

**ASSESSMENT OF THE NEED FOR BUSINESS SKILLS TRAINING OF
CRAFTERS AT THE GREATER STELLENBODCH DEVELOPMENT
TRUST (GSDT)**

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A minithesis submitted in partial fulfilment of the requirements for the degree of
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DECLARATION

I declare that the research on the assessment of business skills training needs at the GSDT centre is my own work, that it has not been submitted before for any degree or examination at any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

Vuyokazi Luxande

13 November 2006

Signed:.....



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Assessment of the need for business skills training of crafters at the Greater Stellenbosch Development Trust (GSDT)

Abstract

The government of South Africa has invested in cultural industries with a view to developing Small, Medium and Micro enterprises (SMME) that have the potential to generate sustainable livelihoods. Craft in particular is seen as one of the vehicles through which poverty alleviation can take place, due to the combination of low technology requirements with high levels of manual labour.

The study dealt with one multi-site craft based poverty alleviation programme at the Greater Stellenbosch Development Trust and aimed to assess the business skills training needs of its participants. A literature review was undertaken which mainly focused on issues such as Poverty, Unemployment, Training, Craft, Skills Development, SMME's and Gender. It focused on the link between the above and poverty.

A survey was done in the study to gather descriptive data about the need for business skills training of the twenty-two participants involved in the craft industries. A self-administered questionnaire consisting of structured and unstructured questions and individual interviews were used for collecting data. The researcher was available to assist illiterate members. The statistical package for Social Science and Excel was used to analyse the data obtained from the questionnaires. Participation was voluntary and the respondents were assured of confidentiality.

The majority of participants at the GSDT are women between the ages of 30 and 40. The majority of the participants have matriculated. In order to achieve the first objective of the study needs assessment, participants identified skills needed to enable them to run a business. The business skills profile showed that the participants did not keep records of their activities and did not have many resources at their disposal to run a business effectively.

The researcher has concluded that a peoples' based approach is needed to realise the dreams of the participants, and for the GSDT to integrate the needs of the participants and future training interventions.

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LIST OF ACRONYMS

- **SMME** – Small medium and micro enterprise
- **GSDT** – Greater Stellenbosch Development Trust
- **ACTAG** – Arts and Culture tasks group
- **SALGA** – South African Local Government Association
- **DTI** – Department of Trade and Industry
- **ASGISA** – Accelerated Shared Growth Initiative of South Africa
- **NCASA** – National Cooperative Association of South Africa
- **DACST** – Department of Arts, Culture, Science and Technology
- **CCDI** – Cape Craft Design Institute
- **FET** – Further Education and Training
- **SBDC** – Small Business Development Cooperation
- **NGO** – Non Governmental Organisation
- **LSC** - Local Service Centre
- **GEIS** – General Export Incentive Scheme
- **GDP** – Gross Domestic Product
- **ODI** – Organisational Development International
- **LTA** – Local Economic Desk
- **BEE** – Black Economic Empowerment
- **TEP** – Tourism Enterprise Programme
- **ITESP** – Integrated Tourism Entrepreneurship Support Programme
- **THETA** – Tourism & Hospitality Sectoral Education and Training Authority

CHAPTER ONE

INTRODUCTION AND MOTIVATION

1.1 Rationale

New estimates of poverty show that the number of people living in absolute poverty in South Africa did not change significantly between 1996 and 2001. Those households living in poverty have, however, sunk deeper into poverty and the gap between rich and poor has widened (HSRC, 2004). Approximately 57% of individuals in South Africa were living below the poverty income line in 2001, which was unchanged from 1996. The Western Cape had the lowest proportion of poverty (32%). However, the majority of municipalities with the lowest poverty rates are found in the Western Cape. These include Stellenbosch at 23% (HSRC, 2004: 1).



In the past, inequality in South Africa was largely defined along racial lines, but it has become increasingly defined by inequality within population groups as the gap between rich and poor within each group has increased substantially. The Gini coefficient for the African population has risen from 0.62 in 1991 to 0.72 in 2001. This level of inequality is comparable with the most unequal societies in the world (HSRC, 2004:2). Cultural industries have been identified by the South African government as having significant potential to generate employment and hence alleviate the wide spread of poverty suffered by many in the country. Craft in particular is seen as a potential vehicle through which poverty alleviation can take place, due to the combination of low technology requirements with high levels of manual labour (Department of Labour, 2001:39).

The present government has implemented plans for the provision of housing and the alleviation of poverty in disadvantaged areas across the country. Despite impressive gains, many of these areas, however, are still afflicted with problems such as unemployment, poverty and a lack of basic infrastructure. The rate of influx of new residents from the rural areas

continues to outstrip that of all upliftment programmes and the net result is that millions of people still suffer conditions of extreme deprivation (GSDT, 2003).

It was in response to this that the Greater Stellenbosch Development Trust (GSDT) was established; the Trust centre is mainly concerned with the social and economic development of the Kayamandi community members. About 93% of the crafters at the GSDT are presently unemployed women (Luxande, 2004). It was found that some of the crafters were keen to start small businesses but were reluctant to do so because they felt that they have never been exposed to business skills training and thus lack relevant knowledge. Some of the crafters have been in the craft business at the centre for over a year and feel that there has not been any progress/growth in terms of sales. They thus do not see a future in business. The overall idea of the Trust is to link knowledge building and empowerment with action, but little has been achieved thus far. A preliminary pilot needs analysis was conducted by the researcher as part of her job description, with the crafters at the centre in November 2004 and it was found that they felt that, if they could be exposed to business skills training, they would be empowered to become better entrepreneurs (GSDT, 2003). Other identified needs were that they need mentorship. They also felt that low education and literacy levels might hinder the process of starting their business and that that might hinder the rest of the group. Due to the results of the preliminary study the researcher decided as an employee of GSDT to focus on the needs for business skills training.

1.2. Aim of the research

To assess the need for business skills training of the crafters at the Greater Stellenbosch Development Trust.

1.3. Objectives

1.3.1 To conduct a specific needs assessment

1.3.2 To determine the crafters' business skills profile.

1.4. Definitions

For the purpose of the study, the following definitions are given:

1.4.1 **Business skills**- basic skills required to run a business successfully, skills such as: product costing, bookkeeping, marketing, budgeting, product pricing, product development, business management and the drawing up of a business plan.

1.4.2 **Business skills profile**- record of the business activities that the individual has been involved in since being at the GSDT, as well as the resources at their disposal for running their business.

1.5 Research Report Sequence

This provides the outline of the main aspects covered in each of the following chapters.



In chapter 2 the researcher will explore literature in relation to the state of craft business in the global context as well as the South African context; the researcher will further explore the link between poverty, unemployment and gender. The investigator goes further to determine the possible methods to alleviate poverty, which may lead to high levels of employment.

In chapter 3 the researcher will be discussing the motive behind this study; why an interest arose in conducting this kind of a study. In this chapter the researcher will also discuss the research design for the study and the methodologies undertaken to ensure scientific results.

In chapter 4 the researcher focuses on the analysis of information obtained from the participants. This allowed the researcher to gain background information of the participant's self estimated competency, and to assess their business skills profile.

In chapter 5 the researcher will summarize the findings and the overall picture pertaining to the research conducted, which will then lead to a concluding statements and recommendations to the GSDT centre and to further research. The main findings in relation to the objectives of the study; will also be discussed in this chapter.



CHAPTER TWO

LITERATURE REVIEW

This chapter focuses on exploring the links between poverty, craft, unemployment, education and gender. Poverty has had an effect on the participants at the GSDT centre as these participants were forced to look at alternative ways of surviving other than looking for formal employment. Women often bear the brunt of poverty and inequalities in South Africa generally as well as in specific areas in this country. The GSDT centre was established with the hope of gradually reducing those inequalities, alleviating poverty and moreover benefiting the target community. With the high unemployment rates, poverty is worsening in many communities. The following concepts will be looked at: Global context, South African context, poverty, Western Cape demographic trends and issues, unemployment, gender, craft, business skills training, small medium and micro enterprise, and training and tourism within the South African context.



2.1 Global context

Global economic participation has potential but has not necessarily increased employment opportunities or reduced poverty and inequality. Being forced out by other more competitive countries can result in a deepening of poverty within a specific country. The clothing sector's recent experience is indicative. As is stated in the Wolpe Development Strategies (2006: 30):

“What is critical is how countries and regions participate in the global economy. The policy issue is therefore not whether to participate in globalisation but rather how to do so in a way which produces sustainable income growth and spreads the gains throughout income groups. The policy challenge is devising appropriate strategy levers so that firms and sectors do not rely on low wages as the basis for a competitive position, but rather seek to leverage the region's capacities in dynamic knowledge intensive activities. This will be critical to safeguarding and enhancing employment”.

2.2 South African context

In the apartheid era the organizational power of African workers and their freedom of movement were heavily curtailed. Permanent urban settlements of rural people were prevented and even temporary labour was regulated to keep supply in line with demand. In particular, the residents of the so-called homelands, accounting for over half of the African population, faced limited employment opportunities and had negligible bargaining power. Knight (1982) argued that there was much disguised unemployment in the homelands, which is reflected in the market wage in the formal sector (governed by incentive wage and institutional wage determination) and the consequent rationing of formal sector jobs. It is believed that unemployment has been disguised in the sense that many of the families lived on farming activities, which met some of their basic needs.

Initially the GSDT centre planned to register each craft business as a co-operative, once the businesses were sustainable and everything was in place. These businesses were to be registered as co-operatives first to enable them to work as a whole and to instill a sense of unity and solidarity amongst team members. It was also thought that co-operatives stand a better chance to access finance, which is an obstacle for many businesses. Co-operatives were seen as a vehicle for alleviating poverty and decreasing the sense of individualism.

Twelve years after liberation, the persistence of poverty remains a key feature defining South Africa. There have been substantial improvements in the provision of infrastructure and social services, such as clean water for 8 million people, electricity for 1.5 million households, and free medical services to all pregnant women and children under the age of seven (De Swardt, 2003:38). The provision of social security grants has risen steadily, and more people would be below the poverty line without them. Despite these achievements, there is compelling evidence that structural poverty is worsening. Unemployment has risen rapidly, from 16 percent in 1995, escalating to 29 percent in 2002, but if those who are too discouraged to continue to seek work actively are included, the figure rises to over 40 percent (Cousins, 2005: 20). Between 45 and 55 percent of all South Africans presently live in poverty. Rural poverty is a major problem, as over 70 percent of all poor people reside in rural areas and nearly half of these are chronically poor (Aliber, 2003). This reality of structural unemployment and chronic poverty has led to ordinary people looking for alternative means to survive. Research in various parts of the country has shown that the central and most important element of rural poverty is the high degree of reliance on cash incomes exacerbated by a widespread and severe

lack of access to economic capital, land and natural resources (Du Toit, 2005; Bekker, 2003). Du Toit (2005) further goes on to say it is no surprise that the major focus of household livelihood strategies in many rural areas in South Africa is access to cash and paid employment. This focus is normally additional to subsistence agriculture, harvesting of natural resources and other types of livelihood activities. In urban areas, the urban poor also have developed their own multiple livelihood strategies. Many of these are marginal, subsistence and survivalist with no potential or hope of providing a decent livelihood and employment.

At the heart of reducing unemployment and eradicating absolute poverty, and thus growing the SA economy, lies the economic empowerment of women who are the majority of our population and continue to be the poorest of the poor.

The White Paper on Small Business sets forth the national objectives for the SMME sector in South Africa (Republic of South Africa, 1997:15-16). The primary objective is stated as “to create an enabling environment” in terms of national, regional and local policy framework for SMME development. In addition to this basic objective, several more specific policy objectives are identified. The first is “to facilitate the greater equalization of income, wealth and economic opportunities” which is not separable from “a strengthening of the labour-absorptive process in the micro-enterprise and survivalist segments, the redressing of discrimination with respect to blacks and small enterprises in rural areas”. The second objective is to create long-term jobs, which demands policy interventions, designed to upgrade human resources skills and to strengthen the use of appropriate modern technologies. Third is the goal of stimulating economic growth through addressing the obstacles and constraints that prevent SMMEs from contributing to overall growth. Fourth is the policy objective of strengthening the cohesion between efficiency, to address development obstacles and to build collective efficiency, and to take up opportunities. The fifth the objective is to level the playing fields both between large enterprises and SMMEs and between rural and urban businesses. Lastly, the national strategy targets at the goal of enhancing the capacity of small business to comply with the challenges of an internationally competitive economy.

These objectives relate to the SMME programme as a whole, but a need to move beyond survivalist enterprises surfaces at all times. The poorest of the poor are bound to remain in the survivalist category and not take part in the mainstream economy. There is a need is to stimulate capacity building of the poor, more especially capacity that relates to business

management. It has been more than 10 years after democracy but still we see a pool of black owned businesses in the survivalist category.

Manning (1996: 86) believes that it is evident that the national government views SMMEs as key instruments for attaining a number of different objectives, viz employment generation, income redistribution and the enhancement of competitiveness, particularly of small scale manufacturing operations. He further observes that “not only are these very divergent policy objectives, but the policy instruments required to affect them are equally divergent (ranging from technology support, to literacy and numeracy training and access to basic information”. In the past SMMEs have not been getting enough support in terms of capacity building, this is still the norm to date. A gender perspective of the SMMEs has not been factored in these policies; women, who also play dual roles, own many of these informal businesses (these roles are the roles of being a mother, taking care of children, the aged and the sick and at the same time having to work and bring income into the household). With the Shared Growth Initiative of South Africa (ASGISA) government has outlined a series of strategies to accelerate growth and ensure it is both balanced and sustainable (Manning, 1996).

The South African government often sees the small business sector as the panacea for South Africa’s employment and growth problems. The centre for Small Business Promotion in the Department of Trade and Industry is responsible for co-coordinating and implementing the small business development strategy. The Khula Agency is responsible for a financial aspect of small businesses and the Ntsika agency is responsible for the development and support of small businesses.

2.3 Small, Medium and Micro Enterprise

The SA economy is segmented into three sets of enterprise (South Africa Republic, 1995: 9). The first set comprises survivalist enterprises - operating in informal economy; they are defined as activities undertaken primarily by people unable to find regular employment. A second set comprises of micro enterprises that involve the owner and some family members - these sometimes have rudimentary business skills or training. The third set comprises of small and medium enterprises that constitute the basis of the formal SMME economy.

In 1998/9, R77 million, or just 3% of the department of Trade and Industry’s budget, was allocated to the SMME sector. This amount was even less than the R89 million allocated in

1997/8. Most of the previous government's SMME support was passed over to the Small Business Development Corporation (SBDC). The SBDC gave financial and technical assistance to small companies. Many of those that benefited could have got loans from ordinary banks anyway.

In understanding the role of SMME in the post apartheid economy it is important to understand some of the principles which guide government interventions and support infrastructure for SMMEs. Manning (1996:63-67) argues that South African government interventions for SMME promotion derive from identifying three roles for SMMEs in the national economy and society, namely employment promotion, economic redistribution and the enhancement of competitiveness. In terms of economic redistribution, SMMEs promotion undoubtedly will contribute to redressing the economic inequalities inherited from the apartheid period (Republic of South Africa, 1997). According to Manning (1996:244), the successful upgrading of SMMEs into the mainstream economy requires the implementation of policy at a range of levels: micro-level policies targeted directly at enhancing small firm capacity; sector wide policies aimed at improving the performance of all enterprises in a sector; competition in the South African economy; as well macro-economic policies addressing the uncontrolled supply of credit to consumers. Research that has been done as well as experience on the ground show that a very real problem is the access to working Capital.

In common with other SMMEs, craft producers have serious problems in dealing with the cash flow requirements that result from the seasonal nature of the craft industry. All the input costs are upfront costs with retailers generally operating on consignment, or at best 60 days payment terms. This mainly means SMMEs cannot buy on credit or have long-term accounts like any other businesses but have to pay within a set amount of time (CCDI, s.a). Most of these people are crafters who do not desire business (people who have joined the sector because of the high unemployment rates and a need for income). By choice, and sometimes force of circumstances, they will only ever be in the 'business' of producing low -volume high -value items and will probably never create jobs in large numbers (these high value items are items of a very high quality standards, but not produced in large numbers). However they provide a foundation for the rest of the sector- these set very the high standards for other businesses. These typical crafters need financial support and nurturing so their skills are developed and enhanced; so they are able to pass on skills and train a new generation to preserve our national heritage. It has also been noted by Elk (2004) that there are many people at the survivalist

level, in urban and in rural context, that are choosing craft because they have no other way to generate income. "Many individuals resort to doing what they can do in the hope of selling to the local market or passing trade." Elk (2004:4). Elk (2004) further goes on to say that without a particular skill or creative interest in the product, economic necessity is insufficient to sustain a viable craft business; such people do not have a skill to draw on or an aptitude for handwork. They would not necessarily have chosen craft as a career or employment path, and certainly many of them would prefer to be in a steady job, earning a steady income and are not risk taking entrepreneurs.

2.4 Poverty

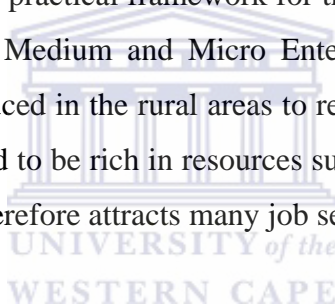
Inequality and Poverty remain a reality for women living and working in South Africa. Section 27 (i) of the Constitution states that everyone has the right to have access to Social Security including if they are unable to support themselves and their dependants (Republic of South Africa, 1997). Women who do not have permanent employment are heavily reliant on social grants. Women carry a heavier burden of poverty since they are the ones mainly responsible for housekeeping and care services for their families. Livelihoods are said to comprise of the capabilities, assets (including material and social resources) and activities required for living (Scoones, 1998:5). This livelihood framework posits that people have access to a range of endowments which are said to be mediated through institutions, organisations and social relations. The outcome of this process is said to produce a sustainable livelihood (however defined). This is also influenced by contextual factors 'over which individuals or households have very little control' (Devereux, 2000:4). Job opportunities for women are generally scarce. This scarcity is more pronounced for women with low educational levels. Women's economic status is thus further weakened while increasing gender inequalities and women's vulnerabilities. There is an increasing skills gap, which further constrains seasonal workers' capacity to negotiate better contracts. The craft industry is also seasonally based, which makes it more difficult for women to survive.

The poor in South Africa are heavily dependant on this social wage/ grants that are subsidized by the government - an unemployment figure of 40% and an ever-increasing move towards cost recovery of social services (such as housing, health and education) by the state does not ease the situation (Oosthuizen & Bhorat, 2005:27). Under the Constitution all organs of state have a duty to promote, protect, respect and fulfill the rights in the Bill of Rights (Republic of South Africa, 1997). All spheres of government must take measures to ensure that poor

communities increasingly access a range of goods and services to ensure a life of dignity and material well-being.

The Constitution also includes “social and economic development” as one of the objectives of local government (Republic of South Africa, 1997). Rural and peri-urban poverty as it exists today is a result of the underdevelopment of the historically disadvantaged, the dispossession of rural people of the means to productive natural resources such as land, water and forests. The process of dispossession unskilling and alienating people from land-based livelihoods has had a bad effect on the livelihoods of many South Africans. It created a severe dependency on handouts and remittances, which continues today (Republic of South Africa, 1997).

However it is believed that government should play an integral part in the skills development of the citizens, by providing a practical framework for the introduction of new technologies or for application in the Small Medium and Micro Enterprises (SMME) environment. These interventions could be introduced in the rural areas to reduce the migration of people to urban areas; urban areas are believed to be rich in resources such as employment. The Western Cape is a tourist destination, and therefore attracts many job seekers.



2.5 Western Cape demographic trends and issues

According to Wolpe Development Strategies (2006:22), it is estimated that in 2005 about 4, 9 million people lived in the Western Cape. This represents an increase of 935 000 over the 1995 headcount and over 1, 9 million more than in 1985. The province has therefore seen relatively rapid population growth over the past two decades; an average rate of 3, 0 percent a year between 1985 and 1995 and 2, 1 percent per annum between 1995 and 2005. This therefore implies that there will still be a significant number of unemployed persons. In addition to natural population increase, migration is an important contributor to demographic change in the Western Cape. This has been the specific trend since the achievement of democracy in 1994.

The increase in the number of working-age people and thus potential jobseekers represents both an opportunity and a challenge. The Western Cape may find itself with a greater variety of jobseekers that may begin to help alleviate labour supply constraints in particular sectors.

However, more potential jobseekers may instead translate into higher unemployment levels, particularly if individuals are not appropriately skilled and are seeking for particular jobs (Wolpe Development Strategies, 2006).

According to Wolpe development strategies (2006) within the province, there is an ongoing shift of population from the more rural areas of the province towards the growth areas of Saldanha Bay, the Southern Cape and the City of Cape Town where opportunities are perceived to exist.

According to Wolpe Development Strategies, (2006) local government must focus on 'getting the basics right' and address fundamental service delivery issues to ensure sustainable communities in the Province. Co-operatives could be seen as vehicles or solutions towards building solidarity and economic participation particularly amongst women as a group. This could work towards decreasing the high unemployment rate and dependency amongst South African citizens.



2.6 Relevance of co-operatives

Workers increasingly are facing retrenchment and worsening working conditions through casualisation, outsourcing and other employer-driven workplace restructuring. In countries such as Egypt, Kenya, Swaziland, India, Brazil, Cuba, Cyprus and Spain (particularly the Mondragon region), co-operatives have been central in overcoming unemployment, poverty and social exclusion. According to the National Co-operative Association of South Africa (NCASA) base line study (2001) this experience of co-operatives makes them relevant in the present challenges facing South African society: employment creation, social inclusion (Jara, 2006), local economic development, building community buying power, and enhancement of broad-based economic empowerment.

There has been a long tradition of co-operatives within the dominant classes in South Africa. Emerging Afrikaner capital, in particular, used co-operative enterprises, especially for the marketing of agricultural products (Jara, 2002). This sector dominated significant segments of agricultural marketing with significant benefits for white farmers and the economy. Various forms of co-operative survival activity have, however, long been a feature among black communities, especially among black women. The urban and rural poor have sustained

various savings co-operatives, for instance – stokvels, burial societies, savings clubs, food purchasing/bulk-buying co-operatives and child-care co-operatives. These instill in their members a sense of self-reliance and an understanding of the virtues of thrift; and provide low cost services (Jara, 2006).

Given the structural unemployment and chronic poverty crisis in South Africa, many sectors of South African society are increasingly looking towards alternative models and options for hope and strategies for livelihoods, transformation and development. The concepts of sustainable livelihoods and development have been adopted across the board. To a lesser extent, the same has happened with regard to co-operatives: government, municipalities, trade unions, communities and NGOs have all taken significant steps to promote co-operatives (Jara, 2006).

The Department of Trade and Industry's Strategy and Policy documents on co-operatives recognize the potential role that co-operatives can play in economic growth, anti-poverty measures and sustainable development (Jara, 2006). President Thabo Mbeki has expressed the government's commitment to the promotion of co-operatives in the 1999, 2001 and 2004 State of the Nation Addresses. According to the South African government budgetary guidelines (Department of Finance, 2000:2), poverty alleviation programmes should:

- Provide relief of specific instances of poverty in the poorest areas of the provinces;
- Assist in human development and building capacity;
- Provide jobs and in doing so ensure community involvement;
- Have an impact on households in which single women are the main breadwinners;
- Seek to make projects sustainable in the long term.
- Empower communities with various skills in order for them to take part in economic activities. GSDT has been identified as one of the projects that may facilitate economic growth, through various projects.

Cooperation at community level may be regarded as another strategy that may reduce the high unemployment rate dramatically. This will not only reduce unemployment but also help communities to be economically and socially active.

2.7 Unemployment

Unemployment has increased rapidly in black townships particularly due to migration, which started prior to the 1990's. The tendency of people to think that there is a higher employment rate in urban areas compared to the rural areas, has led to an increase in urban populations.

2.7.1 Definition of unemployment

According to the Poverty and Inequality Summary Report (1998), two different concepts of unemployment are used routinely: the strict (narrow) and the expanded (broad) definition. The broad definition accepts as unemployed those who did not search for work in a 4-week reference period but who report being available for work and say they would accept if a suitable job were offered. In 1998 the narrow concept was declared the “official” definition of unemployment. The South African statistical agency continues to publish statistics for both the broad and the narrow definition of unemployment. Department of Labour documents tend to report the narrow (official) rate of unemployment rather more often. The narrow measure is also the only measure of unemployment reported in important sources such as the SA reserve Bank's website (<http://www.reservebank.co.za>).

Altman (2002:6) regards it as “unfortunate that broad definitions of unemployment are not much discussed any more” yet, for the South Africa labour market, it has been argued that the broad measure of unemployment is the more accurate reflection of joblessness than the narrow measure. Kingdon and Knight (2005) find, firstly, that in South Africa the non-searching unemployed are, on average, significantly more deprived than the searching. The fact that they are not better off casts doubt on the interpretation based on tastes (lack of desire for employment) and favours the interpretation that active search is discouraged (low prospective returns to search). This suggests that search is hampered by poverty, by the cost of job search from remote rural areas and by high local unemployment. Non-searching unemployed are not any happier than the searching unemployed. Their unemployment depresses their subjective well being to the same extent as is the case in searching unemployed i.e. the non searchers are no less pained by their joblessness than the searchers.

2.7.2 Formal and informal sector employment

A distinction can be made between the formal sectors (comprising forms that are formally registered) and the unregistered, referred to as informal sector. The informal sector workers fall outside the labour regulation system, and generally receive much lower income. The formal sector in South Africa possesses as the characteristics of a middle-income country, whereas the informal sector has those of a poor, less developed country (Kingdon & Knight, 2005).

The informal sector is a residual sector into which workers can in principle move; the informal sector has grown rapidly in response to the growing divergence between labour demands and the available skills. The free entry parts of the informal sector contain a good deal of underemployment and poverty (employing job seekers who do not have any specific skill or a skill required for a job). Since 1994, the South African economy has undergone significant changes with the government implementing various policies aimed at redressing the injustices of the past, fleshing out the welfare systems and improving competitiveness as South Africa becomes increasingly integrated into the global economy. These policies such as Skills Development have, directly or indirectly, impacted on the labour market and consequently, on the lives of millions of South Africans (Du Toit, 2005). The introduction of these policies means that employees, even the unemployed, are enabled to enhance their skills further, and acquire skills that they never had before.

The Western Cape's changing demographics present short-term risks and challenges, risk of unemployment as the working age population increases faster than the number of jobs created, hence raising unemployment rates in the Province. This short-term risk is caused by the migration, particularly of young people from other parts of the country who believe that the Western Cape has better employment on offer.

2.7.3 Rising unemployment

Department of Labour (2006) statistics show that unemployment rates are likely to vary on a spatial basis, depending on the regional socioeconomic characteristics of the specific region. The factors are complex. For example, the level of economic activity within a region may, on the one hand, be linked with lower rates of unemployment because there are relatively more employment opportunities. On the other hand, such areas are more likely to attract work

seekers, thereby increasing the supply of labour and resulting in higher rates of unemployment.

The Western Cape is under-represented in the skill- and technology- intensive economic activities that account for global economic dynamism. Evidence of a critical mismatch between levels of educational attainment and skill levels of school-leavers and young graduates and those demanded by the workplace pose serious challenges to the Province (Whole Sale & Retail Seta Report, 2005).

Both broad and narrow unemployment appear to have increased over the last decade, as has the narrow unemployed labour force, although it is only the change in the number of broadly unemployed individuals that is statistically significant. Broad unemployment grew by 179 000 individuals over the four year period, equivalent to an average annual growth rate of 9, 2% (Kingdon & Knight, 2001:16).

Unemployment has been discussed and in the following section the aspects of gender will be examined more closely.



2.8 Gender

The term gender refers to the different roles and responsibilities that societies and cultures impose on men and women, because of their biological differences (SALGA, 2002). Women and men tend to play different roles in their homes and communities, and this is mainly informed by social values about what constitutes proper behaviour for the different sexes. Traditionally, women take care of the family children, cook, clean, fetch water, help children with their homework, and so on. This is called the reproductive role of women. Men traditionally play a very limited role in this area. Because women have the biological functions to reproduce people, it is seen as the natural responsibility or duty of women to look after the well-being of other people and perform domestic tasks. Both men and women work to earn an income, whether in the formal or informal sector. This is called their productive role; however the men and women involved in this productive work tend to do different things and are often rewarded in different ways. A sexual division of labour often prevails in the workplace: most women work in sectors like health, welfare and education. Men on the other hand dominate technical and managerial positions. They are often in more senior positions than women and sometimes men working in the same positions as women are paid more, or have access to

more benefits (INTRACT, 2003).

Many women find it hard to find formal employment for a number of reasons. Some do not have formal education or cannot combine formal working hours with their domestic responsibilities. Consequently many women make a living in the informal sector. It is generally found that the informal sector is made up of a greater proportion of women (SALGA, 2002: 11).

Pregs Govender (as quoted in the Money matters: women and the Government budget, 1998: vii) says:

“Women often respond to the words ‘economic’, ‘macro-economics’, ‘budgets’, and so on with feelings of fear and inadequacy. We associate these with experts who do not look like us. They do not have to balance caring for children, the elderly or the sick, doing domestic chores and working in fields, factories or offices. Yet it is women who are expected to stretch their time to catch the fall out from decisions made by economists, for example, macro-economic choices resulting in cuts to health, welfare and so on. In 1994, when questioned on the impact of women as the majority of the poorest, the response from the Director general of Finance was that these questions should be posed to the Welfare Ministry. Later that year, when I presented the idea to the parliament of South Africa of doing a women’s budget, it was precisely to make women’s contribution to the economy visible and valued. Since then, we have used parliament to secure important commitments from the finance Ministry to ‘engendering the budget policy and macro-economic policy’. The joint initiative we have engaged in with the Community Agency for Social Enquiry (Case) and the Institute for Democracy in South Africa (Idasa) has analysed the budget of every department. The women’s budget challenges inherited inequalities of race, class and gender. This popular version will further empower women at local, provincial and national levels”.

Because women do not bring cash home, women’s’ contribution are often undervalued. Women at all levels need to understand economics. If women do not understand how budgets and the economy work, they will not be able to advance their struggle very far. Power will stay

mainly in men's hands at every level of society. Women will only win freedom when they have economic independence. A person's control over money is most simply measured by how much money they can bring in. People with less control over resources have to depend more on the government to get basic and essential goods and services (Hurt & Budlender, 1998:11). Despite the fact that women-owned enterprises are contributing an increasing share to national revenue, they are generally perceived to lack the capacity of their male equivalents, and nearly all women enterprises belong to the lower end of the SMME category, being either very small or micro sized companies.

2.8.1 Heading the household

Households headed by women are generally poorer than other households. In 1995, the average annual income of households headed by men was R48 000. That of woman-headed households was only R25 000 (Hurt & Budlender, 1998). There are also big differences between different types of woman-headed households. In some cases, woman-headed households are better off than others are. For example, a study done in 1992 found that where the woman who headed the household was more than 60 years old, the average income per person per month was R179. For households headed by young rural woman, it was R126. However, for those households headed by young urban women, the average income per person was R327 (Hurt & Budlender 1998:11).

2.8.2 Education level

Decades of apartheid have left South Africa with big difference in formal education levels between the race groups. At all levels, the race differences are much greater than the difference between women and men. For example, in 1995, 72% of white men and 66% of white women of 20 years or older had completed at least matric. Only 18% of black African women and 21% of black African men had done the same (Hurt & Budlender, 1998).

The same level of education does not bring the same economic return to women as it does to men. When educational level and earnings are compared, African women, earn between 15% and 28% less than African men with more or less the same level of education (Hurt & Budlender, 1998: 11).

2.8.3 Women and work

Most women who are self-employed and run SMME's have tiny businesses that merely make it possible for them to survive. This is known as the survivalist sector of the SMME's. For example, women who sell fruit and vegetables try to earn enough to help their families survive. However, they are not able to make a profit and grow their businesses. Women and further men who work for the owner of an SMME often earn worse wages than workers employed in big businesses in the formal sector. SMME employers say they do not make a big enough profit to pay more. Craft can be seen as a vehicle to alleviate poverty that does not require much capital but is labour intensive. Many craft projects though have the characteristics of survivalist projects (Elk, 2004).

2.9 Craft

Widely quoted statistics tell us that the South African craft industry generates over R3, 5 billion in revenue each year and employs over 1.2 million people (Elk, 2004:1). The sector provides a key access point into the economy for thousands of marginalized people the majority of which are women. It has also been identified as a priority growth sector by national government and has been a beneficiary of millions of poverty alleviation fund Rands. Elk (2004) further goes on to say Craft as a productive activity is often seen as an effective means of creating sustainable livelihoods and nurturing small, medium and micro-enterprises. This is so because it has the unique potential to draw on existing cultural and human capital. It is also an accessible industry with low entry levels both in terms of skills and capital requirements, and because it is often home-based, allows for flexibility in terms of childcare, household responsibilities and in the rural areas, agricultural production. Women join the informal sector, because of many reasons such as the industry not being capital intensive, and because it does not require a large labour force, more over they can use skills which they already possess. Craft also offers the opportunity for the expression and preservation of cultural heritage and has soft benefits in the form of self-development, self-esteem enhancement and the building of life skills. Elk (2004:1) believes that the sector "provides an entry point to the economy for under resourced groups who are then able to develop their skills through experience. Craft activity acts as a low-cost training school for skills which can later be used in the formal sector".

Stevens (2001:77) and Goldbatt, Hemp & Sellschop (2002:10) see three different craft sectors

or divisions in South Africa namely Traditional, Transitional and Contemporary. These are made along the lines of creative input into the objects. Stevens (2001) goes on to define 'Traditional' craft as activities found largely on the rural areas where poverty is rife. Large percentages of these crafters are women skilled in craft. When prospects are grim, women turn to discover their own history for such hope and expectations (Afshar, 1991:20). 'Transitional' crafts develop from traditional crafts in response to changing circumstances, new material or the changing demands of the market. By comparison Stevens (2001:78) sees 'Contemporary' craft as having a predominantly urban base, where practitioners are highly trained (usually in tertiary institutions).

Cohn (2004) states that the Arts & Culture Task Group (ACTAG) report defines craft as "the production of a broad range of utilitarian and decorative items manufactured on a small scale with hand processes being part of the value added content. The production of goods utilizes an array of synthetic and natural material" and often draws on traditional skills. Increasingly the emphasis is being placed on the hand-manufacturing component needing to add significant value to the final product. In its drive to increase market share and enter the mainstream retail economy activity - which locally at least requires the education of consumers concerning the value of local and handmade products - the sector battles against three common perceptions; product quality, product pricing and product development, that hinder its marketability (and thus growth) and actually disguise the real wealth and volume of products currently entering the market. Cohn (2004) also suggests that craft is an accessible industry with low entry levels both in terms of skills and capital requirements and because it is often home-based, flexibility is possible.

Craft as a product of culture, plays a critical role in development through sustaining built and lived heritage, encouraging the contemporary cultural industries and recognizing the impact that culture has in defining identity and fostering a sense of empowerment (DACST, 2001: 24). The development benefits of culture are that they have both social and economic impacts. Many skills, particularly in black communities, are home learned (are passed on from generation to generation). Crafters will likely need to enhance these skills and catch up with technological advancement. The only way that this can be done is by training or skills development. To realize the potential of the sector for economic growth, we need to ensure we are producing the right products for the right markets in the right quantities and at the right time. In many cases, the product market match is probably one of the greatest challenges in the

sector. It is common to see many struggling SMME's and community based projects surviving from one sale to the next. That mainly characterizes GSDT craft projects.

To sum up this section; South Africa is unique and cannot be compared to any other country. The diverse cultural can be seen in all the different provinces. Each province is even unique in nature and unemployment trends that have been observed. The researcher has been particularly interested in the Western Cape where the research is conducted. Individuals migrate to the Western Cape with the hope of finding employment. In the Western Cape there are rich communities, but also poverty stricken communities, mostly black communities. Co-operatives can be seen as one of the best ways to alleviate poverty and to reduce the high unemployment rates.

Training could be one of the steps to be followed to enhance the skills of the citizens of South Africa, particularly of those who are interested in starting their own business ventures. Skills are needed to run an SMME and to produce high quality goods for the tourist markets. Craft projects could be seen as a way of uplifting poor communities.

2.10 Skills development programmes

Skills' training has become a central plank in the government's labour market policy. This is due to the fact that there is a lack of scarce skills in the labour force. In 1998 National Skills Act was enacted and in 1999 the Sector Education Training Authorities (Seta's) were created to charge firms a skills levy, to be repaid on the production of evidence by the firm that it is undertaking approved training for its workers. Setas are also mandated to encourage further education and training (FET) institutions in the provision of education and skills for work. The rationale for Seta's is addressing the shortages of skills, which according to firm reports act as a constraint to employment and growth in South Africa (Whole Sale & Retail Seta Report, 2005).

However, apart from a few studies (Felton, 2003; Lundall, 2003), relatively little is known and systematically documented about workplace skills in South Africa. Indeed there are apparent contradictions and gaps in the evidence base. In some instances education levels are clearly low. Firm surveys report that firms find it difficult to recruit professional, managerial and technical staff. On the other hand, however, observed behaviour of firms is somewhat inconsistent with the existence of a skills gap that constrains their business growth (Kingdon

& Knight, 2005). This means that they are not fully making use of the skills development Act of the Republic of South Africa to improve the skills of those who are unskilled.

Since 1999 there have been financial incentives for firms to train workers: firms that engage in training can reclaim their expenses but Seta's have found that their large skills levy revenues remain largely unclaimed by the firms. Evidence from a small survey (Felton, 2003) suggests that firms lack knowledge about what skills are lacking. This is contrary to the idea that firms perceive lack of skills as a major problem hindering their performance.

The real challenge for skills development within SMMEs lies on the level of training. With formal training SMMEs could contribute towards reducing unemployment and increasing broad based economic empowerment. Report editor Simon McGrath, of the Center of Comparative Education Research at the School of Education in England, said: "Informal training could be seen as providing a rapid and relevant response to the skills needs of SMMEs as it avoids the two major challenges of time and money" (Herald Business, 2005:25). However, informally trained workers do not respond well to technological changes and such training does not address the longer - term skills gaps.

"As a result of the high unemployment in South Africa, many small and micro-businesses are established purely out of the need to survive. But these enterprises could make a huge impact on our economy if they were better equipped with business skills", said Stuurman (2005, 7) Stuurman (2005) said profitable small, medium and micro enterprises (SMMEs) are vital for sustainable development in our country. However, many entrepreneurs are unable to grow their ventures simply because they lack skills in critical areas such as bookkeeping and marketing.

In December 1999, the Craft Sector Partnership commissioned an audit of craft assets in the Western Cape Province. Key recommendations of the strategy included:

- The creation of the Western Cape Craft Business Centre,
- The development of a craft-training fund,
- The development of a product development and marketing fund, and

- A Creative Cape Campaign (Wesgro Background Report, 2000). It is of interest to note that the critical areas are not unique to the Western Cape alone, but common to the industry throughout the country.

Skills could be seen as a potential resource for the growth of South Africa's economy, ignorance of basic business knowledge skills may hinder the establishment of better networking. Recent studies portray that unemployment has decreased in South Africa since 2002 as people have started their own informal small businesses. A link is noticeable between poverty and unemployment; this is becoming much clearer in the present decade (Kingdon & Knight, 2005).

Women are mainly in the survivalist sector, therefore government programmes should be targeting and channeling resources into programmes that target survivalist and micro enterprise categories so women can benefit. Crafters are under pressure to perform in all aspects of the business from design to product development, to production management, to cash flow management, marketing, sales and distribution. Such expectations are not placed on individuals in other sectors. The reality is that many crafters are not business people and have little aptitude for business and do not want to become managers of small businesses. The craft sector in South Africa is inextricably linked to the tourism sector. Tourists continue to demand good quality handmade African craft products and the availability of these products continues to draw tourist to our country.

2.11 Tourism, entrepreneurship and SMME development in the developing world

GSDT is a typical tourism destination centre; the nature of the items or products that are sold in the centre says it all. The main businesses activity at the centre is aimed at tourists, who are the biggest buyers.

Tourism is now one of the largest employers in the world, employing some 200 million people. According to World Travel and Tourism satellite accounts tourism was expected to post US\$6 201 billion of economic activity (total demand) during 2005 and this is forecast to grow to US\$10 679 billion by 2015. In 2005, the travel and tourism industry was expected to contribute 3, 8% to worldwide gross domestic product (GDP). The broader travel and tourism

economy was forecast to contribute 10, 6% to the world's combined GDP in 2005 (Economist Intelligence Unit Limited, 2004). The increase in international tourism can be ascribed to a number of factors such as an increase in disposable income, an increase in free time, improved transport infrastructure, and improved communications (particularly access to e-mail and the internet).

Although there can be little doubt that the tourism sector is significant in terms of its contribution to the growth of an economy, many doubt the ability of the industry to contribute towards shared growth and the transformational development of the economy. As an example, Africa receives only about 3 – 4 % of all international travellers, and it would seem as if the major benefit is reaped in the established sphere of the economy. Although this may be true, there can be no doubt that the industry plays a crucial role in the economy of developing countries. An analysis of tourism's contribution to the country's exports presents some perspective on the percentage of total exports generated by tourism. (ODI, 2006). Nevertheless, Lea (1998) has observed that the extent to which tourism can actually promote business activity in a Third world country had still not received much attention. Indeed, it is argued that entrepreneurship and small business development occupy only a minor position in the plethora of writings on tourism both in developed and in developing countries (Shaw & Williams, 1998).

2.11.1 Key tourism challenges

The following are considered by the Wolpe Development Strategy (2006) to be the main challenges facing the tourism industry, and a broad distinction can be made between those that affect the growth of the industry (mainly the commercial market) and those that affect the development and shared growth of the industry:

2.11.2 Challenges that affect the (commercial) growth of the tourism industry

According to the Wolpe Development Strategy (2006) the nature of the industry is fragmented, with weak linkages between the main stakeholders in the value chain such as transport, accommodation, and restaurants. This can be attributed to the absence of a co-operative approach where stakeholders refer clientele to each other, thereby offering a more diverse package to the client. The lack of such a co-operative approach means that stakeholders, and therefore the different areas within the Winelands, effectively compete with

each other by chasing after the same market instead of developing a more comprehensive product to grow the size of the market.

In general, the local industry tends to put too much emphasis on the international market, which is perceived to be more lucrative. Although the average international visitor may spend more than the domestic visitor, international market is more volatile than the domestic market. Also, the domestic market generates at least as much, if not more, profit than the international market. Most of the local tourism desks (LTA's) experience budget constraints, which severely limit their abilities. This can largely be attributed to a lack of effective communication between the LTA and the municipality. As a result, the municipality may not be fully aware (or appreciative) of the value of the LTA and its role in the local economy. Added to this, most of the LTA's are understaffed, or they cannot attract highly qualified people due to the low salaries offered (Wolpe development strategies, 2006).

2.11.3 Challenges that affect the shared growth and development of the tourism industry

There is a skills gap in the industry, particularly amongst the emergent tourism entrepreneurs. This refers to both people and business skills. Despite a BEE scorecard, the industry is still largely White owned. According to the Local Economic Development Strategy (2006) there seems to be a lack of knowledge about the various support measures that are in place, including the training offered by THETA, the incentive packages offered by the DTI, and the range of local support measures such as the Tourism Enterprise Programme (TEP) and the Integrated Tourism Entrepreneurship Support Programme (ITESP).

In this chapter the links between poverty, unemployment, gender, SMME's, tourism and skills training were discussed to give a background to the context of this study. In the following chapter the methods employed in this study will be discussed.

CHAPTER THREE

RESEARCH METHODOLOGY

A discussion of the research methodology and design of the study will be presented in this chapter. The aim of the study is to assess the business skills training needs of the participants at the GSDT center.

3.1 Situational context

On the Northern fringes of Stellenbosch, a primarily wine-producing district lies the suburb of Kayamandi. Originally occupied by some 6000 permanent black residents, the suburb's population has grown dramatically over the past decade, now approximating 25 000 inhabitants (GSDT, 2003). A group of local people recognized the needs of the broader community and decided to attempt to assist in meeting those needs. They formed the Trust, which was registered as a non-profit organization on 15 January 2002, as a vehicle to bridge the divide between various groupings in the district (GSDT, 2003). The main objectives of the Trust are to initiate the implementation of projects designed to encourage self-sufficiency and the development of entrepreneurial skills within the participating community. For the Trust to achieve these objectives, it focuses on sustainable projects geared towards improving the skills of those who participate. Projects aimed at achieving this include the support and promotion of cultural and artistic development in the beneficiary community; the facilitation of educational sponsorship for children of indigent parents; the facilitation of training of Kayamandi homeowners as hostesses in the hospitality industry; the soup and bread kitchen that is provided in partnership with various benefactors; the music project for children; a free legal aid clinic sponsored by the University of Stellenbosch and a family counseling unit (GSDT, 2003).

The researcher is an ex- part time employee of the GSDT where her role was that of a project mentor within the support and promotion of the cultural and artistic development section of the GSDT in 2004-2006. The idea of the research topic was thought through while the researcher was still at the Trust in 2004, and this thinking was based on the preliminary research, which was conducted at the Trust by the researcher. She has since resigned her position for other more permanent employment but still has access to the group and the GSDT is still supportive of the research being conducted within the project. The role of the researcher

in the project was to mentor all participants in the craft projects and advise the Board of directors of any training needs required to comply with competitive standards in small business management skills, incorporating the competency to make the projects embarked upon sustainable, finding markets and product development. Another aim was ensuring that all participants in the various craft projects conducted at the Trust obtain the skills necessary to achieve personal growth and economic independence. The researcher, through the preliminary needs assessment, has observed that the participants may require intensive training in business skills. It was therefore the researcher's responsibility to make recommendations to the Board of directors concerning the training needs of the participants. Nine crafters are involved at the centre on a full-time basis; they work on the craft from Monday to Friday. The group has never been exposed to business skills training. The idea of the researcher was to conduct a thorough research and inform the Trust so that it could compile a comprehensive training manual for the participants. Not much training was undertaken at the Trust because of the fact that it was the beginning phase of the trust and there were many other areas to develop. Technical skills' training was given by volunteers but this occurred only once in a while.

It is noted that the researcher may present a subjective perspective in the findings in this study; this is due to the fact that the researcher was employed at GSDDT in the role of a mentor to this group of women. Opinions were thus formed during informal interaction on a daily basis prior to conducting this research.

3.2 Methods

In order to address the aim of this research namely to assess the needs for business skills training of crafters at the Greater Stellenbosch Development Trust (GSDDT), a descriptive study was undertaken. A survey was used to gather the data from the research participants. By definition, a survey is a method of collecting information/data from people about their ideas, feelings, plans, beliefs and social, educational and financial backgrounds. Surveys are always more appropriate to use in circumstances where information/data needs to be retrieved directly from people (Fink & Kosecoff, 1996: 13). This study was concerned with retrieving information from crafters at the GSDDT on their subjective feelings and opinions about their business skills and needs in order to develop an appropriate training programme that would empower them in their business ventures. Therefore, a survey approach was most suitable. Additionally, surveys can be used for any type of research be it descriptive, explanatory or

exploratory. In this case, this type of research was suited to pursuing the study. (Fink & Kosecoff, 1996: 13).

3.3. Data collection techniques

Both qualitative and quantitative methods were employed in this study. A structured questionnaire and unstructured informal individual interviews were administered on two different occasions to gather the data from research participants. This means a triangulation of methods was applied to complement one another to ensure a more reliable study since the weaknesses of one method will be compensated by the other (Denzin, 1978, cited in Mathison, 1998:14). Individual interviews helped to explore those aspects that were not captured with the use of the quantitative method, which included participants' subjective practical experience. Babbie and Mouton (2001: 53) argue that qualitative research enables us to study human action from the insiders' perspective. In a similar argument, Murdaugh, Russell and Sowell (2000:1580), argue that qualitative methods offer many advantages to a researcher in that they are flexible, inexpensive and do not discriminate against those who are illiterate in the study of populations such as some of the crafters under observation.

The research instruments were developed from scratch and it was important that *validity* be ensured. Validity refers to the extent to which a study accurately reflects the specific concept that the researcher is attempting to measure. In assessing content validity, the survey can be validated by proving that its items accurately represent the characteristics or attitudes they are intended to measure (Babbie & Mouton, 2001: 123). For content validity the researcher consulted experts in the field and also gathered information from existing programmes and consulted related literature, which has led to the compilation of a list of concepts such as budgeting, marketing costing, pricing, bookkeeping and management skills. A pilot study was done by applying and testing the questionnaire and interview guide with another group of four individuals with similar socio-economic background, for readability and face validity to ascertain the best approach to soliciting information from the participants. This was done at another craft business based in Kayamandi. The questionnaire was adapted by simplifying the English language so as to allow the intended participants to understand. This facilitated fieldwork and analysis.

A structured questionnaire and an interview guide were designed in accordance to the objectives of this study to gather information regarding business skills training needs (refer to addendum). Section A of the questionnaire dealt with the demographic details of the research participants. Section B was used to measure the participant's business skills training needs, covering the concepts of budgeting, marketing, product costing, product pricing, product development, business management, book keeping, and the drawing up of a business plan. Section C of the questionnaire was used to determine the participant's business skills profile and to find out which skills the research participants currently possess by assessing their perceived proficiency in various business skills relating to business management. The interview guide followed the same arrangement of themes but was more open-ended in the questioning. Mouton (2001: 289) argues that this approach differs from most other types of interviews in that it is an open interview, which allows the interviewee of the study to speak, rather than only to respond to predetermined questions.



3.4. Sampling

The universum for the study was all participants at the GSDT. Initially the total population of 22 crafters at the GSDT formed the sample. The study was conducted in Kayamandi only within the parameters of the GSDT. The respondents were between the ages of 18-50 years. The selection of this sample was purposive and participants were chosen because of their accessibility and because they are suitable subjects in relation to the purposes of the study. The size of the sample was determined by the number of crafters at the centre. Findings were relevant to the study sample and were not generalized to all unemployed women. The results of this study were used in order specifically to address their needs for programme planning. The total population at the GSDT was 22 crafters but only 9 respondents took part due to the fact that some were still on holiday at the time of research and others were employed elsewhere.

3.5. Research Procedures

The Trustees agreed verbally that the researcher could pursue the research but only if the results were made available to the centre. The questionnaire was group administered by a researcher who assisted respondents on any questions they may have had about the study, clarification on any question that they might not have understood on the questionnaire, more importantly assisted those respondents that cannot read or write in translating and filling in the questionnaires. For the individual interviews, respondents were asked to say anything that was related to their prospective businesses. This second session of data collection was anticipated to occur a month after the initial data from the questionnaire had been collected. The data collection was conducted during lunchtime at the centre. The researcher is of the same ethnic and cultural background as the respondents. According to Kruger and Gericke (2004:37), at least this ensures compatibility between the researchers and the participants in order to overcome cultural, and language barriers in the conducting of the interviews and ensures that participants will feel more comfortable to share their ideas.

Probing questions like the following were asked:

Which kind of training do you need your businesses to be successful?

What would enable you to make this business better?

What do you think should be done differently at the centre that is currently not done?

What is your other source of income?

How do you survive with no income?

3.6. Data Analysis

Data analysis was done in consultation with a qualified statistician. Such analysis was done with the Statistical Package for Social Science (SPSS) with the aim of determining the descriptive statistics of the database and variables. The information gathered was displayed in the form of frequency tables and graphs. Qualitative data analysis will be done through thematic analysis, a strategy of identification of common analytic themes and fragmentation of

the data according to emergent conceptual schemes (Coffey & Atkinson, 1996), in order to interpret the data obtained from interviews.

3.7. Ethical Considerations

Care was taken to conduct this research in an ethical manner. Confidentiality of the participants was guaranteed and no names appeared in the final research findings. Participants were given the researcher's contact details should they have wished to withdraw from the study at any time or raise any questions that they felt uncomfortable with. The participants were informed that they had the right to participate or not to participate.

In the next chapter the results of the study will be presented.



CHAPTER 4

RESULTS AND DISCUSSION

The study investigates a one multi-site craft based poverty alleviation programme at the Greater Stellenbosch Development Trust (GSDT) and aims to assess the business skills training needs of its participants. A survey was used in the study to gather descriptive data about the need for business skills training of the nine participants involved in the craft industries, whilst also determining their business skills profile. The following aspects will be addressed in this chapter: the demographic characteristics of the respondents, the need for business skills training and their business skills profile.

4.1 Demographic information

The sample consisted of nine respondents from the GSDT; 77% of the respondents were females between the ages of 18 and 60 years. Respondents were mainly Xhosa speakers (77%) who migrated from the former Transkei and Ciskei areas. Many of them were bread winners (66%) in their families, and were self-employed.

The demographic characteristics of the group of respondents at the GSDT will be described. The aspects observed were related to gender, age, level of education and household income.

4.1.1 Gender distribution

The bulk of labour force is located in urban areas, and in 2002 less than 38% were located in rural areas in 2002. In this GSDT study, craft projects were mainly constituted by females (78%), with males comprising a smaller number (22%). The males tend to focus on art - related work as compared to knitting and other craft activities done by females at the centre.

The fact that there are so many females participants involved at the GSDT confirms this. However it may be that unemployed males seek help and solutions at places other than craft projects. Unemployment contributes greatly towards poverty and poverty impacts more on women than on men. Therefore women become the end – users of the environment and in this way the labour force, especially in the informal area, is increased (Casale and Posel, 2002).

Gender plays a role in development at large. Many women in the informal sector are in survivalist business ventures, which mainly focus on putting food on the table for their families. In fact, rural African females account for almost one-quarter of the increase in the labour force in SA between 1995 and 2002, although it is impossible to determine this group's full contribution due to migration to urban areas. This may mean that influx from rural to urban areas is steadily decreasing. The women in Kayamandi have migrated from the Eastern Cape to urban areas seeking jobs, for the betterment of their lives. There is a tendency to believe that urban areas offer more job opportunities for the unemployed. It may seem that women are more interested in doing craft because it fits in well with their other family responsibilities; however, the researcher who was also an employee at the GSDT did not find this true when she conducted the interviews. The researcher found that participants were reluctant to join craft projects because they are characterized by low wages as compared to the formal sector. Some of the participants particularly the youth only work at the centre while they are seeking formal jobs.

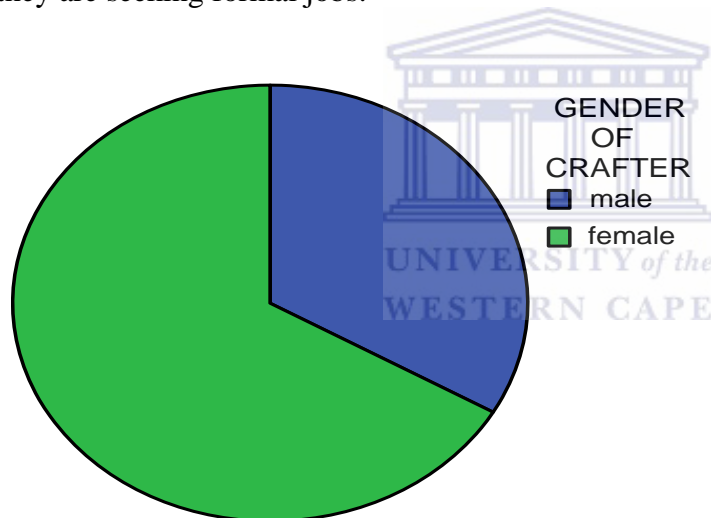


Figure 1: DEMOGRAPHIC INFORMATION: Gender (n=9)

4.1.2 Age distribution

The participants at the GSDT fall into four age groups. Of these the 40 – 49 years old group is the largest.

Generally it has been noted in Kayamandi that there is more unemployment among young people than older people. Young people may not be interested in doing handwork; it is more of an interest to older individuals who may not necessarily be accepted in the working force. It may also be that

young people are not keen to wait long in order to make money or earn a living. Craft takes time and you do not see the fruits of your labour soon. Many young people also do not enjoy crafting, especially if they do not have an interest in the particular craft they are doing.

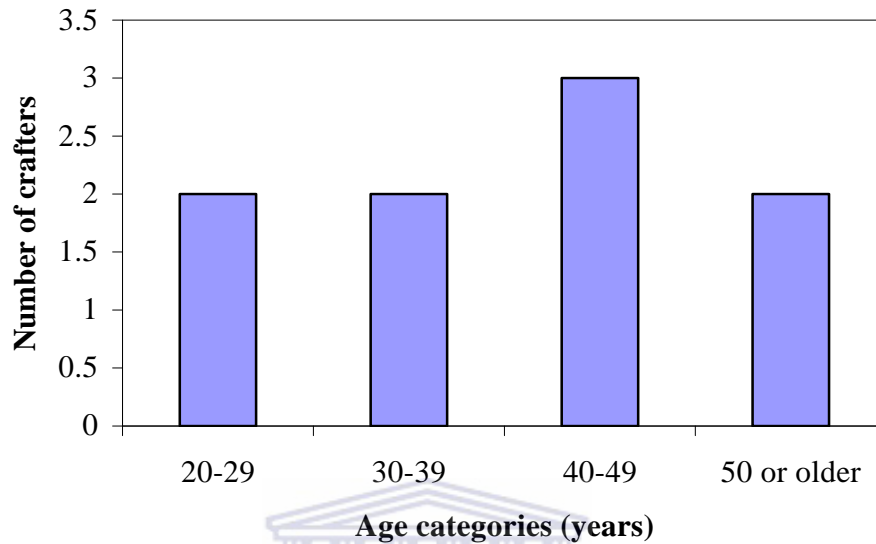
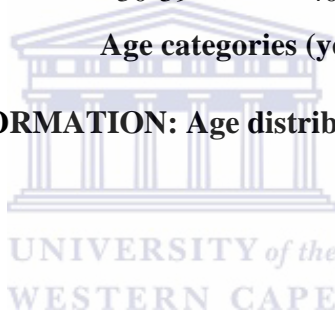


Figure 2: **DEMOGRAPHIC INFORMATION: Age distribution (n=9)**



4.1.3 Level of education

The research shows that the majority (78%) of the participants have reached between grade 8 and 12. Education levels play a greater role in the developmental stages of a business. For instance, an individual could produce an up market product but when it comes to booking and dealing with finances, a problem arises due to lack of education.

Casale and Posel (2002) further say that surveys indicate that growth in the labour force during the post apartheid era can be broadly ascribed to predominantly African new job seekers who are increasingly females, living in urban areas with some level of secondary education (either incomplete or matric) and in the main, under the age of 35 years. In contrast Kingdon and Knight, (2005) argue that informal sector workers tend to be older and to enter from the formal sector after they have accumulated knowledge, capital and contacts. They also support the statement that the lack of experience and capital can be barriers to entry that deter participation in the informal sector.

Table 1: DEMOGRAPHIC INFORMATION: Levels of education (n=9)

Level of Education	n	(%)
None	1	11
Grade 1 – Grade 7	1	11
Grade 8 – Grade 12	7	78

4.1.4 Household Income

Table 2: DEMOGRAPHIC INFORMATION: Household income (n=9)

Household Income	n	(%)
Less than R1000	4	44
R1000 – R1999	5	56
Above R1999	0	0

Based on the informal interviews conducted with participants it is noted that in those households with an income of more than a thousand Rand, the main source of income is either a spouse or a working child or even a government grant. There is not much income from the craft itself. More than half of the participants have an extra source of income. This also implies that there is not much profit they can bring home from craft industry to support their livelihoods. It may be just enough for basic needs.

The fact that 44% of the households earn less than R1000 a month shows that these families do not meet their daily needs, and are forced to at least do something even if it's for a small profit.

Thirty three percent of the participants get support in the form of a government child grant; this proves to us that they cannot solely depend on profits made from the craft business at the GSDT. Thirty three percent of the participants are financially supported by their children in terms of meeting basic needs and finally another 33% of the participants are entirely dependent on the profits made from the craft business. There is, therefore no other source of income. The study shows us that none of the participants earn more than two thousand rand a month and this shows that most of these craft businesses are for survivalist purposes.

4.2 Business Skills Needs

In this section skills related to the perceived needs of the crafters related to the following will be discussed: management, marketing, product pricing, bookkeeping, budgeting and costing.



Table 3: BUSINESS SKILLS: Crafters' rating of the importance of different business management skills (n=9)

Business Management Skills	(%)					
	Very Important	Important	Neutral	Not so Important	Not Important	No Response
Management Skills	22.2	33.3	22.2	11.1	0	11.1
Marketing Skills	55.5	33.3	0	0	0	11.1
Product Pricing Skills	44.4	33.3	0	0	0	22.2
Bookkeeping Skills	55.5	22.2	0	0	0	22.2
Budgeting Skills	66.7	22.2	0	0	0	11.1
Costing Skills	44.4	22.2	11.1	0	0	22.2

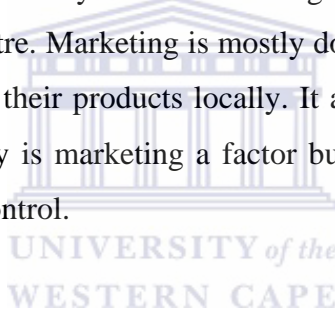
4.2.1 Management skills

Aggregation of the positive and negative scores indicated that 56% of the respondents rated management skills as important. This skill has been rated as important because they have never been exposed to business management before. This is even emphasized by 11% of the participants

suggesting that they are unsure of the importance of management skills. Many factors could have contributed to the uncertainty of the participants. For an example, literacy levels of the participants are very low, others may feel that it is not in their league to possess managerial skills and others may have joined GSDT to be employed under a boss but not to be their own bosses.

4.2.2 Marketing Skills

Marketing skills are seen as the most important part of running a business and 88% of the participants have explicitly showed that. This has been realized because apart from local people, GSDT gets many tourist visitors during season time. The main challenge to the crafters is to market their products in different ways. Packaging, Product display, producing quality goods and communication skills are all important in this regard. One needs to know how to get customers to buy your products. Having worked at the GSDT centre, the researcher knows that in most cases those tourists who were brought to the centre by the centre manager would leave empty handed due to the inferior quality produced at the centre. Marketing is mostly done centrally; but participants were also told by the management to market their products locally. It appears that there are other factors that play a role in this regard. Not only is marketing a factor but also the quality of the products they produce. There should be quality control.



4.2.3 Product pricing

The aggregate of positive and negative scores indicates that 88% of the participants also regard product pricing as an important skill needed to run a business, because you need to know exactly what it costs to make the end product. Under pricing may result in a loss. The respondents could be feeling that way because of the fact that they were not making enough or the expected profit from their current craft businesses. This has been a challenge of the participants because they have never been exposed to pricing before. Some of them have never run a business, and some of them have little or no formal education. In many cases raw materials were bought by the centre manager; participants were not given a chance to calculate related costs but still were expected to run their businesses smoothly.

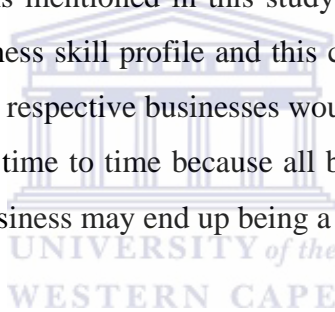
There were two missing responses; this could simply mean that the participants did not see the relevance because they are only interested in being employed and not in being their own bosses.

4.2.4 Bookkeeping skills

An aggregation of scores reflects that 77% of the respondents see the need for bookkeeping skills but based on the informal interviews conducted with the participants, they do not seem to have much knowledge of what this skill entails. Some started to keep records of their income and expenditure at a later stage, with the help of the centre manager. This interest arose due to the fact that they were not making a profit in their businesses.

4.2.5 Budgeting skills

An aggregation of scores reflects that 88% of the respondents also regard this skill as an important skill. In the category “Very Important” 66% felt this way. This is the issue these respondents felt the most strongly about of all the skills mentioned in this study. It is interesting to note that very few participants have a promising business skill profile and this could show us that if many participants were exposed to such training, their respective businesses would have been making some profit. Such a skill should be emphasized from time to time because all businesses revolve around budgeting; if budgeting is not done properly a business may end up being a failure.



4.2.6 Costing skills

About 11 % of the respondents did not know what to say about costing skills; this may imply that not much is known about this particular skill. This may be because there has not been any formal or informal training previously. Again this may also be a matter of not understanding the relevance of costing or not relating to it. Once more literacy could play a role, as this is not a term that is used on daily basis.

There is a noticeable need for training in business skills. Respondents do not have an idea of what some of the skills mean, nor have these concepts been explained to them before. It is known through the study that adults were the main people attracted to join the craft projects. The researcher noted during the one and a half years worked at the GSDT centre that the young people there were more literate than the adults who formed the majority.

4.2 Self-estimated competency

This section will be look at the crafter’s self estimated competency on management skills, marketing skills, product pricing, bookkeeping, budgeting skills and costing (see table 4).

Table 4: SELF-ESTIMATED COMPETENCY: Crafters’ self-estimated competency regarding business management skills (n=9)

Business Management Skill	(%)					
	Excellent	Very Good	Average	Fair	Not Good	No Response
Management Skills	0	11.1	55.5	33.3	0	0
Marketing Skills	0	11.1	55.5	33.3	0	0
Product Pricing Skills	11.1	33.3	11.1	44.4	0	0
Bookkeeping Skills	0	22.2	11.1	44.4	11.1	11.1
Budgeting Skills	11.1	33.3	22.2	22.2	0	11.1
Costing Skills	11.1	22.2	33.3	33.3	0	0

Only 11% rated themselves as very good at management skills; the majority (55%) felt they were average and 33% said fair. Therefore this means there is not much confidence amongst the group. This could imply that they doubt their ability to manage a business efficiently and effectively. But this could also arise from the fact that the centre manager managed all business matters centrally and this has denied them the opportunity to improve their skills or the opportunity to prove to themselves that they possess the skills. The “no response” in the study may be attributed to participants just not having a response to not wanting to respond to that particular question at all. Sixty seven percent

expressed the need for training because not much is known on how to run a business. This feeling was shared amongst the respondents as shown during informal interviews conducted by the researcher. More than half of the participants, 56%, also felt that management skills are important.

4.3 Training needs

This section will mainly focus on the training needed by the various crafters at the GDST centre. Responses to the questionnaire showed that participants felt that training is needed in all the following business skills: management, staff management, marketing product pricing, bookkeeping, budgeting and costing. It is explicitly shown in these findings that there are a lack of training and mentorship strategy for the participants. It is clear that there was no clear mandate from the board of directors of the GSDT instructing the project mentor to guide the operations of the different businesses, not the successes of the businesses. The researcher noted during the period worked for the GSDT that little has been done in consultation with the participants to help them overcome challenges.

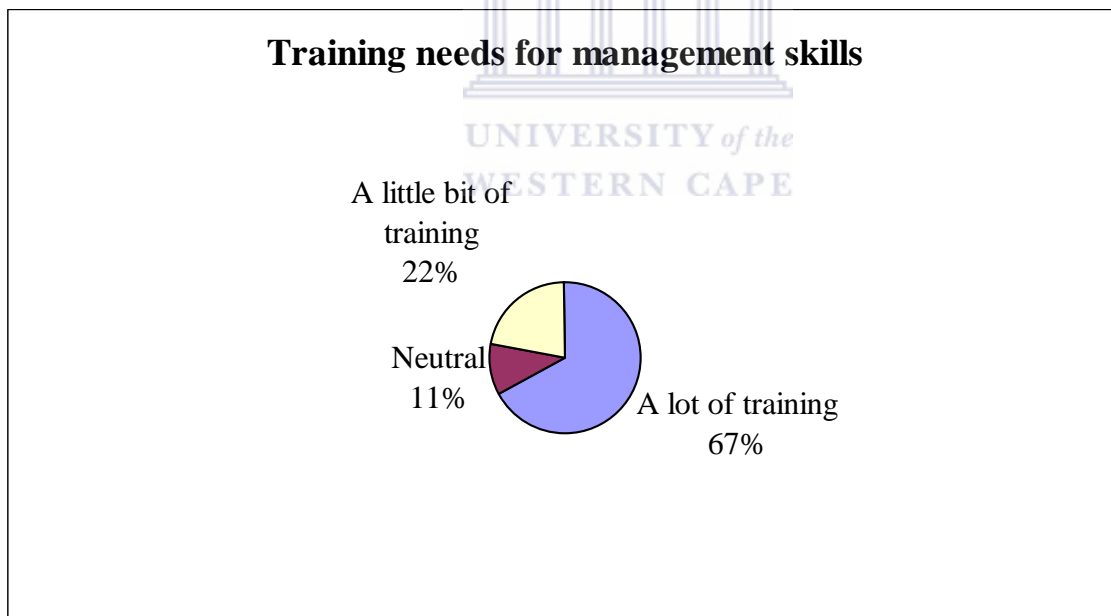


Figure 3: TRAINING NEEDS: Business management skills (n=9)

4.4.1 Management skills

The findings regarding marketing competency and management skills are similar, with the majority, 55%, reporting being average and 33% being fair. Sixty seven percent of participants in both marketing and management feel they need a lot of training. Eleven percent said no training is required but no one said he/she was excellent (see figure 3).



Figure 4: TRAINING NEEDS: Marketing skills (n=9)

4.4.2 Product Pricing

Forty - two percent of the participants regarded their knowledge as fair when it comes to product pricing. This also tells us that they are not sure of their capabilities when it comes to this skill. They believe that they can do something even if exposure has been the biggest challenge. Initially participants did not attend a business skills course or training. Since the researcher's involvement at the GSDT, there has been no time allocated for consultation with the participants. Participants were not asked for their opinion but were rather told what to do or things were done for the crafters without their consent. Nevertheless 44% feel they are either excellent or very good. Fifty eight percent feel a need for a lot of training (see figure 5).



Figure 5: TRAINING NEEDS: Product pricing skills (n=9)

4.4.3 Bookkeeping

The majority of the participants felt that their knowledge is fair when it comes to bookkeeping skills, this could mean that more training is required because this has been regarded as the most important skill in running a business. This is the only skill where respondents said “not good”. No one said they were excellent yet; 22% say they do not require training. This could be due to an attitude best expressed by: “I do not need training if I’m still seeking a formal job. Why should I waste time?”(See figure 6.)

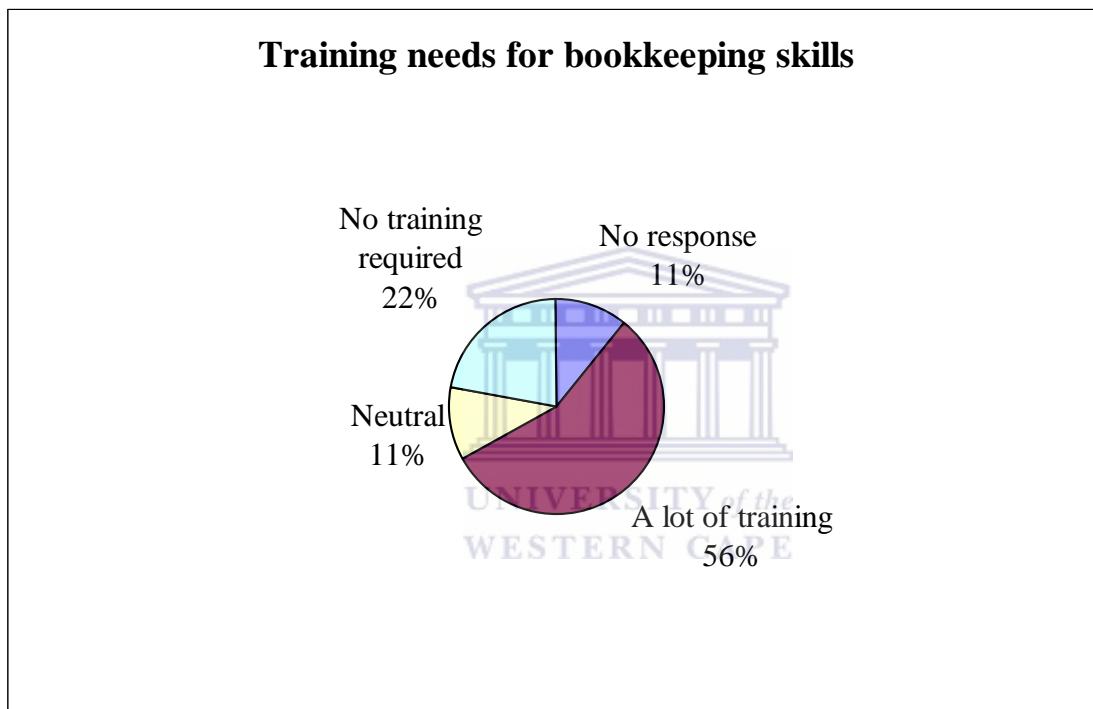


Figure 6: TRAINING NEEDS: Bookkeeping skills (n=9)

4.4.4 Budgeting Skills

Eleven percent of the participants feel that their knowledge is excellent and 33% of the respondents feel that they have a good knowledge in budgeting skills but that has not been shown in their day to day running of the existing craft businesses. From time to time participants have lacked the necessary resources or, could not meet client's orders on time. At the same time, due to lack of resources, lower quality products were produced. The observation of the researcher is that in many instances what hindered the participants from engaging in the budgeting activity was the fact that in many cases things were done centrally without the consent of the participants. Although half of the respondents reported competency, 67% stated they required a lot of training, which could mean that they are unsure of their ability to execute the activity since it has not been tested in any way. This may mean that their responses are assumptions made by participants (see figure 7).

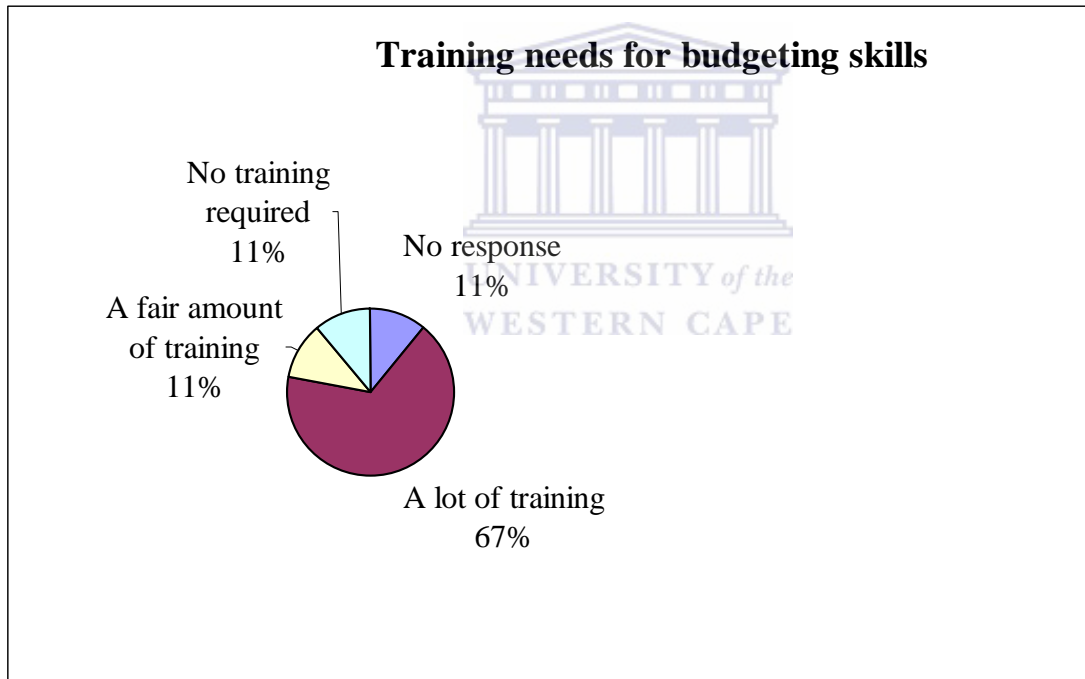


Figure 7: TRAINING NEEDS: Budgeting skills (n=9)

4.4.5 Costing Skills

Only 22 % of the respondents showed no interest in embarking upon training for costing. This is not in line with the way their respective craft businesses have been making profit as research findings show that about 33 % of the participants have reported making a profit. It is quite interesting though that 11% said they were excellent and a total of 33% said they were above average (see figure 8).

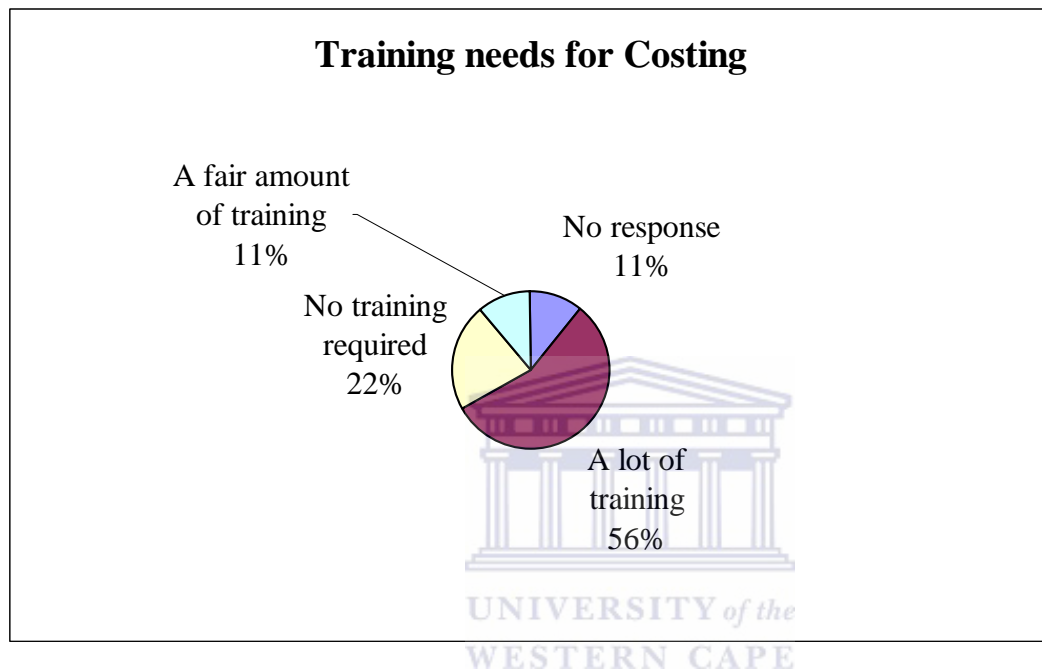


Figure 8: TRAINING NEEDS: Costing skills (n=9)

Observation shows that literacy has a great impact on the way a craft business is conducted, although this was not tested in the study. Due to past imbalances the women at the GSDT are not economically and socially active enough in comparison with high numbers of tourists in Stellenbosch alone. They are also not making enough profit to meet the demands of their families.

Table 5: TRAINING NEEDS: Summary (n=9)

The table below summarises the findings in terms of the participants’ training needs their perception of importance and their self-estimated competence.

	Importance	Self-estimated competence	Training need
Management Skills	56%	11%	89%
Marketing Skills	89%	11%	67%
Product Pricing Skills	78%	44%	72%
Bookkeeping Skills	78%	22%	56%
Budgeting Skills	89%	44%	78%
Costing Skills	67%	33%	67%

It is interesting to note that participants think they are good at product pricing and budgeting skills although they also responded by saying they need more training. A minority of the participants felt that bookkeeping is needed the most but the same skill is regarded as the second most important skill. Marketing is rated the most important skill, but many do not feel that they need training. The contradictions could be attributed either to low levels of education or to the fact that participants did not take the questionnaire seriously (see table 5).

The Western Cape Micro-economic Development Strategy (MEDS) highlights the increasing importance of knowledge intensive economic activities for future regional economic growth (2006). Management skills, marketing and financial services in table 5 are some of the skills that were identified as important for the Western Cape economy to grow (MEDS, 2006). Participants of the GSDT also feel the need for these skills to enable them to participate economically in the country.

The more skilled they are the greater the financial gains and wage income returns. People with knowledge of intensive skills are able to meet the technical demands of world-class manufacturing and therefore demand high prices and wages. This is not happening at the GSDT centre. Lack of knowledge creates specific barriers particularly in the business sector. It is quite clear that marketing has become the driving force of successful economies. It is even clearer that more training is needed in various skills. Exposure to technological advancement has made a great impact on the lives of the participants at the GSDT. The inferior quality of goods also has emerged as an important factor affecting the success of marketing, which was not anticipated beforehand by the researcher.

4.4.6 Informal individual interviews

Regarding problems encountered (Question 13) in the open ended questions the respondents mentioned the following aspects: Customers not coming to buy, running out of resources, shortage of resources, poor quality equipment.(See addendum.) There seems to be a major problem regarding marketing the business. Running short of resources that are required to keep the businesses up and running may be attributable to no proper planning by the board since materials were distributed from the central point.

Respondent number 5 had an interest in running a business (question 31) the respondent says, “Additional support is needed in every aspect of running a business”. This may further prove that there has not been any other training intervention at the GSDT centre to empower the participants with skills.

There was a neutral response to questions regarding the quality and affordability of products. In this regard participants may prefer to believe that what caused the low profit margins was the resources not being delivered on time when needed by customers, or if available that there was no viable marketing strategy and affordability of products at the GSDT.

4.5 Business skills profile

The business skills profile will be discussed in terms of the following aspects: profit and time spent on the business.

4.5.1 Profit-making in crafters' businesses

The majority of the participants, 67%, responded positively to making profit in their businesses (see figure 9). This is understandable because of the way businesses are run at the GSDT. The nature at the GSDT is such that the individuals do the work but tend to await instructions: this may be due to disempowerment of participants due to lack of information given, lack of education and/or language differences. Observation shows that the way things are done is discouraging the participants, it instills paternalism, and for many it is a reminder of the apartheid era that was characterized by passivity, where you can't do much for your self but have to rely on others. In order for the participants to make profits in their respective businesses they need to be involved in decision-making.

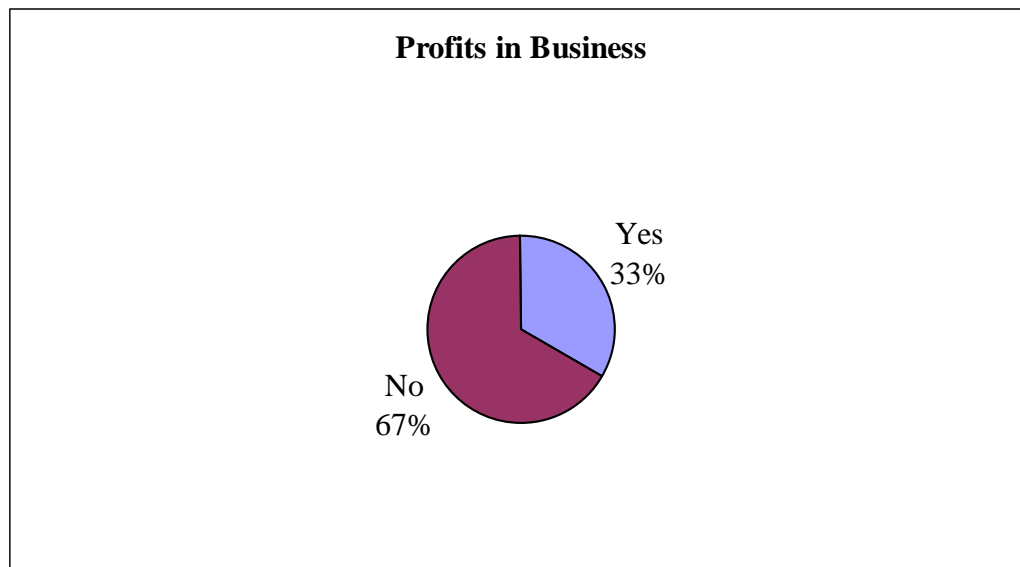
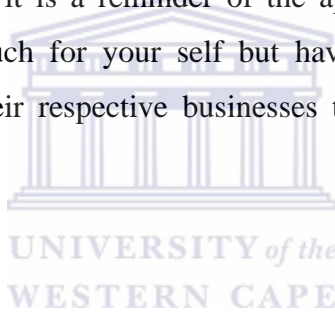


Figure 9: BUSINESS PROFILE: Profits (n=9)

4.5.2 Profit margins

About 56% of the participants were not able to respond to the question, “How much profit do you make”? because they were not sure whether they were making profits or not. This is because they did not keep records and reflects the fact that 55% said that their bookkeeping skills were below average (see figure 10).

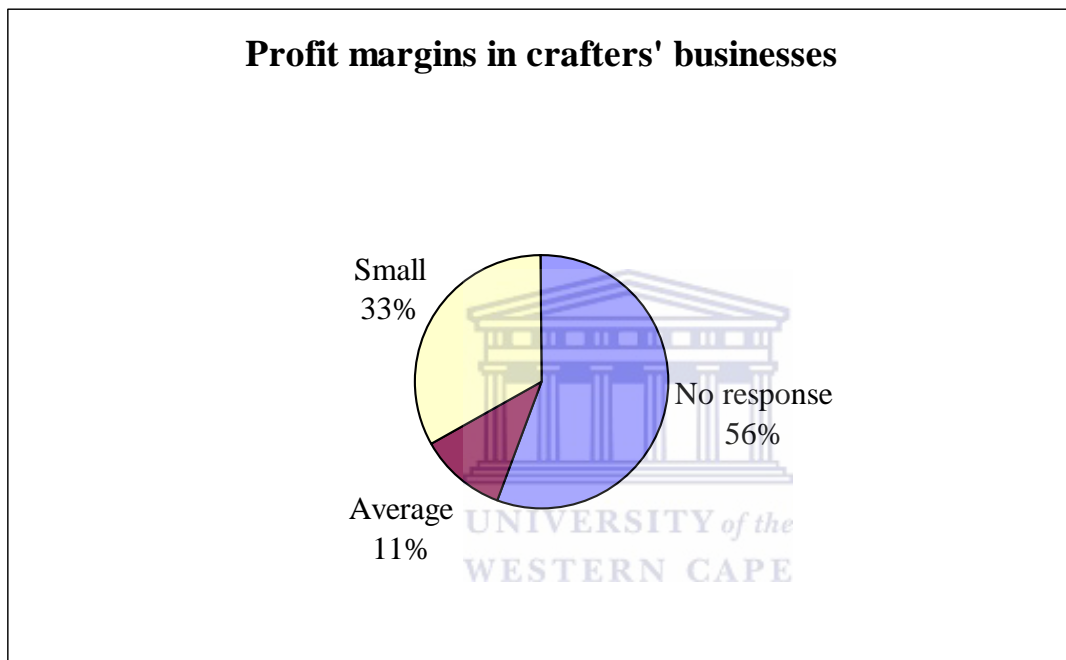


Figure 10: BUSINESS PROFILE: Profits margins (n=9)

4.5.3 Profit spent on business

The majority of the respondents are both re-investing in their business and using profit to buy household goods. This is done because of two main reasons, the fact that these projects are currently seen as survivalist projects, which meet the needs of the business owners and their families; the other factor is the fact that for some of the crafters there is no other source of income (see figure 11).

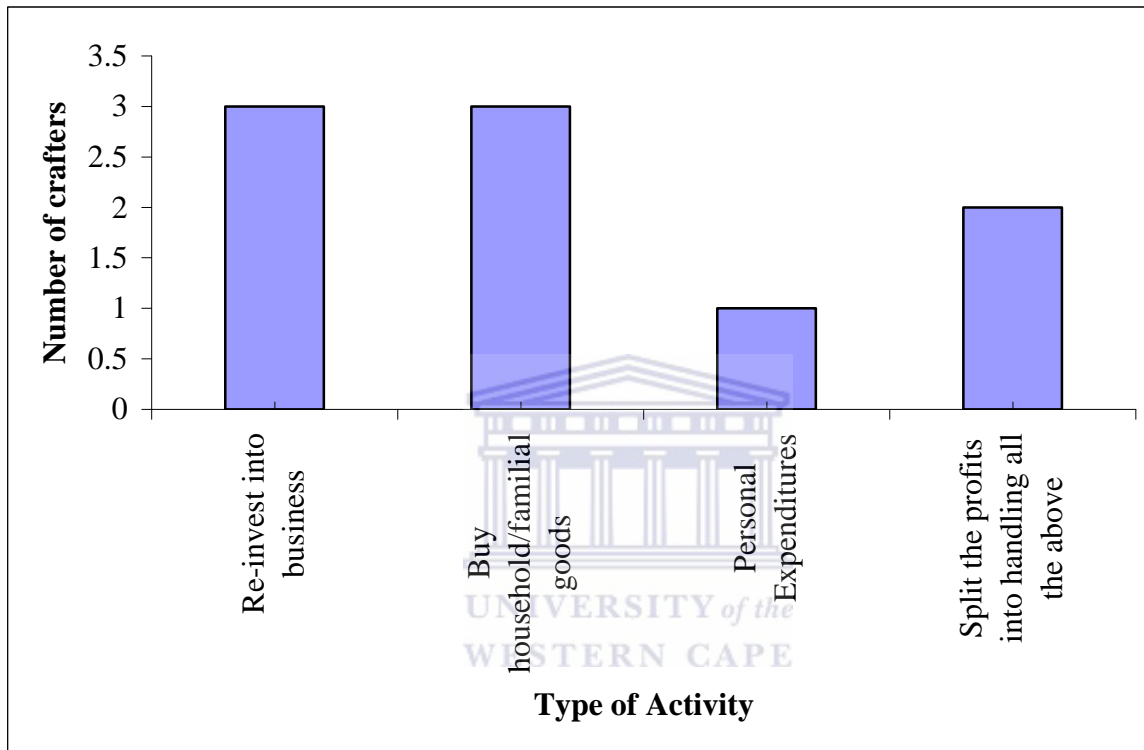


Figure 11: BUSINESS PROFILE: Spending of Profits (n=9)

4.5.4 Time spent on handling business activities

The majority of the respondents work the normal working hours stipulated by law, this shows their commitment to the businesses irrespective of the little knowledge or exposure they may have (see figure 12).

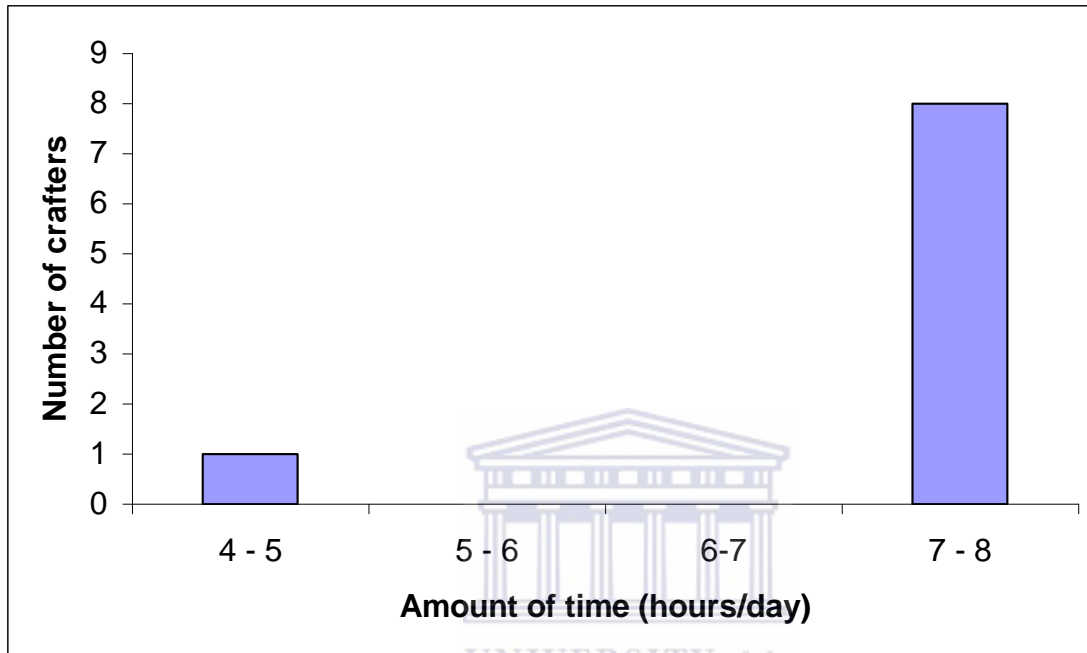


Figure 12: **BUSINESS PROFILE: Time spent on business activities (n=9)**

4.5.5 Efforts made to advertise goods

It is clear that crafters do make an effort to advertise their products but are faced with challenges like of lack of knowledge of quality control and advanced knowledge of marketing strategies. It is assumed by the researcher that the 22% that do not make an effort could be losing interest or that they are apathetic (see figure 13).

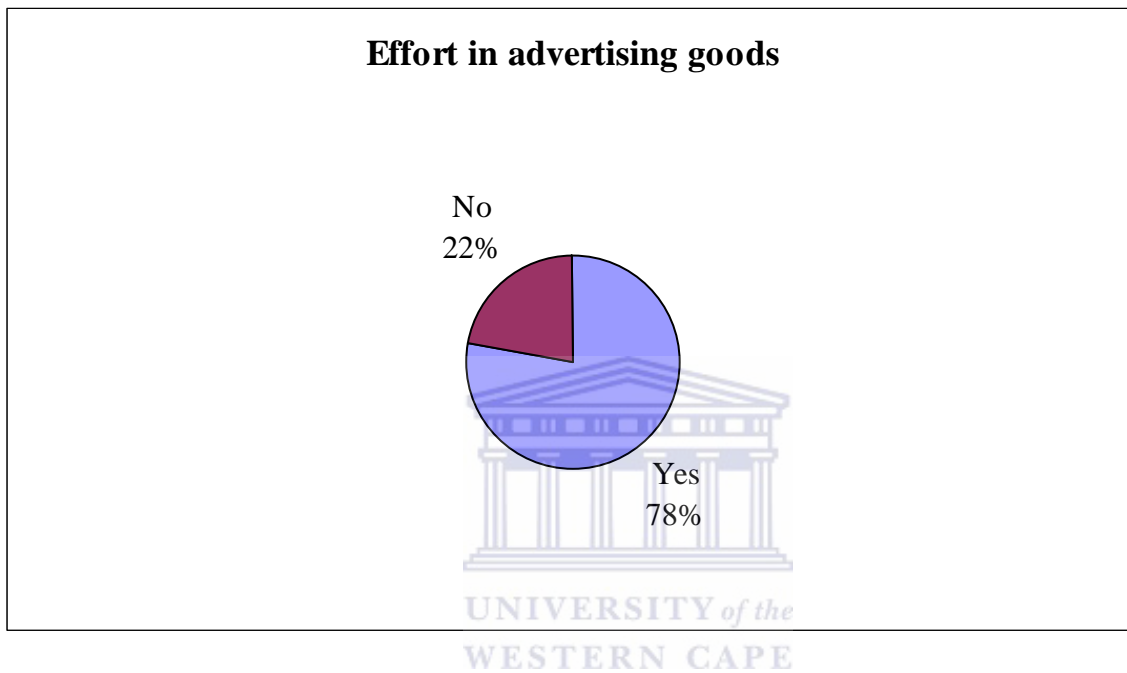


Figure 13: BUSINESS PROFILE: Effort to advertise goods (n=9)

4.5.6 Advertisement of the business

The majority of the respondents use the same technique to advertise their business, which is by word of mouth. This same strategy is not necessarily a good idea. Not making profit from the business does not mean they cannot advertise their businesses, word of mouth does not cost anything, and exhibitions in town do not cost much either (see figure 14).

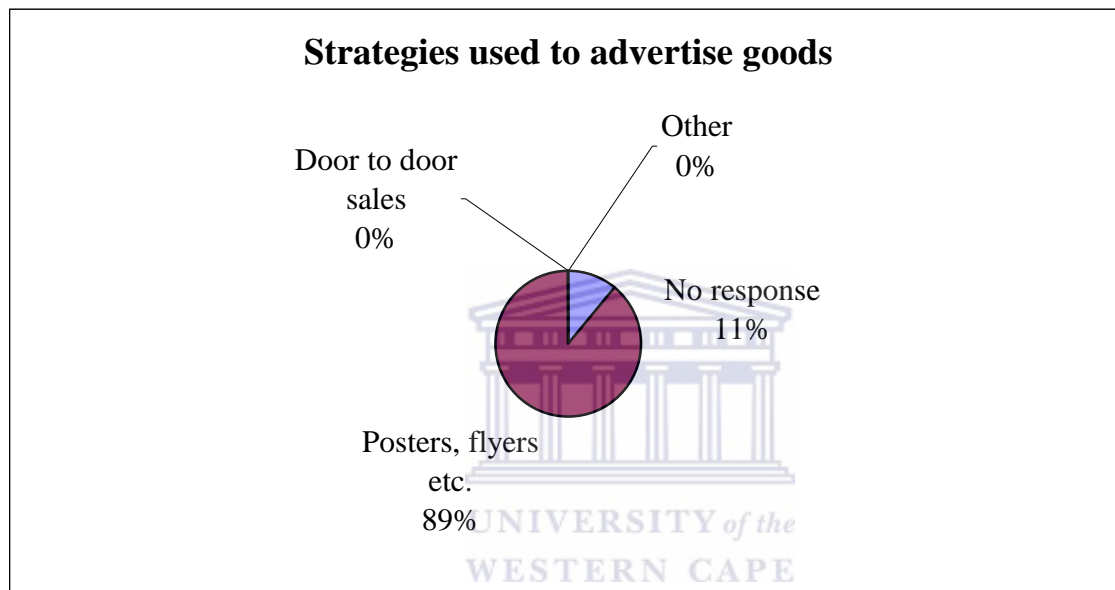


Figure 14: BUSINESS PROFILE: Strategies for advertising (n=9)

Even though the majority of the respondents spend most of their time at the centre, it is clear that not much is done to attract customers to buy their products. They are highly dependent on the GSDT to advertise their products.

When the researcher started to work at the GSDT, there were 22 participants at the GSDT center. At that point the research was informally discussed with the participants. At the time of undertaking the research there were only nine participants left, which also confirmed that assumption of the researcher that participants were either there to receive a weekly stipend or GSDT was a waiting station for better employment opportunities. Financially it appears as if the crafting business at the GSDT has made very little impact on the lives of the participants. Resources were limited for participants to take charge of their businesses and to enable them to prosper.

To sum up, women constitute the majority of the participants at the GSDT centre and they are mainly between the ages of 40-49, this leads to the conclusion that the informal sector is mainly composed of women, who find it difficult to obtain permanent jobs in other sectors. Male counterparts seem not to be interested in craft related business. For some participants GSDT was not the only source of income.

Prior to conducting the research, the researcher was of the view that training is needed at the GSDT for craft participants and it was confirmed by the research that lack skills of is one of the constraints that hinder the success of various businesses.

Another of the researcher's assumptions were confirmed, namely that participants buy familial goods with profit made from the business, if there is any profit. The amount of time spent in the business did not correlate with the profit made.

Word of mouth is the main way participants advertise their businesses locally and this could be another contributory factor to the no profit or low profit making.

This has led the researcher to conclude that participants are eager to learn more skills in order for their businesses to be sustainable but they are not given the opportunity to do so. The approach used at the GSDT is not of a bottom up nature. Programmes that are not led by the communities themselves are highly likely to fail. Decision-making is done for the participants but not by the participants.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMENDATIONS

In the previous chapter the findings of this study were discussed in detail. In this chapter a brief discussion of the research will be presented, and the most important general trends identified will be discussed. The researcher will focus on what can be learnt from this qualitative study and make suggestions for future studies.

5.1 Summary

The objective of this study was to assess the need for business skills training of the crafters at the Greater Stellenbosch Development Trust (GSDT) centre. A survey was used in the study to gather descriptive data about the need for business skills training of the nine participants. A questionnaire was used to collect the data. The participants are based in a Township called Kayamandi. Informal interviews were also conducted with the participants with the intention of eliciting more information from the participants.

Lack of business skills training has been a constraint in many businesses in the SMME sector. It is clear that there is still a huge gap between the rich and the poor and that woman are more heavily influenced by poverty. Unemployment rates are rising due to migration particularly in the Western Cape. Craft and cooperatives have been suggested as vehicles to alleviate poverty and increase people's livelihoods. Craft requires a low start up capital, which is a benefit for those who want to start small businesses.

In this study women constitute all of the participants and they are mainly between the ages of 40-49. The majority of the participants have at least reached the high school level; more than half of the participants have another source of income whether it is from their partners, children and /or the state.

Budgeting has been rated as the “very important skill” amongst all, but none of the participants rated themselves competent in management skills, marketing skills and bookkeeping skills. The majority of the participants felt that training is needed in business management, budgeting skills and marketing skills and these are the skills they also felt incompetent in. More than half of the participants buy household and familial goods with the profit they make, if there is any. More than half of the participants did not respond when they were asked if they were making a profit or not. The majority of the participants spend almost eight hours a day on the business itself and also said that they make an effort to advertise the business, mainly by word of mouth, which sometimes does not reach the targeted market.

It is clear that some of the participants have a vague idea of how to run a business and would like to be empowered with more information; this perception is based on the informal interviews that were held with the participants. It takes time and commitment to run a sustainable business; therefore GSDT needs to come up with different strategies in order for it to fulfill the needs of the participants and the entire community.

5.2 Conclusions

The primary goal of the study was to assess business skills training needs of the participants at the GSDT center. Participants were asked to respond to open ended questions regarding their demographic information, business skills profile, competency in skills and training needs.

Participants were shown to be lacking basic skills needed to run a business, mostly due to the fact that they have never been exposed to running a business before. Moreover all these chores are being done centrally by the centre manager. This means that the participants are denied the opportunity to gain experience.

5.3 Recommendations

The method of sampling used for this study of course implies that results are not generalisable. It will be interesting to conduct the same study, comparing the findings at two similar sites. It is possible that participants at the time research was conducted did not report on all the aspects asked about on the questionnaire because they did not know how to respond to the questions. The reasons could be that they were not interested or even that they were still in a holiday

mood. It is recommended that the information obtained by this study be used as part of an effort to compile a workable strategy and to draw up a training curriculum for all planned training activities

The GSDT should work more closely with the participants in its efforts to initiate sustainable and participatory socio- economic change. Strategies should be designed in consultation with the participants themselves to promote the participation, and stimulate self-help strategies that strengthen the capacity of grassroots organisation and vulnerable households.

This study and future studies similar to the present study are extremely relevant in providing the participants with the space and time to respond and to voice their opinions in a non-judgmental way. Government should provide a practical framework within which women can operate in order to obtain economic and other forms of empowerment. Human Ecologists could play a role in assisting in the identification of businesses opportunities and business training needs and facilitate access to training and support in technology and other business related issues.

Recommendations for further research include:

- A holistic needs assessment that could be conducted to identify other needs to be addressed in this group;
- Action research could be applied in the development and implementation of a training programme;
- Identification of obstacles to facilitate success in the SMME sector;
- Application and evaluation of co-operatives at GSDT

The involvement of human ecologists could help to empower the participants in this study and the various businesses could eventually contribute to the economy and form part of the mainstream economy.

Human Ecologists are ideally placed to make a contribution to women's' craft training programmes. They can be involved in all the stages of assessing needs, planning programmes, implementation and evaluation. In this way they can contribute to the empowerment of those who are economically excluded from the mainstream economy.



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Addendum 1: Questionnaire

Addendum 2: Informal interviews topic list

Assessment of the need for business skills training of crafters at the Greater Stellenbosch Development Trust.

Study

The purpose of this study is to assess the business skills training needs of participants at one multi-site craft based poverty alleviation programme of the GSDT. Based on the findings, the research aims at making recommendations to address the lack of business skills amongst crafters at the GSDT.

Researcher

Ms Vuyokazi Luxande-Mgijima. I hold a BA Human Ecology degree, and am currently busy with my master's degree in Human Ecology at the University of the Western Cape.

Dear participant

You are kindly requested to fill in this questionnaire according to the specified instructions per question and hand it back to the administrator upon finishing. Your assistance is greatly appreciated. Your anonymity is guaranteed and your responses will be handled confidentially. You will be given the researcher's contact details should you wish to withdraw from the study at any time or raise any questions that you feel uncomfortable with. The researcher will, upon completion of the study, contact you to inform you of the findings of the study. At no point in the study will the information or your name and personal details be used against you or given to another party not part of the study. Findings will be based on the responses of all the participants without any names attached to them.

Date:

Fieldworker:

Supervisor:

Case Number:

SECTION B: BUSINESS SKILLS NEEDS

6. Which of the following skills do you think are important for running a good business?

	Very Important	Important	Neutral	Not so important	Not important
6.1 Management Skills					
6.2 Marketing					
6.3 Product Pricing					
6.4 Bookkeeping					
6.5 Budgeting					
6.6 Costing					

7. How do you rate yourself in terms of each of these skills?

	Excellent	Very Good	Average	Fair	Not Good
7.1 Management Skills					
7.2 Marketing					
7.3 Product Pricing					
7.4 Bookkeeping					
7.5 Budgeting					
7.6 Costing					

8. Please indicate the extent to which you agree with the following statements

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
8.1 My business is managed well.					
8.2 I am capable of marketing and advertising my goods in order to gain customers.					
8.3 I am very good at pricing my products at competitive prices.					
8.4 I can keep track of my finances and keep records of the money flow into my business.					
8.5 I never run out of resources to keep my business running					
8.6 I know how to budget for all the things I need.					
8.7 I know a lot about costing.					

9. Please indicate the extent to which you agree with the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
9.1 I keep regular tabs on how my business is doing.					
9.2 I find ways to improve the way I run my business					
9.3 I always find ways to recruit new customers to buy my good.					
9.4 I always compare my prices with the price of my competitors to ensure that I have					

priced my product fairly and competitively.					
9.5 I know how much profit I make daily.					
9.6 I always budget well in advance for the resources I need to run my business.					
9.7 I need to know more about costing.					

10. Please indicate regarding the following skills, the amount of training you might need to improve your business skills.

	A lot of training	A fair amount of training	Neutral	a little bit of training	No training required
10.1 Management: planning, strategies					
10.2 Staff management					
10.3 Marketing					
10.4 Product Pricing					
10.5 Bookkeeping					
10.6 Budgeting					
10.7 Costing					

11. Are there any other skills that you need to improve your business? If yes, please write the skill(s) in the space below.

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Please tell us more about your business

SECTION C: BUSINESS PROFILE (description of the business)

Please tick in the appropriate block.

15. Is your business making a profit?

Yes []

No []

16. If yes, my profit margin is

Very Large	Large	Average	Fair	Small
[]	[]	[]	[]	[]

17. How do you spend your profits? (Tick next to the relevant answer(s))

Reinvest in the business []

Buy household/familial goods []

Personal expenditures []

Split the profits into handling all the above []

Other, please specify []



18. How much time in hours of each day do you on average spend on handling your daily business activities? _____

19. Do you make an effort to advertise your goods?

Yes []

No []

20. If yes, what marketing strategy do you use?

Posters, flyers etc []

By word of mouth []

Door to Door Sales technique []

Other, please specify

.....

21. Where is your business located?

.....

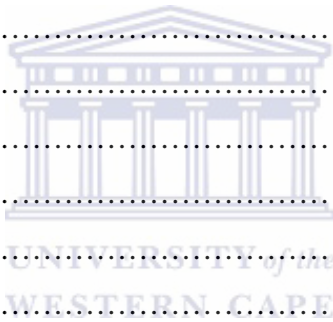
22. Is it easily accessible to your customers?

Yes []

No []

23. Please give a brief description of the craft products that you sell

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24. Please give a brief description of the kinds of people that buy your products (i.e. clientele/customers) and why they might need to use your product.

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25. What is your target market?

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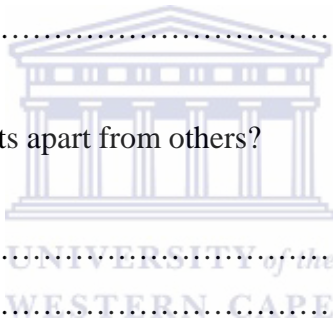
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26. What sets your craft products apart from others?



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Resources Profile

27. Please tick the items that your business is resourced with.

Stationary	
Calculator	

Computer	
Office furniture: desks, chairs etc	
Books: ledgers, records, slips etc	
Adequate staff	
Phone	
Fax machine	
Photocopy machine	
Other	

If other, please specify:

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28. Do you have separate office facilities where you run your business?

Yes []

No []

UNIVERSITY of the
WESTERN CAPE

29. If no, where do you work from?

30. Please give a brief description of your daily business activities

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31. Do you have any additional comments you might like to add? If so please do so in the space below.

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Thank you very much for your time



INFORMAL INTERVIEW QUESTIONS

- Which other kinds of courses would you like to attend in order for you to make a success of your business?
- What do you need to make this business a profitable business?
- What could be done differently at the GSDT that is not currently done?
- What made you join the GSDT centre?
- What is your other source of income if there is one?

