

Analysis of interventions in support of small tourism businesses: the case of Eden District Municipality

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Abstract

This article analyses interventions in support of small tourism businesses (STBs) in the Eden District Municipality (EDM). Existing research points out that due to the contribution of small businesses (SBs) to local economic development (LED), in the locality of municipalities, small business support and development has been prioritised by local government as a focal point of municipal LED programmes. Based on a case study to identify areas in which STBs in the EDM require support to access trade and economic opportunities, this article concludes that a disconnect exists between some support programmes and interventions, and the needs of STBs to access such opportunities. The first outcome of the study thus points to the need for the development of a programme evaluation model for local government programmes. Such a programme evaluation model is a critical outcome of the study recommended for future research that could mitigate the disconnect between programme responses and the needs of STBs. This disconnect negates the plausibility of support programmes and interventions. An inherent shift is therefore required in the practices of local government in which credible baseline information remains a requisite in the appropriation of suitable interventions, thus forming the basis from which programmes are derived. Its value should not be undermined but should dictate the trajectory of future development programmes. The second outcome of the study highlights the need for government to undertake research that explores contributory factors to recurring challenges that STBs experience in accessing trade and economic opportunities and how to mitigate them.

Key words: Small tourism businesses, local government, Eden District Municipality



Source: <http://www.knysnahopespot.co.za/wp-content/uploads/2014/06/Eden-District-Municipality-logo.jpg>

Introduction

In South Africa tourism is integrated across the three spheres of government, with local government particularly playing an important role in developing and growing the tourism sector (National Department of Tourism (NDT), 2011b:10). This requires of local government to incorporate the national government strategies amongst which the National Tourism Sector Strategy (NTSS) in its Integrated Development Plan (IDP) (NDT, 2011b:10). Moreover, local government is required to undertake planning and programmes that will result in STBs benefiting from tourism in its locality (NDT, 2011a:42).

Tourism is prioritised as an economic growth sector by the South African national government (NDT, 2011a:1). As such, national government policy interventions to enable STBs to become active and inclusive participants of the first economy are geared towards facilitating the economic migration of STBs from the first to the second economy. Similar to national government, the EDM also has support programmes to facilitate trade and access opportunities for STBs in its locality. However, the majority of STBs in the EDM area have not made the transition from the second to the first economy; many not having entered the formal sector. It thus becomes important to analyse if the policy responses that are put in place through interventions and support programmes are aligned to the needs of STBs as the beneficiaries of such programmes.

The aim of the study reported in this article will therefore be to analyse interventions in support of STBs in the EDM. The rationale for this is to establish whether such interventions meet the needs of STBs to access trade and economic opportunities. This becomes relevant to measure, as the findings will be indicative of the type of support required by STBs, and whether existing interventions or support programmes require adjustment or

improvement. The findings can also be used as baseline information for the future development of support programmes.

The research question posed by this article is therefore: Do the programmes and interventions provided by the EDM meet the needs of small businesses that use tourism to access trade and economic opportunities? The research question will be answered by identifying challenges experienced by STBs in the EDM area to access trade and economic opportunities and to establish whether the programmes and interventions offered by EDM are consistent with such challenges. This will probe the relevance of policy responses to the challenges of STBs. Furthermore, the study will emphasise the importance of deriving informed programme responses that can contribute to enabling STBs to access trade and economic opportunities in the tourism sector.

This article will introduce the local government legislative and regulatory environment pertaining to tourism. Against this background, the perspectives on the challenges experienced by STBs in the South African tourism sector are discussed. The remainder of the article which is dedicated to the EDM, will elucidate the results which were derived from the study to analyse interventions in support of STBs in the EDM. The last section proposes recommendations in relation to the findings.

Local government legislative and regulatory environment

Legislation amongst which the Tourism Act No 72 of 1993 (as amended), the Constitution Act 108 of 1996, the Tourism Act No 3 of 2014, as well as policies and strategies have contributed to setting the trajectory for the promotion and development of tourism in South Africa. The Tourism Act No 72 of 1993 set the tone for the regulation of the tourism sector in post-apartheid South Africa. With its main

objective as marketing and tourist guide regulation, as well as the promotion of tourism (NDT, 2011a:21), it did not overtly advocate the tourism development agenda. In addition, it precedes the Constitution Act 108 of 1996 and is not necessarily aligned with the objectives of the Constitution relative to tourism (NDT, 2011a:21). Thus, the White Paper on the Development and Promotion of Tourism in South Africa of 1996 was introduced to provide a framework that would guide how the development and promotion of tourism should be undertaken (NDT, 2011a:21; Booyens, 2012:120). This framework of the 1996 White Paper resulted in various pieces of legislation and strategies to regulate the promotion of tourism by government, as well as working towards regulating the tourism sector in South Africa. However, do these legislations, policies and strategies articulate local government support to STBs as part of the tourism development agenda in South Africa?

Legislation such as the Tourism Act No 72 of 1993 became a regulatory tool towards ensuring that certain standards are maintained within the tourism sector, regarding facilities and services that are accessible or hired to tourists. Integral to the functions of the 1993 Tourism Act, is the fulfilment of a coordinating role in rationalising the activities of individuals who participate in this industry (Republic of South Africa, 1993). The Tourism Act No. 72 of 1993 thus provides the legislative framework for the promotion of tourism in South Africa (NDT, 2011a:21). Owing to the fact that the 1993 Tourism Act was more focused on the regulation of the tourism sector and its promotion, it did not speak to the development of tourism. Tourism development was addressed by the White Paper on the Development and Promotion of Tourism in South Africa of 1996 (Republic of South Africa, 1996b). The marginalised focus of the 1993 Tourism Act on tourism promotion can be attributed to the fact that it was adopted prior to the Tourism White Paper of 1996, and thus does not support

the implementation of the latter. In addition to this marginalised focus on tourism promotion, the Tourism Act of 1993 does not necessarily provide the regulatory environment for the three spheres of government pertaining to tourism. This is due to the fact that it precedes the 1996 Constitution in which the powers and functions of the respective spheres of government are contained.

Tourism is listed as a functional area of competence of the national and provincial spheres of government in Schedule 4A of the Constitution of the Republic of South Africa (Republic of South Africa, 1996a). Similar to the national and provincial spheres of government, the Constitution also lists local tourism as a local government functional area in terms of section 4B and sections 155 (6) (a) and (7). However, apart from this, the Constitution does not per se provide a framework that can guide these spheres in undertaking tourism promotion and development. Moreover, it should provide support to STBs to access trade and economic opportunities. To this effect, the framework provided by the 1996 White Paper on the Development and Promotion of Tourism in South Africa, has led to the development of strategies which coincided with the passing of legislation. These strategies included Tourism in Gear: Tourism Development Strategy 1998–2000, Institutional Guidelines for Public Sector Tourism Development and Promotion in South Africa, Tourism BEE Charter, the South African Tourism Planning Toolkit for Local Government, and the NTSS of 2011. In addition to these extra relevant pronouncements relative to local government, performing tourism promotion and development activities are contained in section B of the White Paper on Local Government of 1998 (Republic of South Africa, 1998); Public Private Policy Framework (PPP) underpinned by Regulation 16 of the Public Finance Management (PFMA) Act No. 1 of 1999; and the Municipal Finance Management (MFMA) Act No. 56 of 2003.

The PPP Policy Framework which is governed by Regulation 16 of the PFMA Act No. 1 of 1999, underpins tourism development as a local government responsibility through joint collaboration and private sector partnerships. To this effect, the National Treasury has specifically developed guidelines pertaining to Tourism PPPs within the framework of Local Government, as contained in the Government Gazette No. 27431 of 1 April 2005 (Republic of South Africa. Government Gazette, 2005:9-16). Guidelines in terms of the process and conditions for establishing PPPs are contained in Chapter 11 of the MFMA Act No. 56 of 2003 (Republic of South Africa, 2003). This implies that the responsibility of local government regarding tourism development is generally to be more inclined toward the establishing of PPPs. Joint public-private interventions and support programmes for STBs should thus be provided within the framework of structured and formalised agreements. In the context of a PPP, local government will fulfil more of a coordinating role, with limited use of its own resources to provide assistance to STBs, and lobby third parties to provide interventions and programme support for such businesses. Through formalised partnerships with the private sector and third parties, it is therefore possible for local government to provide programmes of support and intervention for STBs. This could be possible even in the absence of a dedicated tourism budget or a local economic development budget.

Against this myriad of policies, strategies and the tourism constitutional obligation in the government spheres (NDT, 2010:6), the NTSS of 2011 however, reports that the tourism policies of the respective government spheres are misaligned and poorly integrated (NDT, 2011a:21). This 2011 NTSS which attempts to come up with strategies to address these misaligned policies, is supposed to promote the objectives of the most recent Tourism Act No 3 of 2014 (Republic of South Africa,

2014:10). However, similar to the 1993 Tourism Act that preceded the White Paper on the Development and Promotion of Tourism in South Africa of 1996, the 2011 NTSS precedes the 2014 Tourism Act. As such, the 2014 Tourism Act similar to the 1993 Tourism Act, appears to fall short in terms of directives for local government to provide STB support. Thus, the 2014 Tourism Act which was promulgated twenty years after the 1993 Tourism Act and twenty years into the development of the South African tourism sector since the new dispensation, still appears to fall short in articulating a more prominent role for local government regarding support to STBs. Conversely, except for the South African Tourism Planning Toolkit for Local Government the policy environment appears to lack a framework that would guide local government in the type of support to be appropriated by STBs. Consequently, this may result in local government that does not adequately prioritise STBs' support in its tourism development agenda.

Perspectives on small tourism business challenges

The Department of Trade and Industry (DTI) estimates that STBs make up 97 percent of the 50 000 tourism enterprises in South Africa (Small Enterprise Development Agency (SEDA), 2012a:39). It is argued that if these STBs are provided with the required support, they have the potential to play an even more prominent role in advancing tourism in South Africa (SEDA, 2012a:22). In fact, the NTSS with its focus on the facilitation of support for STBs to access funding and markets, recognises this (SEDA, 2012a:22). However, though STBs have the potential to make an even greater contribution to advancing tourism in the country and to job creation, do they receive the required support to overcome the challenges they face?

The Small Enterprise Development Agency (SEDA) contend that Small Medium Enterprises (SMEs) in South Africa generally do not receive the required support from government departments, the corporate sector and financial institutions (SEDA, 2012a:44). This is amidst numerous challenges faced by STBs that may impede their abilities to access markets and trade opportunities. According to the NTSS of 2011 (NDT, 2011a:33), as well as SEDA (2012b:12,17,121), such challenges that may impede access to markets for STBs include: access to finance; marketing resources; access to information; a lack of market intelligence; a lack of business skills; and infrastructural challenges (Elliot and Boshoff, 2005; Ndabeni and Rogerson, 2005 cited in Rogerson 2008a:334). Given the potential of STBs to contribute to the growth of the South African Tourism sector (Nieman, Visser and van Wyk, 2008:283), these mentioned challenges that may hinder such potential are explored in this section. Likewise, programme responses by the South African government to these challenges are interrogated.

Access to finance

Access to finance is regarded as a critically important factor that determines the growth of STBs. Nevertheless, a lack of access to finance appears to be one of the challenges experienced by STBs in South Africa (SEDA, 2012b:12,17; SEDA, 2012a:45,49; Vallabh, n.d:8). It is reported by SEDA (2012b:12) that more specific challenges related to access to finance stems from the managing of overheads, having access to working capital, as well as maintaining cash flow. Though these challenges are occasionally considered as the sole reason for the failure of STBs, it is argued that it is not always the case (NDT, 2011a:33). Apart from this, STBs also experience challenges in securing loans from commercial banks (SEDA, 2012a:43) which occurs as result of the reluctance of banks to lend money to SBs. According to the NDT (2011a:33) this unwillingness of commercial banks is due to

their perception of the tourism sector as risky, which is attributed to the “small scale of business loans in this sector”. Cognisant of these challenges that SBs face in accessing finance, government introduced various support programmes and intermediaries to overcome these problems.

Amongst the support programmes is Khula Finance Limited that was established in 1996 to act as an intermediary to provide guarantees for loan repayments, and to facilitate the “availability of loan and equity capital to SMEs” (DTI, 2009:43). Besides Khula Finance Limited, other programmes namely the Local Economic Development (LED) Fund of the Department of Provincial and Local Government, were also launched by the South African government. According to the Department this LED Fund, the aim of which was the allocation of poverty alleviation resources to local municipalities from 1999 for a period of five years, ceased to function at the end of the 2003/2004 financial year. During the period that it was operational various projects benefited from this LED Fund. It is reported that some of the projects that benefited from the LED Fund were sustainable, provided jobs, and had the potential to continue if they registered as companies (Department of Provincial and Local Government (DPLG), 2005:21).

In addition to Khula Finance Limited and the LED Fund, other intermediaries include the Development Bank of South Africa (DBSA) (SEDA, 2012b:60) which provide support in the form of grants and loans (SEDA, 2012b:60). Likewise, to the DBSA the tourism business unit of the Industrial Development Corporation (IDC) offers financial assistance in the form of loans, with the enterprise providing an equity contribution of 40% (SEDA, 2012b:60). Further to these intermediaries, more recent programmes include the Tourism Support Programme (TSP) which is a sub programme of the Enterprise Investment programme of the DTI (SEDA, 2012b:59). This sub programme supports the

development of tourism enterprises through cash grant incentives (SEDA, 2012b:59). Despite these support programmes by government, STBs are still experiencing challenges in acquiring loans from commercial banks.

This has warranted a vested interest by government in partnerships with the private sector and financial institutions, such as banks. A large South African commercial bank, ABSA, endeavours to support the government's macroeconomic policy for accelerated economic growth, employment creation and greater equity, following suit by offering procurement financing in the form of vendor financing and invoice clearing (ABSA Bank 2011). Financial assistance to SBs thus occurs with the support of an accredited financial institution that has proper controls in place to manage the process. This process is beneficial to both the corporate business, as well as SBs.

Marketing resources

Research conducted amongst SBs highlights marketing as one of the challenges experienced by SBs in the tourism sector (Rogerson, 2008b:60; Vallabh, n.d:6) across South Africa (SEDA, 2012b:17). SEDA reports that challenges, with regard to marketing, which is linked to building a client base, comprise amongst other limited knowledge pertaining to marketing, and subsequently leads to a small client base (SEDA, 2012b:12). Moreover, resource constraints to marketing clients' businesses efficiently have similarly resulted in poor exposure of their businesses and a small client base (SEDA, 2012b:13). Marketing is, however, not a new challenge to South African STBs.

Research preceding the SEDA 2012 report conducted in 2005 in Soweto (Chandra, 2002; cited in Rogerson, 2009:345) and 2003 in the Free State (Rogerson, 2005:632) respectively, retrospectively appears to reveal similar challenges for STBs. This research conducted in both

these areas and more recently across South Africa (SEDA, 2012b:13), suggests that STBs appear to be experiencing continuous challenges with reference to marketing resources. Given these challenges, the national government has embarked on programmes, such as the Tourism Enterprise Programme (TEP). Through the TEP enterprise development model and its focus on existing enterprises, it provides greater market access to STBs (SEDA, 2012a:22-23). In addition to this, TEP also provides support in assisting STBs to establish "linkages with larger enterprises" (SEDA, 2012a:22-23).

Access to information

Access to information is one of the factors that contribute to accessing trade and economic opportunities. Earlier research has already highlighted the frustrations of entrepreneurs to access support through national government-led programmes (Rogerson, 2005:635), which are often attributed to a lack of access to information. Compared with more recent research, this lack of access to information persists and often results in a loss of events, business opportunities and tenders for STBs in South Africa (SEDA, 2012a:44). Mindful of this frustration and the challenges experienced by SBs, programmes launched by government to mitigate this comprise, amongst other things, the Business Referral and Information Network (BRAIN).

According to Republic of South Africa (n.d:3) the aim of BRAIN, which is a programme of the National Coordinating Office of the Manufacturing Advisory Centres (NAMAC) Trust, is to assist small businesses through the provision of value-added business information. In addition to BRAIN, the NAMAC Trust which implements SMME support programmes on behalf of the Department of Trade and Industry also launched the Franchise Advice and Information Network (FRAIN) in 2002 (Republic of South Africa, n.d:3). According to Republic of South Africa (n.d:3), NAMAC

provides support to small businesses through intermediaries.

Lack of market intelligence

A lack of market intelligence, market trends and knowledge in terms of the needs and expectations of the market is also a constraint to trade and economic opportunities (Forstner, 2004:501; Rogerson, 2008b:61) for STBs. This lack of market intelligence which is highlighted by SEDA (2012a:50-52) as a challenge for South African STBs, results in a lack of understanding the characteristics of and information related to a particular market. The NTSS of 2011 refers to this lack of market intelligence as market analysis and likewise reiterates its importance in this strategy (NDT, 2011a:33). It can be argued that this is a constraint to STBs, irrespective of whether they are situated in a rural or urban area. Programmes to overcome this lack of market intelligence include, amongst other things, the partnering of SBs with larger enterprises in the tourism sector. Such programmes include the Tourism Enterprise Programme (TEP) and the Black Business Suppliers Development Programmes (BBSDP).

The TEP which emanates from a partnership between the Business Trust and the Department of Environmental Affairs and Tourism as part of its support initiatives assists STBs to establish partnerships with larger enterprises (SEDA, 2012a:22). Similar to TEP, the BBSDP likewise facilitates partnership linkages (Republic of South Africa, 2012:5). According to Republic of South Africa (n.d:5), the BBSDP was established to create linkages between black enterprises and the corporate and public sector. The capacity of small businesses was therefore enhanced to enable these enterprises to compete for tenders from the private sector, as well as the public sector.

Lack of business skills

Balkenhol and Evans-Clock (2002, cited in Brand, 2006:14-15) asserts that a lack of experience in the management of a business impacts on the ability of a STB and an entrepreneur to manage their businesses successfully (SEDA, 2012a:50). This results in the failure of many emerging SBs, and also becomes a determining factor in their ability to tap into markets. According to Brand (2006:15) and Luiz (2011 cited in Vallabh, nd:7), business skills that are required include marketing, business management, financial management and personnel management. These business skills which are confirmed as a challenge for STBs in South Africa by SEDA (2012a:50,59), stem from skills shortages with particular reference to business management and technical skills. Programmes offered by SEDA, RED Door and amongst other initiatives, Ntsika has been launched to provide business skills from which STBs can also benefit.

The programmes provided by SEDA and RED Door entail skills development programmes that facilitate the administrative and financial management capacities of such businesses. In addition to these intermediaries, Ntsika which is also a small business development programme implemented by the DTI, provides management and entrepreneurship schemes, technology transfer schemes, market access, and business development programmes through a network of local business services centres. This programme was specifically developed to enhance the market accessibility of SMMEs and their international competitiveness. The Ntsika programme thus provides business development programmes that enhance the capacity of SBs and, in turn, improves the competitiveness of these businesses.

Infrastructural challenges

The management of a successful service business requires that certain key infrastructural elements are available to make it operationally functional, in order to

provide a service to clients and to attract potential clients. Brand (2006:15) identifies these essentials or general services as “electricity, telephone, water and sanitation”. Research has indicated that when this infrastructure is inadequate, the ability of SB to exist or to survive is compromised. The fact that infrastructural challenges may compromise the ability of SBs to exist was already identified in 2000 and confirmed by the findings of a World Bank survey conducted amongst SMMEs in Johannesburg in 2000. The findings of this earlier research report that infrastructure was identified as one of the “most important” constraints experienced by these businesses (Luiz, 2002:55). However, more than ten years later STBs continue to experience challenges related to a lack of infrastructure.

According to SEDA (2012a:50), this lack of infrastructure relates to securing premises from which to conduct their business. Considering the impact of these infrastructural challenges on business processes, government has introduced programmes, such as business incubators. In addition to business incubators, the Development Bank of South Africa (DBSA) also provides support in infrastructural development (SEDA, 2012b:60). Added to this support from government, the private sector in the form of commercial banks is also investing in programmes to assist SBs faced with the challenge of infrastructure. A large South African commercial bank renders assistance to SMMEs through a model based on an enterprise development centre (ABSA Bank, 2011). Such a centre, which becomes a one-stop shop for SBs in terms of advice, funding and business development support, is based on three pillars, namely: a current enterprise development centre; funding solutions; and after-care. These centres are located in Johannesburg, Polokwane, Nelspruit, Durban, and Kimberley (ABSA Bank, 2013). Partners to the Enterprise Development Centre Programme are the South African Revenue Services, the Department of Trade

and Industry, and one of the four top accounting firms in South Africa, KPMG.

From the preceding sub-sections it can be deduced that all the challenges that have been reviewed in this section appear to have a recurring trend for STBs. These range from access to finance for which national government has been providing support since 1996 through Khula Finance Limited (DTI, 2009:43). Similarly, marketing resources which were highlighted as challenges respectively in 2003 (Rogerson, 2005:632) and 2005 (Nemasetoni and Rogerson, 2005:205) for STBs (SEDA, 2012b:17) appear to persist. Conversely, access to information (2012:44) which was already highlighted in 2005 (Rogerson, 2005:635), a lack of market intelligence and business skills continue to present limitations to STBs’ operations. Even infrastructure challenges which remain a problem for STBs (SEDA, 2012a:50) were already identified in earlier research amongst SBs in 2000.

In view of the recurring challenges, there appears to be great effort from government to provide support to STBs, together with the private sector and commercial banks. These recurring challenges are also recognised in the NTSS of 2011. Likewise, the national government endeavours to address the challenges alluded to through actions that will improve entrepreneurial support to SMMEs in the tourism sector (NDT, 2011a:34). Such support endeavours include the establishment of a “one-stop-shop system” within the nine provinces in order to provide support to STBs ranging from start-up enterprises, to expanding and established enterprises (NDT, 2011a:34). The NTSS (NDT, 2011a:34) also aims to undertake the engagement of institutions that could finance tourism enterprises to facilitate access to finance for STBs. To address the infrastructural challenges experienced by STBs, the NTSS reports that government action will include engaging the communications authorities in order to “facilitate access to broadband

internet connections, good quality cellphone and other communications technology for the tourism industry” (NDT, 2011a:34).

However, in the light of all the support programmes, intermediaries and interventions, the question that still remains is: Why do STBs continue to experience these recurring challenges? Does it suggest that the support programmes for STBs are not consistent with their needs or is it the inability of STBs to access support programmes? These recurring challenges highlight the need for government and local government to explore the contributory factors to these challenges, inclusive of its future support agenda to STBs.

Case of the Eden District Municipality

The study was undertaken in the EDM with the objective of identifying strategies and programme interventions that would enhance the accessibility of trade and economic opportunities for small businesses. This was done in the light of existing challenges experienced by STBs to access trade and economic opportunities. The total population comprised STBs in the EDM area derived from the database of STBs of the EDM for the period until December 2011. The inclusion criteria stated that (i) the STBs had to be from a previously disadvantaged background; (ii) had to be a STB in the EDM; and (iii) had to be in existence for more than one year at the time of the study. The number of previously disadvantaged small businesses was approximately 175, emanating from different sub-sectors across the local tourism sector. The population for the study comprised 78 STBs in the EDM, of which the sample that responded was 22.

Data were collected through a questionnaire comprising a combination of dichotomous questions, and a 5-point Likert scale ranging from fully agree, to completely disagree. The questionnaire which was guided by the literature review was structured to establish

the areas in which the STBs required support, the current level of support received from the EDM and the extent of STB participation in the development of tourism strategies of their local municipalities. The analyses were grouped into the following categories: characteristics of the respondents; public awareness; analysis of communication awareness mediums; small business support; perception of tourism management by the municipalities; and participation in tourism strategies. The following section will provide the results on: public awareness; access to funding/finance; access to markets; partnership linkages with established businesses; mentorship programmes and business incubators; export development; training/skills development and business skills training; product development; and access to information and market intelligence. These are the nine areas in which the STBs require support.

Results and discussion

The results of the research suggest that some of the programmes and interventions provided by the EDM at the time of the study are not consistent with the needs of small businesses (SBs) operating in its local tourism sector. Although the sample for which the study was intended was small, it is considered relevant for the purpose of the study. However, further, more comprehensive polling is necessary.

Public awareness

A significant outcome of the research is the revelation that the majority of STBs that responded are not aware of the support programmes offered by both the EDM and by the government, and therefore they do not access these programmes. This suggests a deficiency in the way in which these programmes are publicised and consequently, an inherent constraint upon their effectiveness in assisting STBs. This lack of public awareness appears to be inconsistent with the key strategies of the

EDM, such as its Growth and Development Strategy (GDS) of 2007 (Eden District Municipality (EDM, 2007). This strategy highlights the importance of public awareness of support programmes, as well as the necessity of a brochure with programme information and contact details. However, the closest that the EDM came to achieving this objective was the release of a simplified BBEE booklet that contains, amongst other things, charters; policies; and codes of good practice; programmes offered by the EDM; and information for SMMEs on the economic benefits of BBEE. This lack of public awareness is, nonetheless, not only confined to public awareness with reference to support programmes that are provided.

Comparable to limited public awareness, there appears to be limited participation prevalent in the development of tourism strategies. The research revealed that the majority of the respondents were not consulted during the development of tourism strategies for the EDM or their local municipalities and it is at present, only in the form of limited participation. From the findings it can be deduced that existing strategies are not adequate in alerting STBs to available support programmes. Likewise, there appears to be inadequate participation of STBs in key strategies that may address the developmental and marketing needs of such businesses.

Access to funding/finance

According to the findings it appears as if several of the STBs' respondents require support with access to funding/finance. The responses however, revealed that only a few of the respondents received such assistance. Similar to prioritising public awareness, the GDS of 2007 proposed the creation of a tourism development fund to assist emerging enterprises to overcome the financial difficulties that an STB may experience. This fund has however, not been developed at the time of the study, though various financial institutions have been engaged by the Local Economic

Development and Tourism Department of EDM to establish a SMME Incubator Fund. Though the GDS of 2007 provided direction for prioritising this need of SBs, prime strategies, such as the EDM Tourism Marketing and Development Plan (TMDP) of 2008 (EDM, 2008) has not been articulate in the prioritising of access to funding/finance. What is of significance is that increasing access to funding for SBs does form part of the programmes and support interventions rolled out during the 2009/2010 and 2010/2011 financial years. This is apart from the fact that such assistance is not prioritised in key strategies. Though several respondents specified the need for support with access to funding/finance, only a few maintained that they received such assistance. Therefore, appears that there is a definite need for such assistance; however, support in this regard has been limited. This highlights the fact that in line with the GDS of 2007, the EDM should revisit the current level of support concerning access to funding.

Access to markets

This is the area in which most of the respondents indicated that they received assistance from the EDM. Although not as strongly advocated in the GDS of 2007, it became an important area of SB support in the TMDP of 2008. Strategies included creating and exploiting marketing platform opportunities for SMMEs and specifically previously disadvantaged individuals. Furthermore, strategies aim to facilitate, support and expose SMMEs and PDIs on existing local, national and international marketing platforms that are mainly used for local tourism brand awareness.

Platforms that were facilitated by the EDM for STBs to attend included *Indaba* the international tourism trade show hosted annually in Durban (South Africa). In addition, through partnerships with festivals and big tourism events along the Garden Route and in the Klein Karoo, platforms were facilitated for STBs to market their

products at such events. Besides these platforms, the development of a Craft and Culture Destination Guide in 2009 and 2011 culminated in the marketing of crafters' wares. The research suggests therefore that in the area of market access, progress has been made in providing support consistent with the needs of STBs. It thus appears that EDM has been proactive and consistent in meeting this need of STBs.

Partnership linkages with established businesses

The respondents identified this as the third most significant area in which they require support. However, it does not form part of the SBs' support strategies in the GDS of 2007 or the TMDP of 2008. Although outsourcing forms part of the SB support strategies in the GDS of 2007, its implementation cannot be measured. It appears as if only a few of the respondents confirmed that they had received assistance from the EDM in this respect. This suggests that the needs of STBs may not be met in terms of this area and that more strategic interventions should be considered at district level to promote it.

Mentorship programmes and business incubators

Of the respondents in this study, a few indicated that they had received assistance in the area of mentorship and likewise, a few indicated that they require support through mentorship programmes. The implementation of tourism-focused SB incubators in one or two of the larger areas in the Eden District is promoted in the GDS of 2007. Inclusive to this, the Plato Mentorship Programme was rolled out during the 2009/2010 and 2010/2011 financial years as part of support for SMME development. Business incubators, on the other hand, are not included in the strategies of the TMDP of 2008 and were not implemented in the form of a comprehensive incubator programme that provides assistance across the value chain. Yet, of the respondents in this study, a few

indicated that they had received assistance in this area from the EDM. Similarly, a few of the respondents also indicated that they require support with business incubators.

It appears that though a need exists amongst a few of the respondents for support in the form of mentoring and business incubators, the EDM has already identified this need by facilitating support to STBs in both areas from which a few have benefited. From the perspective of the STBs, it may imply a need for more intensive and structured support to develop and grow their enterprises.

Export development

The findings reveal that STBs require greater support and assistance with export development. Whilst a few of the respondents indicated that they require support from the EDM in this area, some indicated that they had already received support. Export development support has been provided, though it does not form part of the SB support strategies reflected in the GDS of 2007 or the TMDP of 2008. It was, however, rolled out by the Local Economic Development Department of the EDM during the 2009/2010 and 2010/2011 financial years in the form of export development programmes for SBs across the sector. In view of this, research suggests that in the area of export development, progress has been made in providing support consistent with the needs of STBs. However, given the requirement expressed by some respondents for export development support, it appears that some STBs have not been able to access such support which may be attributed to various reasons.

Training/skills development and business skills training

Training and skills development was identified by a few of the respondents as an area in which they require support. Similarly, a few of the respondents also selected it as an area in which they received

support from the EDM. Business skills training was also specified by a few of the respondents as an area where support is required, whilst some confirmed that they received such assistance from the EDM. The results for support required and support received for both training and skills development and business skills training, imply that progress has been made in providing support consistent with the needs of STBs. Though some respondents have not received support in both areas, the latter appears to be have been prioritised by the EDM.

Product development

Some of the respondents identified product development as an area in which they required support, while some claimed to have benefited from such programmes presented by the EDM. This implies that efforts have been made by the EDM to meet the needs of STBs with regard to product development. However, given that the results reflect that only some have benefited from such support, it also highlights that the majority of the respondents may not have had access to such support. This may imply that more strategies should be considered at district level to facilitate product development.

Access to information and access to market intelligence

A few of the respondents confirmed that they required support with access to information. Likewise, some specified this as an area where they have received assistance. This suggests that access to information is an area where more strategic efforts should be directed as it culminates in the availability of market related information, essential for SBs' participation in economic and trade activities.

Similarly, access to market intelligence was also identified by a few of the respondents as an area in which they required support. Conversely, a few of the respondents confirmed that they had received assistance

from the EDM in this area. Although the distribution of information has been implemented, access to information has not received prominence as part of the SB support strategies of the EDM in either its GDS of 2007 or TMDP of 2008. It appears from the results for both access to information and market intelligence that the majority of the respondents have not benefited from it. Although some have been assisted, they appear to be in the minority and it may imply that such support should feature more prominently in the strategies of the EDM.

Recommendations

Against the results of the responses to the nine areas of support, the following section will draw conclusions and make recommendations towards appropriating programme interventions in support of STBs in the EDM. The findings reveal that the majority of the respondents were not consulted during the development of tourism strategies for the EDM or their local municipalities. The lack of coherence between some needs of the STBs and the programme responses can be attributed to this, which in turn, has an impact on the appropriation of support and interventions by the EDM. The first recommendations are therefore centred on overcoming this disconnect through broader consultation of STBs when support programmes, interventions and tourism strategies are developed, as well as their input in the monitoring and evaluation of such interventions.

In the light of this study, a number of possible strategies are proposed that if implemented, could minimise the challenges experienced by STBs in terms of accessibility to trade and economic opportunities. The second group of recommendations thus highlight interventions in line with the findings which identify areas in which support is required, such as access to funding/finance; access

to markets; partnership linkages with established businesses; mentorship programmes and business incubators; export development; training/skills development and business skills training; product development; access to information and to market intelligence.

Informed programme responses

In an effort to ensure that informed programme responses are in line with the needs of STBs, the following are proposed.

Workshops

A workshop could be held with STBs in the respective local municipalities to ascertain the areas in which they require support. This would ensure that programme interventions accurately address the specific needs of the STBs. Such workshops could be part of the tourism strategy review process.

Public participation in tourism strategies

The participation and involvement of SBs in tourism strategy development should be enhanced. STBs should form part of the consultation process to ensure that strategies promote STB development and reflect their needs and priorities.

Monitoring and evaluation

The provision of support programmes by the EDM should be assessed on an annual basis through a survey. The survey could be conducted with tourism STBs towards the end of every financial year to assess the STB programmes of the EDM. It could also become an assessment tool to measure how the public perceives the support they receive from the municipality and in which areas more intervention and improvement are required.

Areas of support to small tourism businesses

Public awareness

Roadshows could be employed as a strategy to inform STBs of the support programmes that are available from the EDM, as well as government and other

stakeholders. The roadshows should be conducted at the beginning of each financial year, and can be introduced in conjunction with local municipalities, Local Tourism Offices (LTOs), knowledge partners and role players. Information should also be available on the official website of the municipality and a simplified booklet or brochure distributed outlining available programmes; skills development or training initiatives; who the target audience is; and relevant dates. During the course of the year, it may be helpful if SBs are informed of programmes primarily through emails, but also through the local municipalities, LTOs and through partnerships with local radio stations.

Access to funding/finance

The EDM should steer clear of sponsoring SBs as it may lead to the enrichment of individual businesses, as well as being arguably in contravention of the provisions of the Local Government: Municipal Finance Management Act, No. 56 of 2003. The EDM should rather approach this from a PPP perspective and engage financial institutions to form part of such a venture. Any risk bearing is thus transferred to the private sector partners and the EDM then fulfils a coordinating role by identifying SBs that could benefit from such partnerships. The relevant financial institutions would provide funding solutions, mentoring and coaching of the STBs.

Access to markets

Market access opportunities and platforms could be facilitated through major events in the Eden District, such as festivals and craft markets to create marketing opportunities for STBs. In addition, the private sector and accommodation establishments could be engaged in programmes providing free marketing of the products of SBs. A quarterly networking platform could be incorporated where the private sector is invited to engage with STBs and where such opportunities might identify potential business ventures.

Partnership linkages with established businesses

The Municipality could embark on the development of a comprehensive database of suppliers and buyers of tourism goods with whom STBs could form partnerships. Such a database could be utilised for linking STBs with established businesses. By pairing STBs with larger enterprises the aforementioned could also be mentored by the larger enterprise. This database should be developed with the input of various stakeholders and knowledge partners.

Mentorship programmes and business incubators

A strategy could be developed in consultation with the relevant stakeholders regarding a regional business incubator to service areas in which SBs require support, including financial advice, legal advice, and marketing. The Mentorship Programme should be continued and SBs that do not require the intensive assistance provided through the incubator could be guided through the Mentorship Programme.

Conclusion

The need for a programme evaluation model that could measure the impact of local government programmes is recommended as the first outcome of this study. This outcome is highlighted by the EDM in the absence of programme monitoring and evaluation; the lack thereof contributed to programmes that are inconsistent with STBs' needs. The need thus exists to explore the development of a programme evaluation model for local government, rendering it mandatory as part of all development programmes prioritised in the IDP of municipalities, as well as other strategies. This will enable local government to ascertain and measure the impact of its programmes and to subsequently either revise such programmes or make the necessary adjustments. The second outcome highlighted by this study is the

need for government to explore the contributory factors to the recurring challenges that STBs experience to access trade and economic opportunities. This will allow government to obtain a more holistic view of factors resulting in the recurrence of problems and to initiate support programmes and interventions that STBs consider necessary.

The research question that this article posed was: Do the programmes and interventions provided by the EDM meet the needs of small businesses that use tourism to access trade and economic opportunities? This was answered by identifying challenges experienced by STBs in the EDM area to access trade and economic opportunities. These challenges were highlighted as: access to funding/finance; access to markets; partnership linkages with established businesses; mentorship programmes and business incubators; export development; training/skills development and business skills training; product development; access to information; and access to market intelligence. Some of the support programmes and interventions offered by EDM are not consistent with these challenges. This emphasises the fact that EDM will have to adjust some of its existing programmes and strategies to be consistent with the needs of STBs.

The aim of this article was to analyse interventions in support of STBs in the EDM. The aim of the article was achieved as it was determined that a lack of coherence exists between some programme responses and the needs of STBs. This article examines the need to develop policy and programme responses that reflect the needs of STBs. It is recommended that interventions be based on rigorous research and implemented with the cooperation of a network of competent role players who are experts in their respective fields. From the research reported in this article, it is evident that the provision of support programmes calls for

the development of functional relationships with stakeholders across various sectors and the alignment of interventions with the IDP, LED Strategy, and the tourism strategies of a municipality. Future research aimed at developing a generic programme evaluation model for programmes and projects prioritised in the IDP would thus be useful to ensure that support programmes are consistent with the needs of beneficiaries.

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