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Summary

This document provides a summary of the township enterprise census conducted by the *Economic Planning Chief Directorate of the Gauteng Economic Development*. The study was primarily conducted to provide insights on the dynamics of township businesses in Sedibeng and three of Ekurhuleni townships, namely Tsakane, Duduza and Kwathema.

The study was a build up towards the Gauteng province understanding the township economy. To this effect, a complete census of businesses operating within the selected areas was conducted to allow for acquisition of baseline information for future surveys. A total of 6144 businesses were visited and of these, 5918 were active and therefore interviewed. In collaboration with Ekurhuleni municipality, the youth from the respective areas were recruited as enumerators, with a view that they understood their areas better; hence it would be easy for them to identify all businesses in their areas. Training was provided to enumerators, not only to standardize questionnaire administration but to also acquaint the enumerators to data entry.

Among others, the key findings of the study were that, as the literature points out, the majority of township businesses are spaza shops, shebeens and hair salons. The study revealed that the surveyed areas were dominated by retail and services businesses, the majority of which operated from formal structure. However, there were notably many of those that were operating from shacks and the streets. In view of ownership patterns, about 80% of the surveyed businesses were owned by South Africans; thus disputing the anecdotal stories about foreigners dominating the township economies. Interestingly, there were a few business owners with disability; the majority of who were in the retail, shoe repairs and tailor businesses. Further, there were relatively more young owners (youth) within new businesses than businesses that had existed for long, implying that the youth are not co-owning businesses with established/experienced business owners. In terms of turnover, it appeared that business owners were skeptical to respond to how their businesses were making; hence the majority indicated that they were making between R1 to R4800 annually, which was the lowest turnover bracket. Of the surveyed businesses, approximately 95% indicated that they had employed between 1 and 5 people. This was not surprising since most of the respondents were survivalist businesses; hence were not likely to have many employees. Despite low numbers of employees, the study concluded that the little that the businesses were contributing was somewhat making a difference within communities.

Of the key recommendations, the study highlighted the need for targeted manufacturing base as crucial, to ensure expansion of the currently existing manufacturing activities. The majority of the local owned manufacturing sector businesses were concentrated in plastic recycling.