	It becomes difficult to implement new dealing procedures and policies in place of those already in practice in order to improve our taxi business./  Go ba boima go tswelletsa ditsela le mekgwa e mefsa go tseo dilego gona go tswelletsa kgwebo ye ya ditekisi.	SD	D	NS	A	SA
21	I am able to buy my lunch, petrol, etc. from the small businesses./  Ke kgona go reka dijo tsa motshegare, peterole, tša dikgwebo potlana.	SD	D	NS	A	SA

Please fill the following/ Ka kgopelo tlatša tšeo di latelago:

Key (Khiye):

- 5 All of the time/ Nako tšohle
- 6 Most of the time/ Ga ntšhi
- 7 Some of the time / Nako e 'ngwe
- 8 A little of the time/ Nako e nnyane
- 9 None of the time/ Ga go nako

22	How often is your taxi business performance higher than most other small business in your area?	1	2	3	4	5
----	---	---	---	---	---	---

	Kgwebo ye ya gago ya dithikisi e šoma ka maketlo a makae go feta dikgwebo potlana tše dingwe lefelong la geno?					
23	How often is your taxi business performance lower than most taxi businesses in your area?  Ke ga kae kgwebo ya gago ya dithekisi e ralokela ka tlase go fetiša tša bo dikgwebo potlana tše dingwe lefelong la lona?	1	2	3	4	5
24	How often do you find yourself not supporting other small businesses when you were supposed to?  Ke ga kae o ehwetša o sa thekge dikgwebo potlana, le gore ge o swanetše go dithekga?	1	2	3	4	5
25	How often do you find yourself not working as carefully with other small businesses relying on your passengers as you should?  Ke ga kae o ehwetša o sa šomišane ga botse le ba bangwe ba dikgwebo potlana?	1	2	3	4	5
26	How often is your quality higher in feeding small businesses with customers?  Ke ga kae kwalithi ya gago e leng godimo ka gona go fepa dikgwebo potlana ka bareki?	1	2	3	4	5
27	How often do you find yourself not concentrating on the information about taxi routes and other business points?  Keg a kae o ehwetšago o sa gone go	1	2	3	4	5
28	How often do assigned routes limit the amount of your daily profit?  Ke ga kae ditsela tše di yabetsego di dira gore o sa be bonolo go dira tšhelete ya maleba tšatši ka tšatši?	1	2	3	4	5
29	How often do you check your profit structure?  Ke ga kae o hlahlobago meputso ya gago?	1	2	3	4	5
30	How often do you set realistic financial plan to start making a profit?  Keg a kae o ehwetšang o bega leano la tšhelete go thoma go dira meputso?	1	2	3	4	5



Appendix E: Face-To-Face Interview Questions for Mankweng Taxi Main Offices: Dipotšišo Tša Mankweng Tša Diofisi Tše Dikgolo

My name is Terrance Molobela, a Master’s student in Bachelor of Administration in the School of Economics and Management at the University of Limpopo. I am inviting you to participate in my research in the form of answering the interview questions. My research is titled “The role of the minibus taxi industry in promoting the development small businesses in South Africa: A case of Mankweng Taxi Association, Limpopo Province”. This interview is for academic purpose only and confidentiality will be highly maintained. As a respondent you are not obliged to disclose your name. I humbly request you to assist by answering the following questions which will take about twenty minutes. However, completion of the interview is voluntary. The interview consists of section A.

SECTION A

Please provide the appropriate answer which best represents your taxi association/ Ka kgopelo efa karabo ye e nepagetšego e emelago mokgahlo wa dithekisi tša lena gabotse:

1. Does your taxi association have a plan for promoting the development of small businesses benefiting from taxi ranks/ if yes, how is that, plan working?/ Na mokgatlo wa dithekisi wa geno o na le morero wa go hlatloša tšwetšopele ya di kgwebo tše di nnyane tše di hlegago go tšeng mo dirankeng tša di thekisie/ ge o dumela, morego yeo e šoma bjang?

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2. Are you aware of the direct beneficiaries of your taxi ranks? If yes, provide some of those/ Na u tseba batho b aba hlegago go tšwa dirankeng tša dithekisi?/ ga eba e, e fana ka ba bangwe ba bona

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3. What kind of challenges do you face in terms of promoting the development of small businesses in your area?/ Ke dihlotlo dife tše o lebalanago le tšona mabapi le go hlatloša tšwelepele ya dikgwebo tše nyane lifelong la geno?

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4. What would you like the government (Department of Transport) and other interested stakeholders help you promote the development of small business?/ Ke eng seo o ka ratang gore mmušo le ba amegang ba le thuše go hlatloša tšwelepele ya dikwebo tše nnyane?

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5. How many taxis are registered and servicing in your association?/ Ke dithekesi tše kae tše di ngwaditšwego le go šoma mokgahlong wa geno?

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6. Do you encourage taxi operators/owners to support other small businesses in your association? If yes, in what ways?/ Na le hlohleletša bašumi ba dithekesi gore ba thekge dikgwebo tše nnyane ka mo mokgahlahlong? Ga eba e, ka tsela efe?

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7. What kind of challenges do you encounter with taxi operators/owners?/ Ke dihlotlo tše dife tše o lebanang le tšena le baotledi ba dithekisi?

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8. How are the working conditions between the taxi business and their direct beneficiaries in your taxi ranks?/ Na maemo a mošomo magareng ga dikgwebo tsa dithekisi le batho bao ba hlegago go di renke tša dithekisi a eme bjang?

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9. How do you deal with taxi violence, and how does it affect other small businesses relying on your taxi facilities and transported passengers to small business areas?/ Na o šoma bjang le dintwa tša dithekesi, gona di ama bjang dikgwebo tše nnyane tše di itshepilego ka didirišwa tša dithekisi, le banamedi ba ba yago mafelong a dikgwebo?

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10. Do you always adhere to the laws regulating the minibus taxi industry, such as the National Land Transport Act, 2009 (Act No.5 of 2009); National Road Traffic Act, 1996 (Act No.93 of 1996); Administrative Adjudication for Road Traffic Offences, 1998 (Act No.46 of 1998) etc./ Na le latela melao e laolang indasteri yeya dithekisi bjalo ka ye?

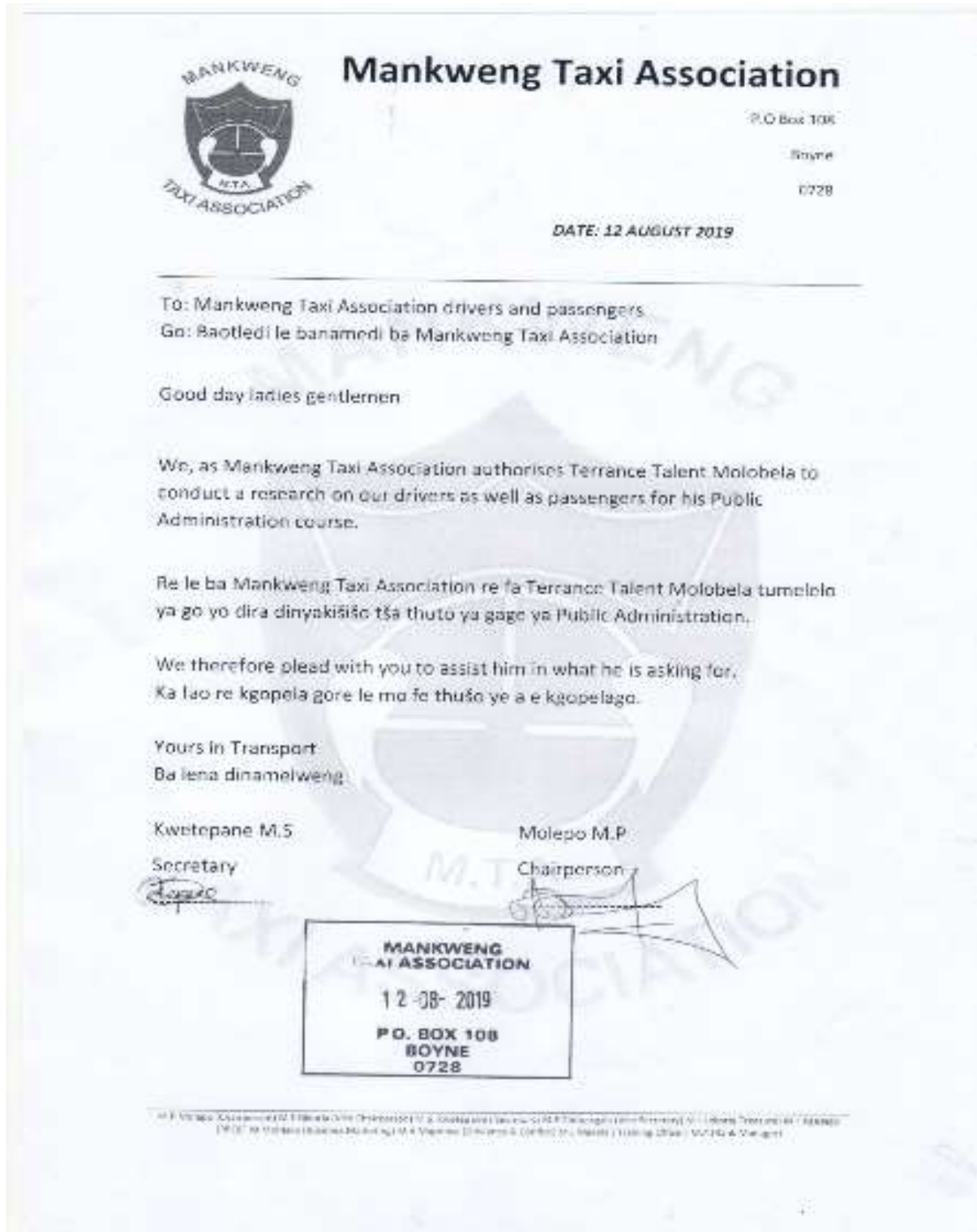
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11. Do you practice what the Labour Relations Act, 66 of 1995 and Basic Conditions of Employment Act, 75 of 1997 stipulates, particularly under matters of fair treatment, working conditions and working hours?/ Na le latela melao e e bolelago ka go kgethega ditaba tša go tswara ka toka, le maemo a mošomo?

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Thank you! Kea leboga!

Appendix F: Letter of Approval to Conduct Research at Mankweng Taxi Ranks



Appendix G: Turfloop Research Ethical Clearance Certificate



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**TURFLOOP RESEARCH ETHICS COMMITTEE**  
**ETHICS CLEARANCE CERTIFICATE**

**MEETING:** 6 August 2019

**PROJECT NUMBER:** TREC/208/2019: PG

**PROJECT:**

**Title:** The Role of Minibus-Taxi Industry in Promoting the Development of Small Businesses in South Africa: A Case of Greater Mankweng Taxi Association Limpopo Province.

**Researcher:** TT Molobela

**Supervisor:** Prof MP Sebola

**Co-Supervisor/s:** Dr TM Ramoroka

**School:** Economics and Management

**Degree:** Master of Administration and Management in Public Administration

**PROF P MASOKO**  
**CHAIRPERSON: TURFLOOP RESEARCH ETHICS COMMITTEE**

The Turfloop Research Ethics Committee (TREC) is registered with the National Health Research Ethics Council, Registration Number: REC-0310111-031

**Note:**

- i) This Ethics Clearance Certificate will be valid for one (1) year, as from the abovementioned date. Application for annual renewal (or annual review) need to be received by TREC one month before lapse of this period.
- ii) Should any departure be contemplated from the research procedure as approved, the researcher(s) must re-submit the protocol to the committee, together with the Application for Amendment form.
- iii) PLEASE QUOTE THE PROTOCOL NUMBER IN ALL ENQUIRIES.