An Assessment of the Extent of small-Scale business venturing in Rural areas : A case study of Molemole Local Municipality in Capricorn District of Limpopo Province

New topic as per external examination: Small Scale Business Ventures in Rural Areas: A Case of Molemole Local Municipality in Capricorn District of the Limpopo Province.

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DECLARATION

I, Padi Mokibelo Deborah (11606404), hereby declare that this research proposal for Master of Science in Agriculture (Agricultural Economics) at the University of Venda hereby submitted by me, has not been submitted previously for a degree at this or any other university, that it is my own work in design and in execution, and that all reference material contained therein has been duly acknowledged.

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ABSTRACT

The study was premised on anticipation for the existence of small businesses that `seemed to be widespread within households in the traditional authorities of Molemole local municipality. The observation prompted the researcher to investigate two aspects related to these ventures; how these small-scale businesses and other income generating opportunities impact livelihoods of members of the communities**.** The study was conducted in rural communities of Molemole Local municipality of Limpopo Province. Data was collected using a structured pre-tested questionnaire from members of the community. Additional data was collected from traditional leaders of the four traditional authorities namely: Machaka, Makgato, Ramokgopa and Manthata through focus group discussions. Multi-stage clustered proportional random sampling technique was used to select the sample for this study of 150 individuals from the four traditional authorities. SPSS computer software was used to analyse data from the structured questionnaires while Likert scale was used to analyse the data collected from the focus group discussion. Descriptive statistics was used to summarize the data while Binary logistics regression model was used to analyse the influence of socio economic factors on the income levels of the respondents (from both businesses and other sources). The findings of the study show that biographic characteristics proved to have a great effect/impact on how rural community members generate their livelihoods (through income generation). Most of the respondents were found to be females, and this had a positive impact on their level of income. Majority of the respondents had secondary education as their highest level of education which caused them to have limited access to external employment. Services rendered by the few small businesses were found to be unsatisfactory by the community members. Traditional leaders stated that it was important for residents in their communities to own businesses as this will provide them with good income and services to the communities. The study concluded that income did improve the livelihoods of community members. Amongst others the study recommended for increased women empowerment, educational opportunities and encouragement to communities to initiate business ventures.

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CHAPTER 1

INTRODUCTION

1.1. Background

Historically, rural areas consisted of poor, underdeveloped and dense settlements (Zulu & Mubangizi, 2014). In South Africa, rural communities are characterised by a virtual absence of a modern economy and services (Mendola, 2010). In particular prior to 1994, no form of local government was present in such areas other than quasi-homeland administration under traditional leadership. With the post-1994 introduction of wall-to-wall local government, all such areas now have formal local government administrative structures co-existing with the traditional leadership (Bereketeab, 2012). As noted by Donaldson et al. (2012) these municipalities lack both institutional management experience and a sufficient tax base for building and sustaining vibrant local government institutions that are capable to take care of their citizenry in comparison to their urban based counterparts. Nonetheless, under the general banner of local economic development (LED), there are a number of strategies that attempt to boost local economies. South Africa's LED policy has its roots in New Institutional theory, which recognises the close link between economy and society, (Zulu & Mubangizi, 2014).

As attested above, after the democratic dispensation the South African government implemented policies aimed at accelerating development in rural areas (Mangaliso & Mangaliso, 2013). There is now visible rural development that involves taking actions and initiatives aimed at improving the standard of living for rural poor in the rural villages of South Africa. It is a strategy to achieve developmental local government (Ramukumba, 2012). Ring et al. (2010) states that rural development is not necessarily agricultural development, but is a strategy to improve the social lives of

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the rural poor. One critical aspect for achieving this objective is to assess the role played by small business enterprises as reflected below

The critical role played by small businesses has been acknowledged by the South African government especially with the initiation of the Department of Small Business Development (DSBD) in recent years (DSBD, 2016). The above is attested by government's commitments through the promulgation of the National Informal Business Strategy (NIBUS) that seeks to uplift informal businesses such as SMMEs (Small, Medium and Micro Enterprises) (DSBD, 2016- online). NIBUS focuses on women, youth and people living with disabilities founded in townships and rural areas, especially those in the informal sector. Many inhabitants of South Africa have been forced by years of apartheid into rural settings where they lead traditional lifestyles (Hunter, 2010) facing many social ills related to health and social welfare (Harris, et al., 2014).

People in rural communities face many challenges as compared to their urban counterparts (Dehem & Hudon, 2013). These people have fewer economic and social resources, are poorly educated and are more likely to be unemployed (MacGregor & Thickett, 2011). They are often inadequately housed and exposed to multiple health and social risks. But the advent of a democratic dispensation in 1994 brought the initiative of a range of innovative development policies to address some of the most acute levels of inequality in the world (Dehem & Hudon, 2013). The focus of this study is in rural villages located in Molemole Local Municipality in the Capricorn District.

Small and Medium-sized enterprise (SMMEs) are recognised as enterprises that contribute to economic growth through employment, innovation, wealth creation. They also have a great impact on the economic performance of developed economies.

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These are economies facing low inflation rates and high levels of financial intermediary development. In South Africa SMMEs contributed about 50% to the GDP in addition to employing about 60% of the labour force (Booyens, 2011). According to Bischoff and Wood (2013), the SMME sector constitutes a large range of business activity that caters for both regulated and non-regulated enterprises. In particularly participants within this sector include street traders and small capital intensive manufacturing firms. SMMEs are also described as being founded within a sector that has high potential for creating enabling environments for job opportunities and wealth distribution.

According to Peters & Naicker, (2013) SMMEs entrepreneurial acumen is a very critical aspect that affects their ability to overcome various restrictive barriers for survival and achievement of sustainable growth. The support and development of SMMEs is a great way used by local governments to restructure the local economic base and also reduce the spatial inequalities in townships. They also drive local economic growth. Areas where SMMEs are concentrated have a productive economy and generate higher local incomes than those with fewer SMMEs (Agwa-Ejon et al, 2015).

Karel et al. (2013) stated that SMMEs serve as a force that drives business growth, innovation and competitiveness. The authors also outlined that SMMEs play a critical role in job creation in addition to social stability and economic development. Khoashe & Govender (2013) stated that SMMEs are enterprises that have to face heavy compliance costs, inadequate working premises and limited access to finance. The challenge is exacerbated by out-dated laws that create more problems for SMMEs. In addition, it is generally accepted that SMMEs have become a focal point for governments in both developed and developing countries as solutions to reduce poverty and also enhance economic growth (Nyamunda, 2009).

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SMMEs are categorized into five stages of development which are: survivalist, micro, very small, small and medium-sized enterprises. Survivalist enterprises are part of the informal economy and are run by unemployed persons whose main aim is economic survival (Freyfolge, 2013, Bateman & Chang, 2012). Micro enterprises have about 5 employees where they also operate informally like survivalist enterprises. The owners are largely seen as lacking business management skills in addition to regulatory compliance challenges related to licencing requirements (Chauke, 2015). They are different from survivalists by the fact that they have great potential of making movement to a viable small formal business (Freyfolge, 2013). Very small enterprises are not informal but are part of the formal economy as they employ less than ten employees who can have the skills to use technology as they may be professionals. Small enterprises are established businesses that are registered entities operating in fixed business locations and at most employs 100 employees and this is because of their complex organisational structure. There are also medium enterprises which are managed by the owner, they can employ up to 200 employees, are regulated and comply with legislature and they also operate in a fixed business location (Peters & Naicker, 2013;).

The age structure of every population plays a very important role in influencing growth prospects and it also informs the decisions on the provision of services such as community services and transport. There is a high number of old age residents in Molemole Local Municipality who in turn causes a higher demand of old age facilities such as pension pay points (Modisha & Mtapuri, 2013). The municipality also experiences a small proportion of working age citizens. Due the high proportion of the unemployed, males migrate to other towns and cities to seek for employment opportunities leaving behind their women folks to run families (Misra et al. 2011).

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However the population of Molemole Local Municipality is generally young and economically active.

1.2. Problem statement

Most rural communities in South Africa are poverty stricken mainly due to lack of job opportunities, prompting for initiation of survival strategies such as small business ventures. Previous studies have attested to lower levels of educational attainment and business acumen for rural communities. The latter are exacerbated by limited capital and skills on effectively running a business venture (Donosa & Donosa, 2012). Federation of small businesses stated that small businesses in rural communities are the driving force of job creation that allows people to live and work in their areas and that leads to successful communities (Federation of Small Businesses, 2012). A preliminary study of some villages in the Molemole Local Municipality revealed the existence of small businesses that seemed to be widespread within households. The observation prompted the researcher to investigate two aspects related to these ventures, i.e. what benefits could be accruing to these initiatives and how are they viewed by critical stakeholders, especially traditional and local government authorities? The outcome of the research is expected to provide guidelines to the beneficiaries in terms of improving their livelihoods through business and other ventures. Traditional authorities and municipal councils are also expected to be informed about possible challenges and remedial actions that could be taken to upscale the performance of these business ventures.

1.3. Justification of the study

The main aim of this study is to assess the socio-economic characteristics of small business owners and benefits accruing thereof in the Molemole Local Municipality. With the establishment of the new Department of Business Development in South

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Africa, this study will also assist in characterising small business development and potential benefits that accrue from such initiatives, in the process acquiring more knowledge for policy development and implementation.

1.4. Objectives of the study

1.4.1. Main objective

The main objective of the study is to assess the extent of small scale business venturing in rural areas of Molemole Local Municipality**.**

1.4.2. Specific objectives

The specific objectives of the study are:

i. To identify the socio-economic characteristics of rural inhabitants of Molemole Local Municipalities (gender, level of education, marital status, employment status, small business ownership)

ii. To assess the relative benefits that accrues from small and other income generating ventures of Molemole Local Municipality

iii. To find out the views of traditional and municipal councils regarding benefits emanating from small businesses in their communities.

1.5. Research questions

The research questions formulated from the objectives are:

I. What are the socio-economic characteristics of inhabitants of Molemole Local municipality?

II. What are the benefits that accrue from small business ownership and other income generating ventures in Molemole Local Municipality?

III. What are the views of traditional and municipal councils regarding small businesses in their communities?

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1.6. Research Hypotheses

I. Livelihoods (income) of the residents of Molemole local municipality is affected by socio economic characteristics as income

1.7. Limitations and delimitations of the study

Limitations: the main limitation of this study will be financial constraints. The other limitation will be time. As this study is scheduled to be concluded in two years, time will be a serious constraint. Another limitation might be access to traditional authorities. Delimitations: the study will cover the rural communities of Molemole municipality in the Capricorn District.

1.8. Outline of the study

This study was divided into five chapters outlined as follows: the first chapter introduced the topic of the study, its background, the study problem statement, the main and specific objectives, the hypothesis, limitation and delimitation of the study. Chapter two was a review of previous studies which relate to this study. Chapter three described the research methodology, how data was collected and analysed and the analytic tools that were used. Presentation of the results and discussion is well detailed in chapter 4. The last chapter 5 then shows the conclusion and recommendations drawn from the study

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CHAPTER 2

LITERATURE REVIEW

2.1. INTRODUCTION

This chapter is based on the literature reviewed based on the main aim of this study. It outlines what other researches states in regard to small businesses in rural areas and the views of these researches on SMMEs.

2.2 General exposure of rural communities

Rural communities are important as they give individuals a place of belonging where they can interact with each other, talk about their different experiences, develop relationships and even agree on achieving their common goals (Kietzmann, et al., 2011). In the absence of these communities within rural set-ups, every person will be forced to live independently and have no interaction with other people. Specifically, these communities help in enhancing a functional society that has great impact on youth development. A positively functional community improves the abilities and skills of an individual and causes them to achieve their goals (Ramirez & Villarejo, 2012).

Rural communities do experience some disadvantages that are usually similar to those of their distressed urban counterparts in terms of lower levels of education and worker skills, lack of business and technological expertise and limited capital to finance development (Rye, 2014). It can therefore be seen that inhabitants of rural communities encounter a number of challenges such as few economic and social resources, are poorly educated, unemployed, poorly housed and exposed to health and social dangers (Ramirez & Villarejo, 2012). In addition rural communities are

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confined to geographically isolated areas, with limited access to human resources and institutional support mechanism (Rye, 2014)

In most rural areas, pensions, salaries and social benefits are the main source of cash income (Donosa & Donosa, 2012). A huge number of rural residents depend on social security grants and on free basic services like water, electricity and sanitation (Modisha & Mtapuri, 2013). In these communities, the crucial advantage is the layer of interconnected social interactions needed for social capital development, a very important resource needed in developing entrepreneurial ventures which is a driver of change, job creation and provides answers to rural economic development issues (Peredo & Chrisman, 2006). Despite the above limitations, rural communities largely experience labour force and costs stability (Garrod et al. 2006)

In South Africa rural communities in comparison to their urban counterparts are physically deprived in terms of essential services such as policing, churches, schools and health care providers (Basmajian & Rongerude, 2012). Inhabitants are mostly dependent on foster care grants, with no proper housing and this with negative impacts on their social (Basmajian & Rongerude, 2012). There is a high birth rate in rural communities and this is because of high poverty levels, rural settings and the low level of education (Ramukumba, 2012). People in rural areas of South Africa often face numerous problems of accessing goods and services and this is mainly due to long distances travelled to service centres', high fuel costs associated with transporting goods back to their homes. The lack of economic activities in a close range to their homes also is a serious challenge to rural residents (Mathaulula & Francis, 2015).

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2.3 Socio-Economic characteristics of small business owners

Most SMMEs are one-person businesses and their large form of employment is proprietorship. Abor & Quarey. (2010) stated that they are made of family groups or individual artisans of which majority of their owners are women who are not that well educated and this results in them running home-based businesses. A report by Khoashe and Govender (2013) outlines that about 70% of the Botswana micro-entrepreneurs are women who are less educated and this causes their enterprises to not be registered. It also states that most of these owners had some form of education like tertiary (a very small proportion), high school and primary education. The reports also showed that majority of the owners were young people who were not more than 30 years old.

Chauke (2015) stated that majority of the entrepreneurs in SMMEs are women and youth who had adequate education which can assist them in favourably operating their enterprises well. They are owners who are mainly without paid jobs and others are operating temporarily due to lack of employment. Kamal and Flanagan (2014) stated that the enterprise owners have no relevant skills such as managing, growing businesses, computer skills, economic skills and this is mainly because a large proportion of this owners are profit orientated as their businesses were started as a means of survival.

2.4 General literature on Small Medium and Micro Enterprises (SMMEs)

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Pilz et al. (2015) stated that about 60 per cent of India's economic output is from the large informal sector that also employs more than 90 per cent of the workers. This informal sector comprises of small businesses with hired workers, household businesses mostly having family labour and also having self-employed individuals. It also has very low knowledge of technology and there is high level of individuals without proper skills According to Nyamunda (2009), the government of Lesotho used SMMEs as a medium to develop economic reform programmes that increases employment and economic growth). Other state organs and institutions like Ministry of trade and industry, cooperative and marketing were introduced by government to assist in the development of SMMEs. But even after this interventions by government, SMMEs are still faced by heavy costs of compliance, insufficient working premises and also limited access to finance. Khoashe and Govender, (2013) also attest that in Lesotho SMMEs are supported through tax redemption, establishment of a one-stop shop and the provision of soft loans.

Botswana government introduced Local Enterprise Authority that serves as a support service that assists SMMEs in the facilitation of technology adoption, advisory services and identifying business opportunities (Olatokun & Kebonye, 2010). They also made policies for SMMEs to be simple and also removed unnecessary steps and this helped in creating a platform for the participation of the private sector Beyer and Nelson, (2000).

Simon (2011) states that SMMEs are a very broad enterprises and they contribute to the countries national product by two ways: manufacturing goods of value and through the provision of services to both consumers and other enterprises. They do this by being both suppliers to their customers and also be the consumers from the industrial sector. They have a great ability to generate employment and increase human capital.

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This SMMEs assist in redistribution effect and they also assist in the restructuring of societies. They contribute to the socio-economic development of the nation by creating jobs and this forms part of the 2030 vision by the National Development Plan (NDP) to decrease unemployment by 6 per cent through the creation of 90 per cent of jobs in small and expanding firms (Booyens, 2011).

According to Agwa-Ejon and Agwa-Ejon (2015) SMMEs in South Africa have high attrition rates due to weak entrepreneurial culture, poor management skills and barriers to market entry. As noted by Booyens (2011) small enterprises face serious barriers than medium-sized and large enterprises in accessing finance for innovation, commercialising new ideas and expanding their business. There is also a high hindrance to market entry for SMMEs.

Booysen (2011) also noted a mismatch between supplied skills by the education system and the needed skills by the industry. In a study highlighted by Agwa-Ejon and Agwa-Ejon, (2015) it was revealed that Gauteng Province did not only boast of more small businesses than Limpopo Province (23% vs 9.8%) but also that the majority of such businesses were service providers (34.2%) against those in Limpopo Province that mostly provided retail services. Agwa-Ejon and Agwa-Ejon, (2015) attest to the former as being more inclined towards job creation than the latter.

2.4. The institutions Local Government and of Traditional leadership in South Africa

Chapter 7 of the Constitution of the Republic of South Africa describes a municipality as the local sphere of government which has powers to rule using its own by-laws on

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issues pertaining to local communities. The institution ensures that there is accountability of government to local communities especially as regards sustainable service delivery (Maxine, 2009) and ensuring economic development within communities (Maserumule, 2008). Municipalities enrich local communities with social and economic development projects and thus empower them to take part in community organisations that target through a consultative process (Modisha & Mtapuri, 2013). In particular municipalities ensure integration of social, economic and ecological pillars (Mashamba, 2008). In contrast traditional authorities are considered as providers of leadership to communities (King, 2014). As such they are considered as a component of governance that is geared towards fostering democratic processes. Specifically, they play an important role in identification and allocation of communal land for residential purposes and livestock rearing.

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CHAPTER 3

METHODOLOGY

3.1. Introduction

This chapter covered the study areas and the sample for the study, the type of data collected and the respondents for the study. It also covered the analysis techniques that were used in analysing the collected data

3.2. Location of study

The study area Molemole Local Municipality is within the Capricorn District of the Limpopo province

3.2.1. Map of the study area

FIGURE 1. Map of South Africa showing Limpopo Province

(www.sacarrental.com/maps.htm,) accessed on 25/05/2015.

Limpopo province is home to 11% of the 50.6 million South African population (Statistics South Africa, 2012). It is divided into five municipal districts, namely,

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Capricorn, Mopani, Sekhukhune, Vhembe and Waterberg. The study area Molemole local municipality is located in the Capricorn District. The Capricorn district is named after the Tropic of Capricorn, which passes through this northern part of the province. It is the area of the province that is in close proximity to the neighbouring countries of Botswana, Zimbabwe and Mozambique. It is a semi-urban area and includes major towns such as Polokwane and large farms (Mahlangu & Legothoane, 2012).

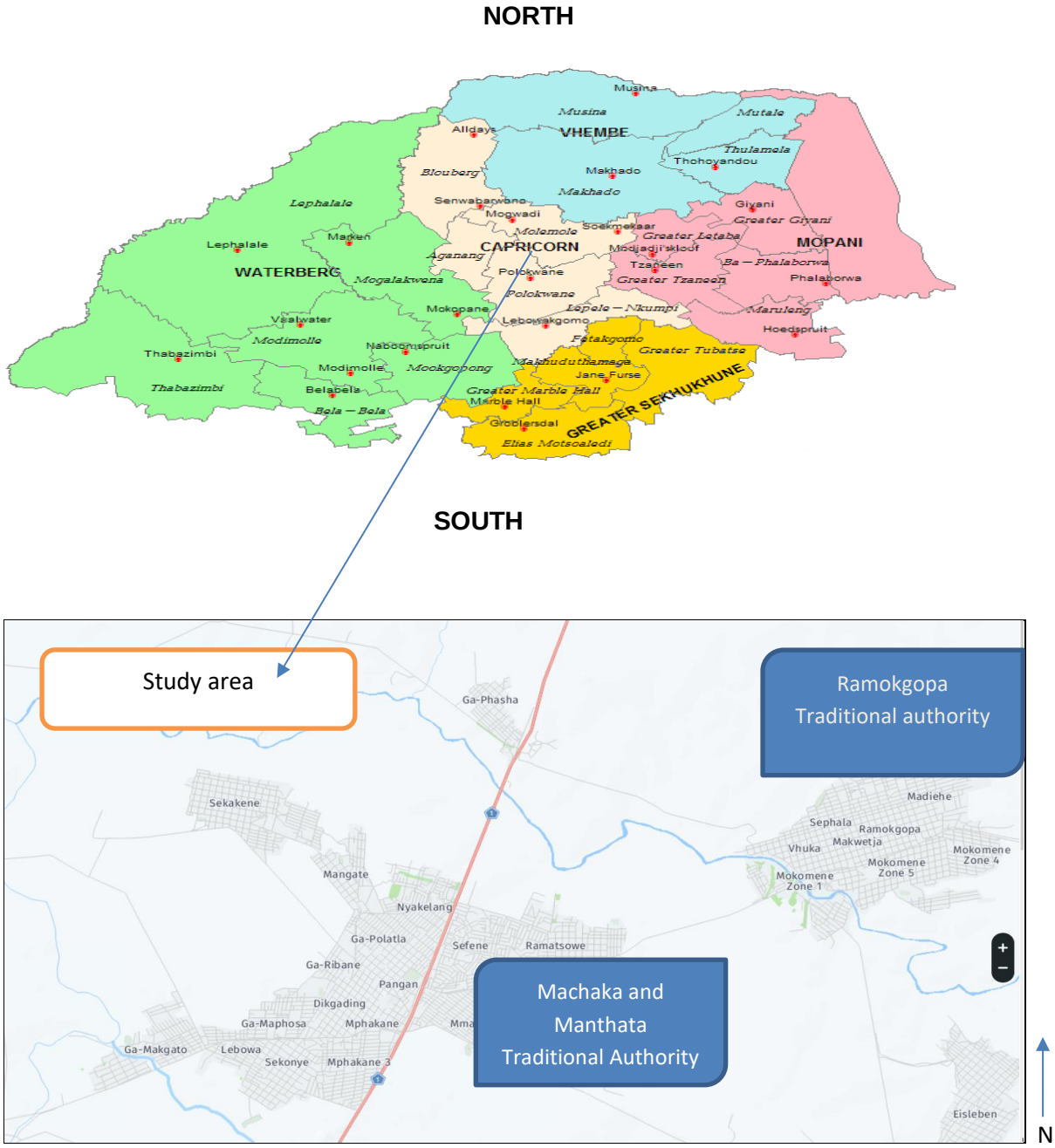

FIGURE: Map of Limpopo showing the study area

(From: https://www.google.co.za/search?q=map+of+capricorn+district&biw=)

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3.2.2. Demographic characteristics of inhabitants within the study area

3.2.2.1. Molemole Local Municipality

Molemole Local Municipality (MLM) is located about 60 km north of Polokwane within the Capricorn District. The town of Mogwadi formerly known as Dendron is located within the MLM with a population of 108 321 (Statistics South Africa, 2012). The municipality is bordered to the south by Polokwane Local Municipality, to the north-west by Blouberg Local Municipality, to the south-east by Greater Letaba Local Municipality in Mopani District, and to the north by Makhado Local Municipality in Vhembe District. One major national road, the N1, crosses through the municipal area linking Molemole with Zimbabwe to the north, whereas the provincial road P94/1 (R521) passes through the municipality and links Molemole to Botswana to the west. It is the smallest municipality in the Capricorn District with 14 wards. The municipality is named after one of the mountains surrounding the area (Statistics South Africa, 2012).

3.3 Research Design

This is a cross-sectional study of the four traditional authorities of Molemole local municipality. Data was collected through questionnaire where respondents were randomly selected from the list of the community members received from the local tradition council. More data was collected through focus group discussions where the traditional council and two members of relevant stakeholders invited. The data was then coded into SPSS and interpreted.

3.3. Sampling Techniques

The sampling frame is shown in Table 3.3.1.

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Table 3.3.1. Population and sampling frame for residents of Traditional Authorities in the Molemole Local Municipality (2015)

Name of traditional authority	Population	Sampling	
		% of total	Sample size
Machaka	37 800	35	53
Makgato	9 200	9	13
Ramokgopa	34 000	31	47
Manthata	27 000	25	37
	108 000	100	150

Source: Molemole Local Municipality.

Residents of traditional authorities of the Molemole Local municipality some of whom may own small businesses were considered as major study units. As shown in Table 3.1, a multi-stage clustered proportional random sample was drawn to obtain samples from each traditional authority under the Molemole Local Municipality. The sample was selected as 150. The respondents for this study were sampled inhabitants from the selected tribal authorities, tribal authority leaders and municipal councillors. The formula used for calculating sample size for the category was:

$$\frac{POPULATION\ PER\ TRADITIONAL\ AUTHORITY}{TOTAL\ POPULATION\ OF\ THE\ TRADITIOAL\ AUTHORITY} \times n \qquad \text{Where n = 150}$$

3.4. Data collection

3.4.1. Structured interview questionnaire

Data was collected through a structured interview questionnaire that was directed at ordinary members of the community in the tribal authorities. According to McLeod (2014) a structured interview questionnaire is a set of questions put up by the interviewer from an interview schedule. The questionnaire contained both open and closed ended type of questions. The data was collected by going through villages in the local authorities and individuals fill out the questionnaires. A focus group discussion was also held with traditional authority and local government stakeholders to solicit their views with regards to business initiatives in their respective villages or

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wards. The Focus groups were held at the traditional offices with relevant stakeholders present. The groups were asked questions and minutes were taken and later interpreted.

3.5. Data analysis

The collected data was coded and captured into SPSS (Statistical Package for Social Sciences SPSS) computer software. A logistic regression model that show the relations between dependent and some explanatory variables was fitted to analyse the data as was done for an earlier study by Chauke. et al. (2014). A detail of how the analytical process unveiled is reflected below for the study objectives.

3.5.1. Socio-economic characteristics of the inhabitants of the traditional authorities

Descriptive statistics and correlation were used to analyse socio-economic characteristics of the respondents and presented into frequency tables, percentages, mean and standard deviation. Binary logistics regression was used to analyse the influence of socio-economic variables on the income status of the respondents. Binary Logistic regression was considered useful for situations in which the prediction of the presence or absence of a characteristic or outcome based on values of a set of predictor variables was the case (William, et al., 2010). The Binary Logistic Regression is similar to a linear regression model but is suited to models where the dependent variable is dichotomous as in this study. Binary Logistic Regression coefficients were used to estimate odds ratios for each of the independent variables in the model. In the Binary Logistic Regression model, the relationship between the dependent variable Z and the probability of the event of interest is described by the following link function (William et al, 2010):

The proposed model for the study is as follows:

$$ln(P_i \ / 1 - P_i) = \propto + \beta_1 \text{GEN} + \beta_2 \text{AGE} + \beta_3 \text{LVLEDU} + \beta_4 \text{MARSTS} + \beta_5 \text{DOB} + \beta_8 \text{ EMPLYST} + U_t$$

Where:

$\ln(P_i \ / -P_i)$ = Logit income level of responds from small businesses and other income generating ventures

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P_i= less than R5000; 1- P_i = more than R5000

Gen= Gender

LVED= Level of education of respondents

Marsts= Marital status of respondent

DOB = Does the respondent own any business

Emplst= what is your employment status

3.5.2. To assess the benefits that could accrue from business initiatives in rural communities of Molemole Local Municipality.

Data were collected through structured Likert scale designed questionnaires. A Likert Scale is a commonly used technique considered as an important rating format for quality measurement (Allen & Seaman, 2007). Referred to as a frequency scale, it is seen as an important tool for measuring attitudes, especially in studies where participants respond to statements covering particular topics (McLeod, 2014). It is thus a good measure for levels of agreements or disagreements. Vanek (2012) provides a clear distinction between Likert scales and Likert items, the former being a sum of all responses to several of the latter (statements that the respondent is required to answer).

As noted by Allen and Seaman (2007) data collected through Likert scales are usually grouped into a hierarchy of four levels, i.e. nominal, ordinal, interval and ratio. In analysing Likert scale type data, Allen and Seaman (2007) warn against the invalidity of using parametric techniques such as means and standard deviations for categorically collected data and suggest the use of non-parametric procedures such as tabulations, frequencies and Chi-squared test.

3.5.3. Views of traditional and municipal councils regarding spinoffs that could emanate from formal business initiatives

Qualitative data was collected by means of focus group and face to face interviews from Traditional leaders (chiefs and headmen) and Municipal leaders (councillors). Focus groups were conducted in each traditional authority. Stakeholders were

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requested through the traditional council to discuss issues raised on the focus group discussion tool. The focus group consisted of different stakeholders from the study area as reflected above

3.6. Ethical consideration

In conducting this study, permission was requested from all participating structures. The request was firstly sent to the University of Venda (School and University Higher Degrees Committees). Further requests were forwarded to the Molemole Local Municipality and to all traditional authorities involved in the study (Machaka, Makgato, Ramokgopa and Manthata) before conducting the study. Every individual taking part in this study was treated with respect. None were coerced or forced into answering questions or participating in discussions.

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CHAPTER 4

STUDY RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter presents the survey results of Molemole Local Municipality conducted to assess the impact of businesses that are established in rural communities in four traditional authorities namely; Machaka, Manthata, Makgato and Ramokgopa. The analysis was done using descriptive, logistic regression and thematic analyses. The first two were used in analysing socio economic and beneficial effects of businesses while the latter was used in analysing results from focus group discussions with critical community stakeholders.

4.2 Socio-economic characteristics of residents of Molemole Local Municipality

4.2.1 Gender of the respondents

Table 4.1 shows that most respondents emanated from Machaka Tribal Authority (35.3%) followed very closely by those from Ramokgopa Tribal Authority (31.3%). Also, more than half (56%) of the respondents were females. Despite coming second in terms of respondents' proportion, Ramokgopa Tribal authority had more males than females (17.3% vs. 14%)

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Table 4.1 Gender of respondents per tribal Authority, Makgato Tribal authority had the least respondents

Tribal authority	Gender (%)		
	Male	Female	Total
Machaka	14.7	20.7	35.3
Makgato	2.7	6.0	8.7
Ramokgopa	17.3	14.0	31.3
Manthata	9.3	15.3	24.7
Total	44.0	56.0	100.0

4.2.2 Academic qualification of the respondents

The respondents in the study held various educational qualifications. A high proportion (40%) had senior secondary school qualification (grade 10-12) followed by a reasonable proportion (35.3%) that had acquired tertiary education qualification. Most respondents that held the Secondary school qualification were found at Machaka and Ramokgopa traditional (14.0% each). Regarding tertiary educational achievement, Machaka traditional authority presented the most (16.0%) followed in equal proportions by respondents from Ramokgopa and Manthata traditional authorities (8.7% each).

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Table 4.2 Academic qualification of the respondents

Tribal authority	Highest academic Qualification (%)					
	Primary	Grades 7 -8	Secondary Grades 10-12	Tertiary	Other	Total
Machaka	0.7	3.3	14.0	16.0	1.3	35.3
Makgato	1.3	1.3	2.7	2.0	1.3	8.7
Ramokgopa	2.0	4.0	14.0	8.7	2.7	31.3
Manthata	2.7	1.3	9.3	8.7	2.7	24.7
Total	6.7	10.0	40.0	35.3	8.0	100.0

4.2.3 Marital status of the respondents

The results for the study on the marital status of the respondents are well outlined in Table 4.3. Most respondents in the study were single (38.7%) especially from Machaka (14.7%) followed by Ramokgopa (14.0%). Table 4.3, also shows that more than three third (34.7%) of the respondents were married. Most of the married respondents originated from Machaka Traditional Authority (13.3%) followed by Manthata Traditional Authority (8.7%). Few respondents were divorced (6.7%). Of the latter most (2.7%) were from Manthata. Some respondents were neither single nor married but just staying with their partners (10.0%).

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Table 4.3 Marital status of the respondents

Tribal authority	Marital status (%)					
	Married	Single	Divorced	Widowed	Staying together	Total
Machaka	13.3	14.7	2.0	3.3	2.0	35.3
Makgato	3.3	2.7	1.3	1.3	0.0	8.7
Ramokgopa	9.3	14.0	0.7	3.3	4.0	31.3
Manthata	8.7	7.3	2.7	2.0	4.0	24.7
Total	34.7	38.7	6.7	10.0	10.0	100.0

4.2.4 Employment status of the respondents

According to Table 4.4 most residents from the four tribal authorities were unemployed (42.7%). Ramokgopa recorded the highest proportion of the latter (14%). Self- and private sector employment provided opportunities to almost equal proportions of residents (24.7% and 22.7% respectively). Out of those that were employed in the private sector many originated from Ramokgopa (8.0%) followed by Machaka and Manthata (both contributing 6.7%). Most of the self-employed originated from Machaka (9.3%), followed by Ramokgopa (6.0%). Residents that were employed in the government sector were relatively fewer (17.3%) and dominated by Machaka and Manthata traditional authorities (7.3% and 4.0% respectively).

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Table 4.4 Employment status and level of income of the respondents

Tribal authority	Employment status %				
	Self-employed	Employed in government	Employed in private sector	Unemployed	Total
Machaka	9.3	7.3	6.7	12.0	35.9
Makgato	0.7	2.7	1.3	4.0	8.7
Ramokgopa	6.0	3.3	8.0	14.0	31.9
Manthata	1.3	4.0	6.7	12.7	24.7
Total	24.7	17.3	22.7	42.7	100

4.2.5 Ownership of businesses by the respondents.

Some of the respondents in the four traditional authorities of Molemole Local Municipality owned businesses. However, more than three quarters (75.3%) of the respondents, especially from Ramokgopa (25.3%) and Manthata (21.3%) had no ownership of business ventures. Only about a quarter (24.7%) mostly from Machaka (14.7%) had some kind of business establishment.

Table 4.5 Businesses owed by respondents

Traditional authority	Business ownership (%)		
	Yes	No	Total
Machaka	14.7	20.7	35.3
Makgato	0.7	8.0	8.7
Ramokgopa	6.0	25.3	31.3
Manthata	3.3	21.3	24.7
Total	24.7	75.3	100

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4.3 Benefits from business ownership

4.3.1 Type of business ownership

There were various types of businesses established in the four traditional authorities of Molemole Local Municipality and owned by some respondents. Table 4.6 shows that most of the respondents had established business ventures such as hardware (6.7%), Spaza shops (4.0) and hawking (2.0%).

Table 4.6 Type of businesses owned by respondents

	Formal shop	Spaza shop	Car wash	Hawking	Saloon	Café	hardware	other
Machaka	0.7	2.0	1.3	1.3	0.7	1.3	4.7	4.7
Makgato	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ramokgopa	0.7	1.3	0.7	0.7	0.0	1.3	0.7	0.7
Manthata	0.0	0.7	0.0	0.0	0.7	0.0	1.3	1.3
Total	1.3	4.0	2.0	2.0	1.3	2.7	6.7	6.7

4.3.2 Income generated from businesses owned by respondents

Table 4.7 shows the range of income generated by the respondents from their business ventures. Out of the few respondents that had established business ventures, 6.0% of them earned above R50 000 per annum and a adequate proportion (4.7%) earned income that ranged between R5 000 and R100 000 per annum. There was also a smaller proportion (1.3%) respectively that earned between R30 100 to R40 000 and R40 100 to R50 000.

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Table 4.7 Income generated from businesses owned by respondents per annum

Annual income generated from the business owned by respondents (%)								
Traditional authority	None	R5000-R10 000	R10 100-R20 000	R20 100-R30 000	R30 100-R40 000	R40 100-R50 000	Above R50 000	Total
Machaka	20.7	3.3	2.0	1.3	0.7	1.3	4.7	35.3
Makgato	8.0	0.0	0.0	0.0	0.0	0.0	0.7	8.7
Manthata	25.3	0.7	1.3	2.0	0.0	0.0	0.7	31.3
Ramokgopa	22.0	0.7	1.3	0.0	0.7	0.0	0.0	24.7
Total	76.0	4.7	4.7	3.3	1.3	1.3	6.0	100

4.3.3 Level of satisfaction with services from businesses and other institutions

Table 4.8 shows the level of satisfaction of the community members from the services rendered by businesses in their communities. A high level of dissatisfaction was reported for wages received from businesses that they worked for (90% of respondents). Other services reported as being unsatisfactory included clothing (80.7%), prepared food outlets such as restaurants (just above half of the respondents), internet (58%), general food dealerships (68%) and services offered by financial institutions (61.4%). It must be reflected that the above sentiments were strongly held for services such as clothing shops (by 42%of respondents) and nearly equal proportions for information technology (internet) and food dealerships (32.7% and 32% respectively).

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Table 4.8 Level of satisfaction with services from various business ventures on the services from local businesses

Likert scale item	Likert scale responses (%)				
	Strongly agree	Agree	Disagree	Strongly Disagree	Total
Satisfied with clothes shopping	1.3	18.0	38.7	42.0	100.0
Satisfied with restaurants	11.3	38.0	32.7	18.0	100.0
Satisfied with internet café	16.7	25.3	25.3	32.7	100.0
Satisfied with warehouses	26.7	33.3	23.3	16.7	100.0
Satisfied with food dealerships	5.3	26.0	36.7	32.0	100.0
Satisfied with liquor stores	60.7	30.0	4.7	4.7	100.0
Satisfied with financial institutions	4.7	34.0	40.7	20.7	100.0
Satisfied with health institutions	8.7	44.0	40.0	7.3	100.0
Satisfied wages from business employed in	2.0	8.0	3.3	86.7	100.0

However community members were satisfied with services offered by liquor stores (91.3%), warehouses (60%) and health care institutions (52.7%). A very high level of satisfaction (60.7%) was held for services offered by liquor stores.

4.4 Views of traditional and municipal councils regarding spinoffs emanating from business ownership

In discussions held with traditional leaders in their respective areas of control, various views were held regarding business establishments. The majority of the leaders mentioned that there was a high number of informal businesses One of the leaders said “re bona dikgwebo tse di botse tsa go thusa sechaba mafase a mangwe efela rena re ya a hloka” expressing his wish for formal businesses to be established within

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his community as pertains in neighbouring villages. All participants generally expressed the need for more business establishment within their communities. It was also reflected that whereas some community members owned various businesses, most were owned by outsiders. In response to the question "why are people from other communities conducting businesses in your areas", one leader responded that "re ba dumelela ka gore ba nyaka go thusa sechacba sa rena. Ebile batho ba rena ga ba bule dikgwebo". This meant "we allow them to open businesses in our communities mainly due to the benefits we derive as most of us are incapable of doing so". Another group however held the view that outsiders should not be allowed to conduct business within their areas. As articulated further by one leader "… re leka go hlohloletsa sechaba sa rena go bula dikgwebo efela ga ba dire jwale", i.e. Although leaders always encouraged community members to involve themselves in businesses, they were generally reluctant to venture into such. With regards to the ability of these businesses to establish job opportunities for the community, consensus could not be reached, with others affirming and some disagreeing. The latter argued that most businesses were quite informal to create effective job opportunities. One leader mentioned that whereas in the past he used to travel long distances to the nearest town for his basic household necessities, he was able to obtain similar goods from local shops, in the process saving substantially in terms of travel costs and time. When asked to reflect on services that they received from local business many identified banking, food, clothing shops, warehousing and health institutions.

4.2.8 Inferential statistical analysis

4.2.8.1 Correlation Matrix of independent variables

Table 4.9 reflects the relationship (correlation) that exists amongst variables. It is very critical that such relationship be minimal to avoid bias in estimating their influence to the dependent variable.

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Table 4.9 Correlation matrix

VARIABLE	GENDER	AGE	LVED	MARTS	EMPLST
GENDER	1	.086	-.021	.085	.176*
AGE	.086	1	-.198*	.022	-.075
LVED	-.021	-.198*	1	-.033	-.144
Marts	.085	.022	-.033	1	.184*
Emplst	.176*	-.075	-.144	.184*	1

Source:

The closer to unity the correlation, the stronger the influence existing between any two variables. All the variables reflected in Table 4.9 displayed very weak correlations, signifying independent influence to the dependent variable

4.2.8.2 Binary regression results

The output of the Logistic regression model is presented in Table 4.10. Save for some categories of two variables (marital and employment statuses – all other variables were insignificant predictors to the level of income generated by respondents. Marital status, especially being single or divorced is highly significant (at the 1% level) with negative impacts on the level of income generated. This result signifies that as inhabitants of the four tribal authorities become either single or divorced, their level of income decrease. Employment, at most being employed in private sector or being self-employed had high significant (at 1% level) with a positive impact on the level of income generated by respondents. This implies that when respondents from the four traditional authorities are self-employed or employed in a private sector, their level of income increase. This outcome regarding a positive impact of the employment status on the level of income is expected while the negative impact of the marital status on the income generated was not expected. From Table 4.11 reveals that the model correctly predicted 77.3% of the cases. From the Logistic regression, the Hosmer and Lemeshow test produced a Chi squared value of 5.672 with a p-value of 0.837

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Table 4.10 Binary logistic regression results

	B	S.E.	Wald	Df	Sig.	Exp(B)
Marts (2) (Marital status- Single)	-2.592	.967	7.180	1	.007	.075
Marts (3) (Marital status- Divorced)	-3.266	.942	12.013	1	.001	.038
Marts (5) (Marital status- Staying together))	.133	1.357	.010	1	.922	1.142
Empst(1) (Employment – Self Employed)	2.740	.751	13.313	1	.000	15.483
Empst(3) (Employment - Private Sector)	3.012	.715	17.743	1	.000	20.319
Constant	.066	1.393	.002	1	.962	1.068

Source:

Variable(s) entered on step 1: A2, A3, A5, A9. **significant t 5% level; ***significant at 1% level; Cox & Snell R square = 0.476; Nagelkerle R^2=0.641; Hosmer and Lemeshow Test=5.672; df=8; p= 0.837; n= 150; depend variable=level of income

4.5. Discussion of results

The findings of the study revealed the dominance of females. This finding is corroborated by a similar study conducted by Fletscher & Kenney (2011) ion perspectives of women in rural areas in which females dominated their male counterparts. The implication therefore is that women form the backbone of rural community development within Molemole Local Municipality. As attested by the study by David (2007) rural women do not only make up almost half of the rural population but are also key contributors towards food production.

The study has also shown that the majority of respondents had acquired senior secondary school qualification (grades 10-12). This finding is critical in that it reveals that the majority of residents, especially women, are better placed to integrate into an economy that calls for substantial literacy and numeracy skills required for accessing information that is pertinent to business development. The assertion is in line with a study by Kwiek (2013) which uncovered that most people with matric (an equivalent of the Senior Certificate) struggle to access formal job opportunities. In another study conducted by Flora et al, (2015) it was found that most individuals in rural communities saw no reason for investing in education anymore as it does not translate into employment n opportunities. With increased involvement into small-scale business venturing, communities in the study area are expected to increasingly realize the need

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for enhancement of their educational qualifications as such an activity will be vital for skills acquisition.

The study also uncovered that most residents of Molemole Local Municipality were single. The implication therefore could be that most households within the study area are managed by single parents. The above conclusion should however be treated with caution as many couples prefer cohabiting than entering into formal marriage arrangements. If the former is true however, it could be concluded that such single parent families require increased business opportunity awareness support, especially in that the majority could be women as attested by the finding above. . In a study conducted by Isen & Stevenson, (2010), it was revealed that most educated individuals decided to marry at a later stage (about 40 years) in comparison with their less educated counterparts (about 20 years).

In terms of employment the study found that most residents were either self-employed or employed in the private sector. A study conducted by Burgess (2012) regarding employment found that most young people in rural communities were mainly facing the challenge of being employment in smaller firms with low wages or salaries attributed mainly to their low level of education. With regards to residents of Molemole Local Municipality it can be inferred that their above secondary school educational attainment places them in a better position to participate into various businesses opportunities. As attested by Chauke (2015) most people in rural communities lacked basic entrepreneurial skills. Another study by Burton et al (2013) revealed a positive relationship existed between educational attainment and job opportunities. As further articulated by Flora et al, (2015) many job opportunities in rural communities attracted very low, unstable part time basis and seasonal opportunities. Low wages could be impacting negatively to those aspirant entrepreneurs that could invest their income into various small-scale business opportunities.

The general findings of the study were that a high proportion of respondents did not participate in business ventures. The major causal factor could be lack of entrepreneurial skills. In a study conducted by Curran & Stoney (2016), it was shown that most entrepreneurs possessed various types of skills that contributed to the success of their businesses. Praag & Stel, (2013) stated that the more business owners a community had the more stable it was likely to become. The latter could

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translate to an insinuation that businesses initiatives widen opportunities to community members through closer access to the services rendered.

The study also uncovered a high level of dissatisfaction with the wages received from local businesses. This seems to be a major problem that is faced by various individuals in rural areas employed in local businesses. Bischoff & Wood, (2013), have shown that due to lower skills many individuals in developing countries of Africa earn lower wages. In another study conducted by Bart et al, (2010) it was stated that young people tend to migrate to towns in search of for better employment opportunities

This study has further shown that respondents who are residents of Molemole Local Municipality are not satisfied with the clothing, restaurants, internet services and financial institutions. Khoashe & Govender (2013) stated that most businesses in rural areas render services poor services that are mostly below expectations and demands of communities or customers. Internet has changed so many peoples life's either positively or negatively through provision of information (Vinerean et al, 2013). The findings of the present study shows that the inhabitants within the study are were not well catered for with regard to internet access. The finding is rather of critical importance in that it points out a business opportunity that prospective entrepreneurs need to venture into. However, Prieger (2012), indicated that areas with low-income and low density have minimum supply of internet.

In a study conducted by Fletscher & Kenny (2011), it was shown that while access to financial services improved people's livelihoods many lacked the necessary skills to access the service besides the latter being a major component for t development of rural communities. In contrast to findings of lower availability of financial services in rural areas, Dupas et al, (2016) assert their availability and ascribed lower utilization of the service to lack of trust on banking systems especially as they regarded such services being unreliable and expensive.

The findings of our study reveal that members of Molemole communities are not satisfied with their access to food stores. In a study conducted by Lamichhane, (2014), it was stated that most rural residents encounter various limitations to accessing food outlets mainly because of long travel distances, lack of transportation, and limited financial resources. Similar challenges could be affecting inhabitants of Molemole Local Municipality. As regards the level of satisfaction on services rendered by local

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businesses, there was an equal high ranking regarding dissatisfaction, especially for internet services.

Satisfaction with health care services rendered to the communities was reported in this study. In contrast to previous studies on similar services. Brundisini, (2013) observed poor access to secondary and tertiary services The above observation has also been confirmed by Ntsoane et al, (2012) in their Capricorn district study which uncovered inaccessibility of health care services due to lack of knowledge availability and affordability.

All four traditional authorities in this study agreed on the high proportion of liquor stores in comparison to other business ventures. In a study conducted by Rusell et al, (2013), it was revealed that South Africa is rated as one of the highest alcohol consuming country due in large to the high number of alcohol drinking establishments, taverns and shebeens. In another study conducted in Cape Town by Pitpitan, (2013) it was revealed that alcohol serving venues, taverns and shebeens are seen as sexual networks where people meet for sex, in the process contributing to the HIV risk in addition to violence. Residents of Molemole Local Municipality, especially youth are therefore at high risks of contracting HIV/AIDS and other sexually transmitted diseases.

Where many leaders in all traditional authorities appreciated the many informal businesses in their communities they have expressed their desire for the establishment of formal businesses. As attested by William et al, (2014) informal businesses could be critical start –up initiatives towards establishment of formal business as the former could be testing grounds for the latter. Studies by Dupas & Robinson, (2013) and Rupasingha (2013) revealed that most rural business owners/ entrepreneurs were found in the informal sector mainly because of its ability to allow free entrance to trade. Some of the leaders that were interviewed for this study agreed that locally owned businesses provided needed employment to the local residents while others disagree with this assertion. However the conclusion by Muske et al, (2007) that one in every 6 households in rural communities either owned or operated a business enterprise confirm the views held by the former leaders. The findings of this study also showed that most formal businesses were actually owned by outsiders , an observation that was appreciated by community leaders who reflected “re ba

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dumelela ka gore ba nyaka go thusa sechacba sa rena", i.e. they are allowed in because they come in to help our communities. The desirability of outsiders to conduct businesses within rural communities has also been attested by Stockdale & Macleod, (2013) who further indicated that such business owners tended to create job opportunities for the locals.

Inferential statistical analyses have shown that marital status, especially being single or divorced was highly significant (with negative impacts on the level of income generated. They finding that as community members became e either single or divorced resulted in decreased family income reflect the dependency syndrome in rural communities. Also the significance of generating higher income from private sector and self-employment are desirable income that requires concerted supportive strategies.

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CHAPTER 5

Summary, conclusion and recommendations

5.1. Introduction

This chapter provides the study summary, conclusions and recommendations of the study. It summarizes and briefly discusses the results in response to objectives and hypothesis of the study. It further gives suggestion on future research opportunities

5.2. Summary

The summary of the study is based in the three specific objectives that were set by the research:

5.2.1. Identification of socio-economic characteristics of rural inhabitants of Molemole Local Municipalities (gender, level of education, marital status, employment status, small business ownership)

- The majority of the respondents in this study were females.
- The study revealed that many respondents had acquired secondary school education followed by a small proportion that had obtained tertiary education level.
- Most of the respondents in this study were found to be single, followed by married couples. This could be as a result of the high number of females that are found to be dominant.
- The study also revealed that most of the respondents did not own any kind of businesses. The latter could be attributed to lack of entrepreneurial skills and a poor educational background.

5.2.2. Assessment of the involvement and benefits that accrue from small business ownership in Molemole Local Municipality (type of business, income generation, level of satisfaction with small business initiation).

- The study revealed that out of the small number of respondents who owned businesses, most owned spaza shops, followed by those who had hardware's and few were small-scale hawkers.

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- In terms of income generation the majority earned R500 and R20 000 per annum from their business operations while a small number earned in excess of R50 000 per annum. The main reason for low income earnings could be related to the informal nature of enterprises that were in operation.
- The study also found out that most respondents, especially those without businesses derived some level of satisfaction from services received from various businesses. Some however reflected their dissatisfaction with some services. The most cited enterprises that brought satisfaction to respondents were mainly liquor stores, warehouses and health care facilities. The highest level of satisfaction was derived from liquor stores.
- The respondents showed some level of dissatisfaction with regards to wages received, services from clothing stores, food stores, internet cafes and financial institutions.
- The study further revealed that single respondents had a higher probability of negotiating an increase in their level of income.
- The study also revealed that self-employment or employment in the private sector provided higher chances of increasing one's level of income.

5.2.3. Assessment of the views of traditional and municipal councils regarding benefits emanating from small businesses in their communities

- Traditional Leaders that participated in this study stated that most of their community members were not involved in businesses. They however reflected a need for formal business establishments.
- It was also revealed that some businesses available in their rural communities were owned by outsiders who were foreign officials who used the businesses as their source of employment. The latter emanated from lack of interest in business venturing by the locals.
- Community leaders indicated that they always encouraged their subjects to venture into businesses but little success.
- The leaders that participated in the study also observed that fewer job opportunities were created by current businesses due mainly to the dominance of informal businesses ventures..

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- In general the leaders acknowledged massive reduction inn transaction costs as residents were able to access some needed goods and services from within the community.

5.3. Conclusion

The conclusion of the study is based on the hypothesis that was stated by the research

5.3.1. Livelihoods of residents of Molemole Local Municipality is affected by the socio economic characteristics

The findings of this study accept the stated hypothesis, because the biographic characteristics proved to have a great effect/ impact on how the community members lived. This is because most of the community members were females who were single and this had a positive impact on their level of income. Most of the community members had only secondary education as their highest qualification and this caused them to have a limited access to employment. The had an impact on their skills acquisition

5.4. Recommendations

5.4.1. The finding that most community members that participated in the study were females is highly appreciated as it affirmed the dominance of females as attested by literature. The observation is also desirable within an environment in which women empowerment has assumed centre stage. What is more encouraging is that most are single respondents that are able to fend for their families. Women should be encouraged to involve themselves in income generating ventures.

5.4.3 The observation of this study regarding the dominance of respondents that have acquired secondary school education is desirable. such a level of education allow its holders to easily access written and electronic information that is so desirable in today's world In addition individuals holding senior school education can receive training with relative ease. Community members of Molemole local municipality should be able to access education and trainings that empower them to gain skills that will help improve their skills.

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5.4.4 Community stakeholders (traditional authorities) revealed that businesses in rural communities do assist the communities to access various services at a close range although most respondents reported being dissatisfied with some services offered by these businesses. Government should encourage members of rural communities to venture into businesses in their local communities.

5.5. Suggestions for future researchers

The following questions require further investigation:

- How can rural communities be empowered to venture into formal businesses?
- How best can businesses improve the income level of members of rural communities like those of Molemole Local Municipality?

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ANNEXURES

Questionnaire for the Biographic characteristics of inhabitants of traditional authorities in Molemole Local Municipality

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Dear respondents

My name is Mokibelo Deborah Padi from the school of Agriculture at the University of Venda. I am conducting research on formal business in rural communities of Molemole Local Municipality. The main purpose of this research is to assess issues that would affect the initiation of businesses in your community and your views on formal business initiation. I will discuss the findings of the research with you in a meeting. I will also ensure that your name is not mentioned in subsequent reports emanating from the study. I will only publish generalised findings.

You are not forced to be part of the participant in this study and you can withdraw at any time during the interview. At the same time, your response and participation is very important for the success of this study. However, we shall request for your cell phone number for clarity of issues later on.

You may contact my supervisor Prof P.K. Chauke as follows:

Office: 015 962 9002

Cell: 079 496 3140

INSTRUCTIONS:

Please answer the following questions by crossing (X) on the relevant block or write your answer in the space provided.

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Example on how to fill it, cross X if you're a female.

Male		1
Female	X	2

SECTION A: Biographic characteristics of inhabitants of traditional authorities in Molemole Local Municipality

Please answer the following with honesty and know that this information is of importance for this study.

A1. What is your gender?

Male	1	
Female	2	

A2. What is your year of birth?

A3. What is your highest academic qualification?

Primary education (grade 1-6)	1	
Secondary education (Grade 7-9)	2	
Secondary education (Grade 10-12)	3	
Tertiary education	4	
Other	5	

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4. What is your marital status?

Married	1	
Single	2	
Divorced	3	
Widowed	4	
Staying together	5	
Other	6	

5. How many dependants do you have?

_____

6. What is your household size?

_____

7. Are you the household head?

Yes	1	

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No	2	

8. What I your employment status?

Self- employed	1	
Employed in Government	2	
Employed in private sector	3	
Other	4	

9. What is your source of income?

_____

10. What is the level of your level of income?

Less than R5000	1	
R5000- R10 000	2	
R10 000- R20 000	3	
R20 000- R30 000	4	
More than R30 000	5	

SECTION B: Benefits that accrue from formal business initiations.

B1. Business ownership

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B1.1. Do you own any business?

Yes		
No		

B1.2. If yes in B1.1, what is the type of business owned?

Formal shop	1	
Spaza shop	2	
Car wash	3	
Hawking	4	
Saloon	5	
Internet café	5	
Hardware	6	
Other	7	

B1.3. what is the annual income generated from the business owned?

5000-10 000	1	

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10 000-20 000	2	
20 000-30 000	3	
30 000-40 000	4	
40 000-50 000	5	
Above 50 000	6	
Other	7	

B1.5. Are you satisfied with the level of income generated annually?

Strongly satisfied	1	
Agree	2	
Disagree	3	
Strongly Disagree	4	

B2. Employment by business sector

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B2.1. Are you employed in any of the business?

Yes	1	
No	2	

B2.2. If yes in B2.1 above, what is your monthly income range?

Less than R1000	1	
R1000 – R5 000	2	
R5 000- R10 000	3	
R10 000- R15 000	4	
R15 000-R20 000	5	
Above R20 000	6	
Other	7	

B2.3. what is your level of satisfaction on your monthly income?

Very satisfied	1	
Satisfied	2	
Not satisfied	3	
Very much unsatisfied	4	

B2.4. Level of satisfaction with businesses in my area

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Category	These are benefits that accrue from businesses		Highly satisfied	Satisfied	Dissatisfied	Highly dissatisfied
B1	1	Clothes shopping	1	2	3	4
B2	2	Restaurants	1	2	3	4
B3	3	Internet café	1	2	3	4
B4	4	Warehouses	1	2	3	4
B5	5	Food stores	1	2	3	4
B6	6	Liquor stores	1	2	3	4
B7	7	Financial institutions	1	2	3	4
B8	8	Health institutions	1	2	3	4

QUESTIONNAIRE ON FOCUS GROUP DISCUSSION ON IMPACTS OF BUSINESSES IN RURAL COMMUNITIES OF MOLEMOLE LOCAL MUNICIPALITY

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Dear respondents

My name is Mokibelo Deborah Padi from the school of Agriculture at the University of Venda. I am conducting research on formal business in rural communities of Molemole Local Municipality. The main purpose of this research is to assess issues that would affect the initiation of businesses in your community and your views on formal business initiation. I will discuss the findings of the research with you in a meeting. I will also ensure that your name is not mentioned in subsequent reports emanating from the study. I will only publish generalised findings.

You are not forced to be part of the participant in this study and you can withdraw at any time during the interview. At the same time, your response and participation is very important for the success of this study. However, we shall request for your cell phone number for clarity of issues later on.

You may contact my supervisor Prof P.K. Chauke as follows:

Office: 015 962 9002

Cell: 079 496 3140

INFORMATION AND ISTRUCTIONS:

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This focus group will be made up of different stakeholders of Molemole Local Municipality. It will have traditional authorities from the four traditional authorities.

The session will be recorded by the researcher and notes will be taken during the session. This will be done so that none of the information discussed will be omitted. The names of the respondents will not be mentioned in the study.

This focus group will have eight (8) questions and everyone is free to raise their views without any fear and intimidation. The purpose of this discussion is to attain as many facts on the subject discussed from all stakeholders.

SECTION A: FOCUS GROUP DISCUSSIONS

1. Introductions

2. What kind of businesses exists within your community (both formal and informal)?

3. Business ownership in your community

5. Employment opportunities accruing from local business ventures

6. Services that need to be rendered by businesses to develop your communities

7. What can be done to render these businesses to contribute towards the development of the community?

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