

Journal *of*
**ENTREPRENEURIAL
INNOVATIONS**



The UWC Digital Inclusion and Women Entrepreneurship Series 2021



UNIVERSITY *of the*
WESTERN CAPE

60 **YEARS**
*of hope, action
& knowledge*

Journal of

**ENTREPRENEURIAL
INNOVATIONS**



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INTRODUCTION TO SPECIAL ISSUE: THE UNIVERSITY OF THE WESTERN CAPE DIGITAL INCLUSION AND WOMEN ENTREPRENEURSHIP SERIES 2021

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This special issue on Digital inclusion and women entrepreneurship features a selection of papers and review articles on themes and issues raised in the University of the Western Cape (UWC) webinar series on the topic held in the 2021 academic year.

To help limit the devastating effects of the COVID-19 pandemic, UWC's academic activities in 2020 and 2021 migrated to online platforms. The university was one of the pioneers of remote learning to ensure that the academic project is saved. As learning and teaching was taking place via online learning platforms, research and collaboration were mediated through webinars. Webinars allowed researchers to continue the practice of gathering and sharing their findings with their peers and the community at large. In the Faculty of Economic and Management Sciences (EMS), we took a conscious decision to focus our webinars on the broad theme of **Towards SME recovery from the Covid-19 pandemic**. This theme particularly provided the faculty with the opportunity to facilitate engagements, discourse, and debates among women entrepreneurs, researchers of female owned SMMEs, entrepreneurship students, and policymakers. The webinars were well-received and invited much discussion. It was, therefore, imperative for the faculty to ensure that the discussion on female owned SMEs continues. For that reason, the faculty resolved that the faculty's developmental journal – Journal of Entrepreneurial Innovations (JEI) – publish a special issue on the webinar series to ensure that collaboration and engagement on the topic not only continues but was also (re)introduced as an important agenda item in the mainstream literature. This was a bold step by the faculty, as the mainstream literature tends to shy away from research topics involving SMEs and women owned businesses. Despite the evidence supporting that SMEs are responsible for employment creation and poverty alleviation (United Nations, 2020), SMEs are almost always considered to be "too small to make any impact." At EMS, we are committed to improving the welfare of SMEs both in research and practice. The JEI, in general, and this special issue, in particular, as well as other activities including the Small Business Clinic, illustrates that the EMS Faculty is committed to stimulating the craft of entrepreneurship. This special issue reflects on the application of digital and computerised technologies and how these could be utilised to leverage entrepreneurship.

The first paper by Ingrid Lestrade, a female entrepreneur and CEO of Vickispan provides a practitioner perspective on lessons learnt from working with rural farm women in Swartland Municipality. The paper highlights some the power of mobile apps in assisting rural farmers navigate recurring problems in business and how technology helps to overcome these. Naturally, this will help farmers to more effectively manage their farms as businesses.

The second paper by Lisle Svenson, a lecturer in the EMS Faculty provides a very good balance on both the challenges and lessons learnt from the pandemic. The paper speaks about the need for balancing the competing needs of role players in the economy. In particular, the role of policymakers in supporting entrepreneurs is highlighted.

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The third paper is a passionate piece written by Dr. Marcia Lebambo who also happens to be a lecturer and an entrepreneur. The paper reports on the author's personal experience of starting (against all odds) and running a business during the COVID-19 pandemic. The paper does bring true the notion that entrepreneurs will only survive and thrive if they are passionate and hardworking (Riani, 2020).

Papers 4 to 6 are short review articles of the presentations in one of the webinars on digital inclusion. These papers provide summaries of the highlights of the issues raised in the webinars.

The last paper: "Voices of Entrepreneurs" does a great job of extrapolating narratives from entrepreneurs and attempts to theorise some of these phenomena. This is such a good paper that highlights and summarises the discussions of the webinar. Above all, it provides a platform for further research in the area of female owned SMEs.

In conclusion, it is important to highlight that COVID-19 does not suggest the end for entrepreneurship, it is an opportunity for SMEs, an opportunity to think more creatively about business ideas and its repositioning in the market. But to realise this opportunity, they need support and guidance.

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LESSONS LEARNED FROM WORKING WITH RURAL FARM WOMEN ON MIDDELPOS FARM, SWARTLAND MUNICIPALITY, WEST COAST, WESTERN CAPE.

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I have a vision of creating an alternate rural economy that does things differently and gets better results.

To put it into context, I live on an isolated farm which is part of a land reform programme. I often wish the digital world would create something that would help women specifically, who are trying to farm, to get information.

I must agree that there are some encouraging signs that this is beginning to happen.

Recently I was asked by the IDC to provide them with a social benefit map, because the direction that many of the state entities are taking, is that they don't only want to give money, but they also want to see the social benefit of their investments, rather than simply the profitability factor.

But quickly the question arises: How do you provide that kind of map with the limited capabilities that you have? After all, most of the women I work with can't read or write and many have never seen the inside of a school.

This is one area where digital tools can make a big difference.

Women in this land reform space will only be taken seriously if they have the tools to present their ideas. If you produce a wonderful document that includes a social map, a marketing plan, and all the various elements you need in order to satisfy the people you are talking to – once it looks good – people treat you differently.

The digital world can play a massive role in helping women to get into the agri-space and become successful. For example, the Western Cape Government provided seeds to poor families to farm and grow their own vegetables on one hectare. But those families had no idea how to measure one hectare of land.

There are apps that can measure a piece of land and that will help you answer a basic question: How big is your land? This is too much for them to imagine or visualise. So we asked the Department of Rural Development to take an aerial photo to indicate the scale and area that we are planting. Once we got to the point where the women could see the farm, it started to make sense and they could plan accordingly.

Because we sit with this kind of problem, we suspect a lot of others are also having the same problems. Our experiences are not unique.

One of the things that a university can do to help, is to look for practical solutions which will help women to enter into the farming space with success.

Too often we have to spend hours on Google searching through all kinds of information, just to find one simple solution. In addition, some of the areas have bad connectivity and therefore you can't really rely on Facebook or Whatsapp either.

It's so important to simplify via digital media. Once you start using big words, it scares people off rather than to bring them closer together. Simple, practical solutions are what gets people to participate.

One must be able to centralize information that is available to farmers like myself and who are unable to drive all over the place. We should be able to put information on a screen or in the cloud so that women can participate.

This will bring together a larger group of people who have personally never met anyone to help, but now they can talk digitally and interact with people and get guidance.

Right now the information that is available and the policies are so far away from the reality on the ground. It's too advanced most of the time. The questions that we as farmers are asking are very simple: How many vegetables can I plant on a hectare? What is the maximum potential of this soil? What organic products are out there?

No doubt we are underusing this digital media in agriculture and in the NGO space. I have an app for identifying plants that I don't know. I take a picture and the app names the plant. You must see the reactions of these women when I show this to them. None of this is rocket science, but it's still very underused in terms of what it can do for people who are isolated and far away from academics.

Let's develop specific tools for specific areas and fields. Digital developers need to get to know women farmers and their specific needs much better, in order to address these problems.

It's no secret that the farming space in this country is held by men. There are not many women who make it. How wonderful it is for a farm like ours to see women who are trying to further their education and livelihoods, e.g. when they are using an app to get info and they tell you that an olive tree takes a certain amount of water.

That's the power of digital access.

We can make a dent in poverty when we bring brilliant minds together to think about how we can go forward, and if we share the realities of ordinary people.



COVID-19 AND ENTREPRENEURSHIP AT VICKISPAN: CHALLENGES AND RESPONSES TO THE LOCKDOWN.

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Abstract:

This article is centred on an entrepreneurial small farm-based enterprise in rural Riebeecksrivier in the Western Cape. It focuses on the impact of the Covid-19 lockdown on the business, its employees and the community that is affected by the enterprise. The data was obtained from a webinar series on lockdown stories hosted by the Economics and Management Sciences Faculty of the University of the Western Cape. The article describes the challenges presented by lockdown and how the pandemic has changed the way they think about the business strategy and context. It also delineates the kind of support measures required for this business to survive and achieve its potential to grow and effect greater positive impact in future. The data which this article is based upon, is from the generous contribution of the Managing Director of Vickispan (Pty) Ltd, who participated in the online webinar series.

Introduction

This article highlights the experiences of the leadership and employees of *Vickispan* (Pty) Ltd during the first national lockdown in South Africa, which commenced on 27 March 2020. The information was provided by Ingrid Lestrade, the Managing Director of *Vickispan*, who participated in the 20 August 2020 online webinar hosted by the Economics and Management Sciences Faculty of the University of the Western Cape. The theme of the webinar focused on identifying how the pandemic affected small businesses, the entrepreneurs and their families. It also sought to identify how the pandemic influenced the strategy, operations and thinking regarding the business idea and its focus, as well as the type of support needed to help the businesses survive the effect of the lockdown and Covid-19. During the course of the webinar, Ms Lestrade provided the business context and gave voice to the unique experiences, challenges and type of support that this rural-based small business needed in order to survive the effect of Covid-19 and the business lockdown. Her contribution is articulated in the sections below.

Background

Vickispan is a small farm-based business that operates from Riebeecksrivier in the Swartland, a rural area typically known as the 'bread basket' of Cape Town. The 60-hectare Middelpoos Farm, where the business is located, is the income-generating arm of the production and development activities. The type of farming operations in the area are mostly wheat, wine grape, and olive production. Farming operations in the area depend on seasonal workers. What makes this entrepreneurial venture unique is that it tries to "create an economy where there is nothing; and no one has ever thought of the importance of an economy within that space" (Ingrid Lestrade, 27 August 2020). Furthermore, the land and buildings are owned by the Department of Rural Development and Land Reform and not by the business itself. This makes it very difficult for the business to obtain bank-financed loans to secure working capital. In addition, it operates in a sector in which women in particular find it very difficult to find permanent jobs (Ingrid Lestrade, 20 August 2020).

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It is for this purpose that the primary aim of the business is to “create an alternative rural economy that creates jobs for rural farm women for longer periods than two months of the year” (Ingrid Lestrade, 20 August 2020). This is in contrast with the norm of women being employed during the harvest season on farms in the surrounding area for only two months, and they remain unemployed for the remainder of the year. *Vickispan* is trying to extend that period to more than three months of the year, and then increase it further to a full year of employment over the longer term. The organisation strives towards capacitating men and women to develop their human capital. Despite the difficulties of providing permanent employment for rural farm women over the past three years, the farm has created forty (40) jobs for women who reside on farms in the surrounding area.

Although the creation of jobs for the female employees who live on other farms has created advantages for them, shortages of accommodation insecurity have also accompanied them. This is because if workers don't work on the specific farm where they live, it creates difficulties for them to continue living on that farm. To provide a richer context of the challenges affecting the workers Ingrid expressed it as follows:

“Unless you live on a farm it's really very difficult to understand the lived realities that farmworkers and the women in particular, go through. I'm very lucky that I live on the farm and the business is on the farm as well. At the beginning of this year, we had sixteen (16) women coming to look for work on the farm. What has happened in the area was that big farmers from Stellenbosch and Paarl started renting farms and vines from the farmers in the area, i.e. the Swartland. As a result, they brought their own workers, who are male workers to the area to come and do the work, which was traditionally done by women who live on those specific farms” (Ingrid Lestrade, 20 August 2020).

She continued by saying:

“Before Covid-19, the women workers had already lost a lot of their assured seasonal farm-work that they had traditionally been doing all these years. So, we employed the women because we have 6 hectares of vegetables, 14,5 hectares of olives, some sheep as well as 1,5 hectares of shiraz grapes. It's a small start to begin with to try and create that vision of an alternative rural economy. Unfortunately, farming today is still not necessarily seen as something that can be done by women. That was part of the hiccups we saw up until right before the lockdown.” Ingrid Lestrade, 20 August 2020.

The business thus faces particular challenges relating to its main aim of providing longer periods of employment to women on farms, in particular those who reside in the surrounding area. The business can therefore be seen as one with a social mission; a key pillar which involves building the human capital of its employees. In order to achieve this, the business needs to operate successfully, and continually invest into the human, social and physical infrastructure. The following section highlights the effects of and the particular challenges faced during the hard lockdown, experienced over the five-month period from March to August 2020.

Effects of and challenges faced due to lockdown

According to Ms Lestrade, “farming is all about timing”. If you prepare to plant a crop at a certain time for a particular season, the core inputs such as seedlings must be available on time. However, at the start of the lockdown, all the seedlings and inputs that had been ordered did not arrive as a consequence of the lockdown. A second challenge was that the workers could not leave the farms that they resided on, as the farm owners closed the gates and thus the women who lived there could not leave the farms. The impact was expressed by Ingrid as follows:

“What was more devastating for us was the conditions that the farm women had to continue to live under. It was almost like sheep being locked in a confined area. For me personally, that was the most devastating occurrence; almost like we were going backwards in South Africa when it comes to farms. Many men have also lost their jobs. This meant that together with their jobs, they also lost their accommodation. This resulted in a lot of women (their partners and siblings) looking for a place for them and their children to stay. The situation was scary” (Ingrid Lestrade, 20 August 2020).

One of the pertinent challenges that *Vickispan* faced was a much-reduced workforce. The business struggled to find a way to get the employees who live on surrounding farms to the Middelpoos Farm so that they could continue working. Consequently, it experienced a seventy five (75) percent decline in its workforce, due to the hard lockdown. The number of female workers drastically declined from forty (40) to ten (10) people. Only those living on Middelpoos Farm from where the business operates, were available to plant the six (6) hectares of vegetables.

Ingrid elaborated by sketching the conditions within which the business and its workers found themselves during the lockdown:

“The lockdown thus created conditions where everyone was scared, although it was understandable why the farmers had closed their gates. Whereas the economy had come to a complete standstill, incidences of alcohol abuse continued and incidences of domestic violence increased more than what had been before because everyone was confined in their terrible little space” (Ingrid Lestrade, 20 August 2020).

Ingrid highlighted what an ‘eye-opening’ experience the importance of *job creation and improving women’s living conditions* has become in the country, notably in the Western Cape, which has a particular culture of excessive drinking and gender-based violence on rural farms.

She emphasised the importance of re-looking at and repeatedly analysing the entire social dynamics and conditions under which women live. She also stated that this was one of the key driving forces behind Vickispan’s goal towards capacitating women and creating jobs through creation of an alternative rural economy. She said, “there’s very little one can do if people don’t have a house in which to live, don’t have food on a daily basis, and don’t have access to nearby medical or health facilities”. She continued:

“During the lockdown all the transport facilities to these places were stopped and some have to walk five (5) kilometres to get there. Apart from that, everything was stopped and everyone was unsure of what to expect. Information was not forthcoming in terms of rural farm areas” (Ingrid Lestrade, 20 August 2020).

Competition from ‘Big Business’

During the Covid-19 lockdown some for-profit businesses that were prohibited from selling their products, set up not-for-profit (NPO) companies. For example, some organisations in the alcohol and beer brewing industries wanted to buy vegetables for virtually ‘next to nothing’ from Middelpoos Farm. The rationale for this was because they thought they were ‘doing good’. Their primary motivation was to use their large-scale resources, among others, to make soup for millions of people per day. Conversely, Middelpoos Farm is a small business struggling to make ends meet, yet sustaining farmworker families in the surrounding community. They were able to achieve this without access to large-scale resources.

Competition from large retailers in the food industry

The food industry is a space where most ‘black-owned’ small businesses function. During the Covid-19 lockdown, the divide between those who have and those who don’t have, has increased faster, particularly in the food industry. This is especially true for small businesses such as Vickispan that are trying to ensure that people do not go hungry. According to Ingrid, Middelpoos Farm grows good quality organic vegetables. Yet, they have sold broccoli for R12 per head to one of the South Africa retailers, who have for example, sold that broccoli for R47 to the public. This type of behaviour by retailers has resulted in food becoming much more expensive in the shops. Furthermore, when Vickispan tried to negotiate prices with big retail organisations, they said that they are able to get a better price elsewhere for organic vegetables. For example, some larger, more established organisations wanted to buy broccoli at R1 per head. At some retail outlets organic broccoli can be sold for R20 or R40. If sold for R1 per head, it means that approximately five hundred (500) families that benefit from the work done at Middelpoos Farm will continue to struggle (Ingrid Lestrade, 20 August 2020).

In summary, the challenges of the Covid-19 lockdown on Vickispan’s operations involved the following:

- A delay in the delivery of seedlings needed to plant the vegetable produce;
- A seventy five percent (75%) reduction of the workforce as they were locked in, unable to leave the farms on which they stayed;
- Increased competition from large retailers, particularly in the food industry.

The effect of the lockdown on the Vickispan employees and their families have resulted in:

- A lack of access to basic accommodation and housing;
- A lack of food on a daily basis;
- An increase in the level of social ills, such as excessive drinking and gender-based violence, as farm worker families were confined to their ‘terrible little space’ behind locked gates;

- No transportation to reach medical facilities;
- Lack of information and uncertainty as to what to expect, which leads to increasing levels of fear and stress.

According to Ingrid:

“The media was advocating and communicating that food parcels were being delivered. I personally sent through a list of all the people, together with their identity numbers and contact details to the Western Cape Department of Social Development. They were going to contact people individually before they handed over the food parcels. That was done in April. We are now at the end of August. To date, no one on the list – on this farm or on the thirty-two (32) farms in the area – has received a food parcel from government.”

Ingrid stated further:

“Up until today, we haven’t had one person come to our area. This is an area of thirty two (32) farms. No one has been here. No one has brought information. No one has sent information. That to me, is sort of, the exclusion of the farming areas, which hold all our land, water; has about 40% of our economy in the Western Cape; and yet, we are not seeing that capacity for informing women, capacitating women, and for creating alternative economies in the region” (Ingrid Lestrade, 20 August 2020).

Response to the lockdown challenges

According to Ingrid, Vickispan is a small business that makes less than R20 000 per month. Consequently, the organisation could not benefit from the Unemployment Insurance Relief Fund. Furthermore, instead of selling their produce as small businesses generally have to do to remain in business, Vickispan had to start giving away their produce so that people on farms in the surrounding area could survive.

“We are a small business trying to make money and pay our bills. But what we had to do is give away our produce – which we should have sold. We had to start handing it out to people. We have given out tons and tons of vegetables to the surrounding farms to make sure that people are healthy, that they are eating, and to make sure that people, especially the sick, elderly, and children – all who are the very, very vulnerable, were eating at that stage” (Ingrid Lestrade, 20 August 2020).

In essence, the organisation became a more social entrepreneur-orientated business during the unforeseen challenges faced during the lockdown. The organisation has fed close to five hundred (500) families with the vegetables grown on the farm. This is due to the personal belief that *“you cannot make or grow a business if the people who are in that business are hungry. Unless they have food they do not have the energy to grow or do anything. So food has become of essence to us” (Ingrid Lestrade, 20 August 2020).*

Following their experience of the Covid-19 lockdown, the management of Vickispan have reflected on the challenges and responses to these occurrences stating that

“there must be something wrong with how we as a small business view the economy and how we operate our business”.

Support needed to sustain the business

In view of the effects of the lockdown on the operations of Vickispan, the following type of support were identified by Ms Lestrade towards helping and sustaining the business, its owners, employees and broader community that are dependent on its operations:

- Government institutions or local universities can help vulnerable communities in geographically isolated areas such as the community that Vickispan serves, by disseminating information. This can be done by printing and distributing leaflets or flyers with very basic information that is required to help farmworkers living on farms to understand for instance, what Covid-19 is, what to expect, the symptoms, and how to manage it.
- Universities can assist by conducting studies which help small businesses understand who holds the power in the food value chain, and how this is manipulated to the extent that small businesses become so desperate that they have to sell their quality organic vegetables for R1 to big, powerful businesses with a wealth of resources.

“It’s a very uneven balancing field that we have. I know that this may sound very emotional, but it has become very emotional to me trying to create dignity; between trying to create dignity on the one hand, and on the other, not begging ‘please can you help us do this?’ There’s nothing worse than for a poor person than

having to accept something from somebody else because they don't have. There's much more dignity in doing stuff for yourself and being able to have something to sell, so that you not only eat for a day, but you can eat everyday" (Ingrid Lestrade, 20 August 2020).

Conclusion

This article has highlighted the main challenges experienced as well as the responses by Vickispan, an entrepreneurial small business, situated in rural Riebeecksrivier in the Swartland area of the Western Cape during the Covid-19 lockdown. Since the level 5 National lockdown started on March 27 up until 20 August (the date of the webinar), it resulted in this organisation reducing its workforce by seventy five percent, despite its dedication towards providing employment to women in rural communities. However, despite these challenges, the business has helped up to five hundred (500) people in farmworker families to put food on the table. This outcome has occurred amidst the bargaining muscle and strong-arm procurement tactics by big businesses, particularly of larger retailers operating in the food and beverage industry. Reflecting on these events, the managing director of Vickispan stated that:

"We need to change our mindsets in terms of handing out food parcels. People on farms shouldn't be hungry – because they have land, water and very skilled people in our country. So where is the dislocation? That's my question that I have been asking since lockdown up until now. We haven't found an answer. We are doing our bit, but it is minute in comparison to what the realities are out there. I can just say from personal experience of dropping off food on farms, and giving it to people, that when you open the cupboards there's really nothing in it. That to me has been the saddest part of all of it – that the real poor people will not stand in line saying, 'I don't have food'. The people who are really hungry have lost their voices. They have lost their faces, and they are unable to say 'I'm hungry'. Those are the ones that we need to find".

"A balancing of the needs of those in the country who have – and those who don't have – is required".
Ingrid Lestrade, 20 August 2020



“ENTREPRENEURS ARE SUPERHEROES OF SOCIETIES”: INSIGHTS ON HOW LAUNCHING AND OPERATING A PRESCHOOL DURING THE COVID-19 PANDEMIC SNATCHED ALL MY SUPERPOWERS

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Abstract:

The founding father of entrepreneurship, Schumpeter, described entrepreneurs as true heroes of society, primarily due to their contribution to value creation and their ability to create something new, thereby driving economic evolution. Perhaps as a new business owner, I resonated with the definition prior to the advent of the COVID-19 pandemic. I ventured into my business full of vigour and ready to become a superhero of my community. Almost a year after the outbreak of the coronavirus, my superhero wings have withered. In this article I share my experience in launching a new business in 2020 – the year of the start of the COVID-19 pandemic. My micro-level business start-up is a preschool located in Soshanguve, one of South Africa’s townships in the City of Tshwane.

Introduction

Entrepreneurship scholars and researchers postulate that 70 percent of small to micro and medium enterprises (SMMEs) in South Africa collapse within the first three to five years of inception (Bushe, 2019; Leboea, 2017; Worku, 2016; Lebambo & Shambare, 2017). There are various reasons for business failure: businesses that are not financially viable, difficulty in securing loans, the lack of training opportunities and mentorship, and a shortage of entrepreneurial skills. This is the case for many start-ups that launch their business ventures under stable economic conditions. However, my experience of launching and operating a business during a global pandemic, attested that it takes digging deeper than tangible resources to succeed as an entrepreneur.

I graduated with a PhD in Business Management from the Tshwane University of Technology Business School, majoring in entrepreneurship. In addition to the formal education, I have attended a number of skills development training in entrepreneurship. Furthermore, I have conducted feasibility and viability studies to assess the practicality of the preschool business idea. This was followed by a consultation with several mentors and advisors, of which many own successful businesses. As part of the important pre-business checklist, I apparently ticked every box. I was ready to embark on my entrepreneurial journey.

In December 2019, I use some of my savings, refurbished my house and turned it into a preschool. Dr Marcia Lebambo Academy started operating in January 2020. The feeling of seeing an idea turn into a living business can be best described using Schumpeter’s words: “a true hero of society”. It felt as if I just surmounted Mount Everest. Finally, after months of devoting time, effort and assuming the financial, physical and social risks, the hard work finally paid off when three weeks after launching the academy, more and more kids enrolled at our school.

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It was at this moment that I felt Schumpeter's definition of entrepreneurs as superheroes resonate with me. I was the superhero in my community. I managed to establish a preschool and employed three full-time teachers, one part-time replacement teacher and a full-time cook. In total, five people were employed in my preschool. A month later, the spread of COVID-19 reached South African shores, and subsequently the country went into lockdown for a period of eight months – shutting down business operations and halting economic activities. When we were finally given the greenlight by the South Africa government, only 5% of our kids returned to finish the academic calendar with us. I was devastated and I lost all my superpowers.

Challenges of operating the preschool during the lockdown

As stated previously, many small businesses collapse in their first three to five years of operating when economic conditions are normal. However, launching and operating a business during a pandemic is a different scenario. One operates the business under a great deal of uncertainties and fears. The most daunting decision was to decide whether to continue or shutdown the business for good. In navigating this predicament, we asked ourselves the following questions:

1. Is it viable to continue operating with only a handful of kids? If the answer is yes:
2. Would we be able to protect the lives of the kids and adhere to COVID-19 regulations?
3. What kind of support is necessary to enable the preschool to continue during and post-COVID?

Is it viable to continue operating with only a handful of kids?

The most daunting decision to make was deciding if it was viable to continue operating if only a handful of kids returned to school. In an attempt to answer this question, we conducted a viability study to determine realistically how many kids could be expected to return to finish the academic year (September to December, 2020), based on the expected market size. Given the 5% that returned to school and the interest shown towards our online learning recovery plan, we decided it was viable to open the doors for learning again.

How are we going to protect the lives of the kids and adhere to COVID-19 regulations?

In responding to the question of the safety of learners, we first sought out to understand the guidelines pertaining to safekeeping Early Childhood Development (ECD) centres during the pandemic. In addition, we used the World Health Organisation COVID-19 safety measures, as well as the South African Government Covid-19 safety guidelines to direct our steps. We immediately implemented the following measures:

1. *Handwashing policy:* Everyone working in our preschool was made aware that handwashing is one of the most important ways of preventing COVID-19, and therefore it is compulsory to wash hands frequently with soap and hand sanitizers. This applies to all staff, volunteers, and children. This is done when they arrive, during sessions, and when they leave the premises. Some of the activities that will require washing of hands prior and after executing them, include feeding a child, changing a nappy, and after visiting the toilet or helping a child with toileting.
2. *Keep a distance of 1.5 meter:* In the ECD centre, children were placed 1.5 meter from one another. Although this was difficult, since children are used to companionship and enjoy playing with their peers, the kids were reminded that no hugs were allowed at school. They were often encouraged to touch elbows if they wanted to greet a friend. These measures were implemented to assist in maintaining social distancing which reduces the spread of the virus.
3. *Wearing gloves:* The glove policy was enforced as another measure to prevent the spread of COVID-19.
4. *Wearing masks:* The wearing of masks was made compulsory. This was important to help prevent the spread of the virus from one person to another. The kids were reminded that masks should not be shared, to wash cloth masks with warm water and soap frequently, and not to re-use disposable masks.
5. *Policy on the non-sharing of personal items:* Staff and children were reminded not to share personal items like face masks, towels, facecloths, toothbrushes or linen. Each person must have their own personal items which should be clearly marked and regularly cleaned.
6. *Cleaning routine for the ECD centre:* We undertook deep-cleaning at our facilities prior to re-opening the schools as well as frequently during operation. This included toys, chairs, tables, and sleeping rooms. The ECD centre was always maintained in a clean and hygienic condition, because thorough cleaning of surfaces is one of the most important ways of reducing the number of germs and the spread of COVID-19.

What kind of support is necessary to enable the preschool to continue during and post-COVID-19?

Research into entrepreneurial ecosystems is in tandem with the notion that business ventures emerge and grow where there is a strong entrepreneurial ecosystem that offers a conducive business environment for the businesses to succeed. According to Mason and Brown (2014), an entrepreneurial ecosystem is a combination of various social, political, economic, cultural, technology, market and network elements within a region, and that support the development and growth of innovative start-ups, that assist and inspire nascent entrepreneurs to take on the risks of starting and funding high-risk ventures. In South Africa, all businesses were depending on the Presidential COVID-19 task team for marching orders. Regularly, the task team led by the President of South Africa, Mr. Cyril Ramaphosa, updated citizens daily on the next move regarding the pandemic. These regular and informative updates played a key role to keep us updated to be able to plan around the lockdown. In addition, the President immediately outlined various economic relief programmes and aid for small businesses. These ranged from relief grants in the form of cash, to negotiating with banks for payment plans on business loans. The biggest support the preschool needed was the cash relief fund to help pay for the teacher salaries and the utility bills after they were out of business for eight months. Of the many relief grants announced by the government, we applied for two relief fund programmes: (1) the Social Development Early Childhood Development Grant and (2) the National Youth Development Agency Youth Enterprise Relief for COVID-19. At the time of submitting this article, we were still busy with the application process for the former. For the latter, we have received a once-off relief grant that assisted in paying for the mortgage and the employees in 2020.

The fundamental idea of an entrepreneurial ecosystem is to create an environment conducive to supporting innovation, forming new successful ventures, and generating the corresponding sustainable employment growth within a specific geographic region (Brekker, 2015; Garud, Kumaraswamy, & Karnoe, 2010). Given my experience operating a start-up business venture during COVID-19, I can confirm that the attempt of the South African Government to resuscitate the country's ailing economy by supporting small businesses, were somewhat encouraging. What remains unclear is whether these interventions are enough, and in addition, if the imminent collapse of SMEs can be contained with the economic relief programmes.

Conclusion and recommendations

Riani (2020) asserts that there is no single challenge that can stop passionate entrepreneurs from successfully launching a start-up. The latter author asserts that contrary to popular belief, the statement is not motivational, but it is a fact. Since successfully launching and operating the pre-school during a pandemic, I can confidently say that I concur with the latter author's contentious statement. In my opinion, as a leader and with a high-ranking position in a school, I am responsible for the overall operation and functioning of the school. Alternatively, the statement does not seek to undermine the complexity of COVID-19 and its calamitous impact on many small businesses, and the role the government plays in assisting small businesses to get back on their feet. However, ultimately, resilience in the face of what was potentially a damaging disruption to schooling in recent times, kept our preschool operating to date.

Recommendations for the school to survive during this pandemic

For a school to function and achieve excellence, a number of factors were considered. These include:

1. *Implementing a flexible curriculum:* The use of Zoom and WhatsApp messaging to facilitate some of our classes and communication to the learners, assisted a lot during this challenging period. Flexible curriculum requires commitment and creative teaching methodologies from the teachers and support from the preschool management. The preschool needs to ensure that its curriculum is adaptable and accessible to learners' needs and capabilities. A simple voice note and group video call on WhatsApp kept us closer to our kids. The random acts of compassion and flexible teaching approaches made the difference.
2. *External client relation:* Facilitating school interaction with parents, the school governing body and other stakeholders.
3. *Cleanliness, safety and security:* Ensuring that the school is a safe, hygienic learning environment for children.
4. *Leadership, decision-making and conflict resolution:* This is another important function of the school principal. As a leader, he or she should guide any conflict among learners, teachers, and school governing bodies and find better solutions. The management style and management skills of an ECD school principal/manager largely determined the success of the Centre. The style of management should create an atmosphere in which, staff,

parents and children are happy and feel safe, especially during these unprecedented times of Covid- 19.

5. *Lead with love*: The world is still reeling from being ambushed by a pandemic of the Covid-19 magnitude. This will naturally spur on a lot of confusion, panic and fear, because it is something most of us have never dealt with before. This requires leaders to lead with love. This period requires empathetic and authentic leadership that will inspire a positive mindset among learners, parents and teachers during these difficult times.

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COVID-19 AND SOUTH AFRICA'S SMALL, MEDIUM AND MICRO ENTERPRISES: CHALLENGES AND RECOMMENDATIONS

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Abstract:

Small, medium and micro enterprises (SMMEs) have a major role to play in sustainable development. SMMEs create incomes through employment and help to reduce poverty and income inequality, and to spur economic growth. However, the performance of SMMEs has been negatively impacted by Covid-19, a communicable respiratory disease caused by a new strain of coronavirus that causes illness in humans. The paper explores the challenges faced by SMMEs because of Covid-19. In addition, the paper suggests recommendations that can help to mitigate the challenges faced by SMMEs because of Covid-19. The study adopted the desk research methodology that involved the synthesis of extant local and international secondary data sources on Covid-19 and SMMEs.

Keywords: Covid-19, SMMEs, South Africa, challenges, recommendations

Introduction

Small, medium and micro enterprises (SMMEs) have a major role to play in sustainable development. SMMEs create incomes through employment and help to reduce poverty and income inequality, and to spur economic growth (World Bank, 2020). SMMEs account for the majority of private sector business in developing and developed countries. Formal SMMEs contribute about 45% of total employment and 33% of gross domestic product in developing countries (United Nations, 2020). SMMEs are expected to generate 90% of the eleven million new jobs and contribute 60–80% of the increase of the gross domestic product by 2030 (National Planning Commission, 2012; Small Enterprise Development Agency, 2019; SME Landscape Report, 2019).

However, the performance of SMMEs has been negatively impacted by Covid-19, a communicable respiratory disease caused by a new strain of coronavirus that causes illness in humans (Catalyst for Growth, 2020; Common Market for Eastern and Southern Africa, 2020; National Youth Development Agency, 2020). On the 5th of March 2020, the Health Minister, Dr Zweli Mkhize, confirmed the existence of the Covid-19 virus in South Africa, with the first death occurring on the 27th of March 2020. On the 15th of March, the President of the Republic of South Africa, Cyril Ramaphosa, declared a National State of Disaster, and on the 17th of March 2020, the National Coronavirus Command Council was established. On the 23rd of March 2020 the first national lockdown was announced starting on the 27th of March 2020. On the 1st of May 2020, a phased easing of the lockdown began. The second wave of Covid-19 infections started in December 2020, and the lockdown was adjusted from level 1 to level 3 on the 29th of

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December 2020. The lockdown was eased from level 3 to level 1 on the 1st of March 2021. On the 28th of June 2021 the lockdown was moved back to an adjusted level four, because the Delta variant became the dominant strain in the country. On the 25th of July 2021 the lockdown was moved to an adjusted level 3 (Africa Centre for Disease Control, 2019; South African Government, 2021).

CHALLENGES FACED BY SMMEs BECAUSE OF COVID-19

Apart from the negative effect on public health, Covid-19 has also caused a major economic shock and SMMEs have been adversely affected. The results of a study by the National Youth Development Agency (2021) indicated that across a sample of SMMEs, 43% temporarily closed or stopped operation due to Covid-19. This is attributed to a low demand and employee health concerns. The percentage SMMEs that retrenched employees were 38%, and those that kept employees had to reduce salaries. Over 80% of the respondents had instituted salary cuts. Covid-19 has led to a significant reduction in sales and revenue, cash flow problems and transportation issues for SMMEs (Ncube, 2020). The findings of a study by the Common Market for Eastern and Southern Africa (2020) revealed that Covid-19 has affected SMMEs on both the supply and demand side. From the supply side, Covid-19 has led to a reduction in the supply of labour, as workers become unwell or have to look after children that cannot go to school because of the lockdown. In addition, Covid-19 has interrupted supply chains leading to shortages of parts and intermediate goods. On the demand side, Covid-19 has led to a dramatic and sudden loss of demand and revenue for SMMEs because the lockdowns prevented customers from purchasing certain goods and services. The challenges faced by SMMEs include lack of operational cash flow, reduction in demand for production/services, reduction of opportunities to meet new customers, inability of workers to return to work, challenges in logistics and shipping of products, and difficulties in obtaining supply of raw materials that are essential for production. Compared to large firms, Covid-19 has negatively impacted on SMMEs, because they are more labour-intensive and have limited liquidity reserves. Despite the lockdowns caused by Covid-19, SMMEs have to pay fixed costs such as rent, salaries and taxes.

RECOMMENDATIONS TO MITIGATE THE EFFECT OF COVID-19 ON SMMEs

Many SMMEs will have to move to flexible working arrangement, such as working from home and the use of digital technologies. In addition, there is the need for an adjustment in business strategy, especially cost reduction and the introduction of new processes, products and services (Enterprise Research Centre, 2021). This has led to the introduction of new business models to meet customer and operational demands, especially the use of digital technologies. In addition, SMMEs, especially those in the tourism sectors that have lost international customers because of the lockdown, should focus on local customers. Government financial assistance, especially through agencies that support SMMEs, is crucial to the survival of this sector. Also, temporary relief by government from the payment of certain taxes will provide a financial cushion for SMMEs (Common Market for Eastern and Southern Africa, 2020). Commercial banks, shopping malls and suppliers can also assist SMMEs through temporary payment holidays for the payment of loans, rent and trade credit. SMMEs have a major role in promoting their resilience post-pandemic, through the building of their technical capacity and skills, investment in e-commerce and diversification, and the use of technology to enhance competitiveness (Ncube, 2020; Common Market for Eastern and Southern Africa, 2020; Enterprise Research Centre, 2021)

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OP-ED1: TOWARDS AN ENABLING ENVIRONMENT FOR A DIGITAL ECOSYSTEM : A FOUNDATION FOR ENTREPRENEURIAL ACTIVITY

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During a recent webinar on the topic of digital inclusion and women entrepreneurship, I had the opportunity to share my perspectives in respect of ICT policy with a very engaged audience from across South Africa.

The event reminded us of the commitment of the University of the Western Cape to create platforms not only for intellectual debate, but with a view to ensure an impact on the communities we serve. This webinar was conceived with the objective that women would benefit from the discourse that would impact their lives as entrepreneurs.

Digital Inequality is not just about infrastructure

Currently the prevailing situation of digital inequality is a historical one, depicted in both geography (urban versus rural) and income status (wealthy versus poor). The historically entrenched economic and societal disparities have been reflected in the emerging digital society too. From a policy perspective, a key problem is the domination of ICT infrastructure or *supply side* policies. Key policy decisions, which were made in the post-2000 era following the World Summit on the Information Society (WSIS), resulted in the promulgation of the Electronic Communication Act of 2005. This remains a core piece of legislation that supports a converged telecommunications environment. The focus of this act and many subsequent pieces of policy, was the provisioning of network infrastructure. However, the eradication of digital inequality is beyond that of provisioning ICT infrastructure. Policy needs to enable a digital ecosystem. In this ecosystem interventions must stimulate demand. In addition, there must be programmes which drive awareness, and develop capacity for entrepreneurs to harness and integrate the appropriate digital tools into the fabric of their business operations.

Telecommunications Market failure

The digital divide that we face today suggests that there is still market failure, despite internet penetration statistics that may seem to suggest success. For example, revenues in this sector increased by 2.4%, from R194 billion in 2019 to R201 billion in 2020; the national population coverage for 3G increased from 99.7% in 2019 to 99.8% in 2020; and smartphone subscriptions increased from 53 million in 2019 to 60 million in 2020. However, market dominance prevails. For example, in the mobile sector just two licensees dominate up to 91% of the market, which indicates a glaring lack of competition. The consequence thereof is that a high cost to communicate prevails, and a satisfactory level of network provision to enable digital enterprises to thrive is focused only in geographical areas that are deemed to be profitable.

This results in a skewed access to the network, Furthermore, internet penetration at household level is still very low. The network access problem is further exacerbated by the South African gender bias. The statistics reveal that there is a 53.3% disparity between male- and female-headed households with internet access.

The Problem of Policy Implementation Lethargy

'*Policy implementation lethargy*' is the phrase I use to explain the reasons for the relatively slow pace of transformation in relation to the Digital Divide. A good example is this country's process of digital migration which commenced in 2007, and yet today we are still behind many other African countries who have completed their migration processes. It was recently announced by Government that the renewed target date for finalisation is 2023. In effect this has

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robbed us of the promised *Digital Dividend* that could have yielded high radio spectrum to enable cost-effective telecommunications deployment, especially in many impoverished communities and hard to reach geographies. Another problem at hand is that of sustained and effective leadership. In South Africa, after the passing of the late Minister Ivy Matsepe-Casaburri in 2008, the Department of Communications has had no less than eleven ministers, taking into account the ill-informed decision to split the Department in 2014. This has resulted in several leadership vacuums in the Department, the consequence of which has been a lack of regulation innovation. As a result we have had a deficit of the firm and effective leadership that was needed to bring about the desperately needed synergy and cooperation between various stakeholders to ensure a digital ecosystem solution to the divide.

Notwithstanding, the good news is that there is a lot of effective research taking place to frame the problem and to develop solutions. Research that we have undertaken indicates that facilitating conditions, in particular the affordability of data, support or guidance to use ICTS and resources (access to reliable networks), are determinants, amongst others, of entrepreneurial intention to use ICT to support business operations. Such findings go a long way to help us to design solutions to address the digital divide.

In addition, a new National Integrated ICT Policy White Paper, gazetted in 2016, paves the way for an integrated ecosystem approach to achieve a functional South African digital society. It will need a dedicated and unencumbered leadership to take charge of the implementation to ensure that this integrated and cohesive policy paper is converted into meaningful programmatic action on the part of government.

How To Build an Enabling Environment for a thriving Digital Ecosystem

So what does an enabling environment look like if we want to transform this space radically? Based on my research and associated evidence, the Digital Ecosystem is multi-faceted. The ecosystem must be engineered to promote the ability of individuals to harness their agency to realize the outcomes of individual choice to make ICTs an integral part of their daily life. This includes entrepreneurial activity.

It comes down to the key elements of *Access* to infrastructure and *Adoption* thereof to enable *Social Appropriation* of ICTs. The goal is to achieve the social appropriation of ICTs to achieve Effective Use (a phrase coined by my late colleague, Michael Gurstein) thereof.

Policy right now focuses predominantly on how to create access. Instead, what is required is an enabling policy environment that integrates the afore-mentioned elements in such a way that are not solely focus on infrastructure provision. This is one of the causes of policy failure.

There are many sound proposals in the National Integrated ICT Policy White Paper, including that of a digital development fund; the extension of infrastructure; end user equipment subsidies; support for digital literacy programmes; access to digital government services; and creative ways for efficient deployment of radio spectrum to benefit more people.

Most importantly, the White Paper dedicates an entire chapter on industry growth, which outlines support for the innovative use of ICT by SMMEs to improve productivity, sustainability and competitiveness.

Zenzeleni Networks: An example of Innovation to work around policy bottlenecks

One of UWC's biggest successes in recent years is a rural connectivity project which emanated from a PhD and subsequent post-doctoral research. Today the Zenzeleni Networks Not-for-Profit Company – a UWC spin-off comprising a board of multi-stakeholders from the university, a globally based NGO, the Association of Progressive Communications, Ellipsis Regulatory and a rural community cooperative from a remote Eastern Cape village of Mankosi – is an award-winning exemplar of how affordable access to the internet may be realised to the poorest of the poor communities.

To date the Zenzeleni NPC has established two rural cooperatives which are providers of internet connectivity through low-cost WiFi networks in the Eastern Cape. Success has been demonstrated despite many challenges. Users in these rural communities obtain a month of access to broadband for only R25. The Zenzeleni project has demonstrated how developing an innovative bottom-up community ownership model to address the digital divide where normal market forces have failed, is actually feasible.

What we need, therefore, is policy innovation to enable more Zenzeleni's to prosper and thrive so that the digital ecosystem is realised in communities that live below the poverty line. This will create a far greater chance of actually defeating the problem of digital inequality that I referred to at the outset.

Beyond access : towards effective use of ICT in micro and small business

An industry growth value chain for small businesses within a supportive ICT policy environment is required. This value chain must be supported by Government incentives; subsidised Community ICT access; regional ICT Innovation Hubs; and angel investors. All of the latter will thrive in a policy environment that balances both the supply and demand problems in which there is no domination in the telecommunications market; in which fair competition exists; and where all pillars of Universal Access as described in the White Paper, are supported by the Digital Development Fund.

Closing the digital gender gap starts with the awareness and marketing of incentives and the available support. This in turn, will lead to social innovation and the birth of entrepreneurs, supported by government incentives. Those incentives can give rise to new start-ups that will ultimately deliver products to the market and thus become full participants in the national economy.

Finally, entrepreneurs must be capacitated to understand how to make their businesses grow in a digital society. Our goal must be to ensure a shared understanding of how to enable the adoption of ICTs and its integration into a business. There is no shortage of ICT applications that could support small enterprises. However, we are short on strategies to help entrepreneurs to overcome technophobia and to create sustainable business ventures through innovative application of ICT. Our research has shown consistently that it is not so much about the technology, but about the ability to understand how to use it wisely to promote an entrepreneurial mindset.



THE UWC DIGITAL INCLUSION AND FEMALE ENTREPRENEURSHIP SERIES

The Importance of Education in Reducing the Digital Divide

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When reflecting on issues of digital inclusion and female entrepreneurship, I believe it is important to start by considering South Africa's skills landscape. According to the global gender gap index, South Africa is ranked number 18 out of the 156 countries surveyed. The index measures a number of factors, including economic participation, education, health and mortality rates, as well as political empowerment. In fact, South Africa is ranked highly on political empowerment, but when it comes to economic participation and education, the sectors which have the greatest impact on digital inclusion, the numbers tell a different story.

What the data shows is that we have to ensure universal access to digital skills programmes and related resources for every town, city and village across South Africa. The current government policies are geared to provide universal access to basic education support to every child, but the reality is that the education pipeline is very leaky, and South Africa is losing far too many young people in the education system.

Further evaluation should thus take place to determine how our education environment prepares and motivates young people to take up entrepreneurship. We should question the extent to which our entrepreneurship ecosystem enables young people to flourish, regardless of the socio-economic challenges that they face.

In gaining universal access to primary education, most young girls have a good start in South Africa with the opportunity to build digital skills and draw upon other resources to give them support and ideas about their first ventures into entrepreneurship. But the pipeline starts to leak quickly when they reach secondary and higher education, because various social and economic factors come into play that have an impact on their decision to remain in higher education.

The Power of partnerships

The Zenzeleni project of the University of the Western Cape is a good example of a community-powered intervention enabling digital access. Situated in the rural Mankosi community, Zenzeleni is South Africa's first community co-operative providing cheap communication resources to bridge the digital divide, while specifically showcasing the potential of partnerships in reducing the digital divide.

The results of Zenzeleni have been very encouraging and clearly show the way forward in supporting collective community projects to address technology access needs. Financial support should be made available to such projects.

Ensuring Coordination

From a policy perspective South Africa fares well as a country, but this primary success does not always translate directly into solving the needs of female entrepreneurs, particularly in the technology business sectors. Interventions thus need to present an understanding of the needs of female entrepreneurs, avail an easily accessible skills and funding process, and ensure clear access to market.

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As a key policy objective, early exposure to key technology areas through education, should continue to be a priority for South Africa. Here schools, TVET colleges and institutions of higher learning can play a major role in reducing the digital divide, providing the necessary skills to girls which will expose them to digital innovation from a very young age. Except for institutions of education, business and NGOs should continue to play a key role in entrepreneurship programmes that are geared towards supporting women.

Research institutions can also play a key role in bringing together the most important players to support grassroots level needs, and this would particularly be beneficial for young entrepreneurs working within areas of emerging technology. Such partnerships can play a critical role in supporting female entrepreneurs in working towards the use of key technologies. The insights provided by academic research can further enhance the industrial and commercial offering for these women.



VOICES OF ENTREPRENEURS: A REVIEW OF ENTREPRENEURS' PERCEPTIONS OF SME COVID-19 SUPPORT MEASURES IN SOUTH AFRICA

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Abstract:

This article sheds the spotlight on support mechanisms for small businesses that are struggling as a result of the Covid-19 pandemic. The data was collated during a two-part webinar series on lockdown stories of small businesses in the Western Cape, the effects thereof, support mechanisms and possible solutions to the challenges faced. The webinars, run in August 2020, were hosted by the Economics and Management Sciences Faculty of the University of the Western Cape. The article compiles the contributions of panel members from a cross-section of stakeholders from business, government and academia. Potential solutions and support mechanisms available from various spheres of society – government, business and academia – are discussed as part of the arsenal available to small businesses in the face of the negative impact of Covid-19 on their businesses.

Introduction

The National Development Plan (NDP) states that by 2030 poverty of income will be eliminated and inequality reduced, employment would increase and per capita income would be raised, amongst other things. More specifically, it is envisaged that employment growth, amongst other things, will occur through growing small- and medium-sized enterprises. However, South African businesses have been hit hard by the coronavirus pandemic, especially those classified as small businesses and amidst these are survivalist businesses. Before the pandemic, the country was already in a downward economic spiral. The lockdown has exacerbated the economic challenges that South Africans are facing (Professor Michelle Esau, 27 August 2020).

The purpose of this article is to help shed light on potential solutions and support mechanisms available to small businesses, following the effects of the Covid-19 pandemic and the lockdown, instituted by the South African government as of 27 March 2020. The data was obtained from the participation of small businesses and representatives from the Small Business Development Agency (SEDA), Local Government, the financial sector, and academics from the University of the Western Cape. The two-part webinar series, hosted by the Economics and Management Sciences Faculty of the University of the Western Cape, was held in August 2020.

The key questions addressed in the webinars and in this article are as follows:

1. What kind of support (beyond financial relief) is being considered to small businesses that may have collapsed under lockdown conditions, especially regarding support to female entrepreneurs and those who are the sole breadwinners of their families?
2. What happens to those who do not qualify for the relief package or who may have slipped through the cracks and who did not apply?
3. What happens to business owners who have lost confidence in their abilities as entrepreneurs?

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4. How are universities such as the UWC, with its focus on being engaged with the community, engaging in the challenges that confront small business owners?
5. What advice can be given to small business owners about the post-COVID entrepreneurial context?

Background

On 27 August 2020, the EMS Faculty of the University of the Western Cape hosted the second webinar of a two-part series focusing on the lockdown stories of small businesses in the Western Cape, the first of which focussed on the effect and challenges of the pandemic on their businesses, their lives, employees and that of their families. The second webinar focussed on the solutions to the challenges faced, and the various support mechanisms available to small businesses.

The panel members from a cross section of society were invited to elaborate on some of the institutional support mechanisms that are available for small business operators that are facing serious viability challenges, emanating from the negative effects of the Covid-19 pandemic. A second aim of the webinar initiated by UWC was to initiate a solution-building process, and to integrate the solutions and support mechanisms discussed by the participants into a guide and toolkit from which small business owners could draw upon as part of their arsenal in the fight against Covid-19 and into the post-Covid-19 era.

According to Professor Vivienne Lawack who participated in the webinars, UWC adopts an integrative community engagement process. The approach adopted is that of open dialogue and community participation in line with the principle of infusing community engagement with the University's teaching, learning, and research across the various disciplines.

Following the discussion focusing on the challenges faced by small businesses, the owners, employees and their families, the panellists participating in the second webinar, who focussed on solutions and support measures in place or being implemented by government and business, highlighted the following kinds of assistance available, as well as the challenges pertaining to their uptake. The key points relating to these are summarised in the following sections. These are categorised according to the roles of important stakeholders – representatives of which were involved in the webinar series and also play an important part in assisting the development of the small business sector in South Africa.

Role of UWC in providing support to Small Business

Lawack (2020) stated that in an effort to focus on small business, UWC would soon launch its 'Zone Learning' initiative, also called 'The Zone'. This will consist of two parts. The one leg, housed in the Faculty of Economic and Management Sciences will be the *Small Business Clinic*. The second leg to be launched is the *Entrepreneurial Law Clinic*. These vehicles will work together, allowing academics and students in the Faculties of Economic and Management Sciences and Law, to cross-fertilise and enhance their specialist knowledge and competencies as well as benefit local small businesses. The aim is to assist them to develop and grow sustainably. Apart from cross-faculty interaction, it is envisaged that *The Zone* will also work in collaboration with key role players from government, industry and civil society and leverage the support mechanisms available from these institutions. With its focus on small business, *The Zone* will therefore be especially well-placed to offer opportunities where students can learn and develop entrepreneurial skill sets, and learn to adopt and craft a pioneering mindset in aid of all role players – the university, supporting institutions local small businesses and the community at large.

Role of ICT in Supporting Small Business

Drawing on his professional experience at policy level and the research conducted within the Department of Information Systems at UWC's Faculty of Economic and Management Sciences, Pather (2020) provided valuable insight into the digital ecosystem and how this can be harnessed in support of small and microenterprises. In addition to providing practical examples of research conducted in the department, he also expressed the importance of research in providing information on the challenges, efficacy of the support measures, and potential solutions to the particular challenges faced by small businesses in South Africa.

Pather (2020) stated that when looking at the *digital ecosystem* and the role of ICT in supporting small and microenterprises, the starting point as well as the underlying problem is the historical inequitable distribution of telecom services. This is a fundamental aspect which needs to be addressed, as it forms the backbone of ICT. Unfortunately, this inequality is represented both geographically and in terms of income levels. An intervention therefore needs to be put in place to address this '*digital divide*' in order to realize any positive social and economic

outcomes for small and microenterprises, and to start benefiting the poor and marginalised masses, as well as the broader business sector and society in general. Furthermore, research indicates that ample ICT-related support for small and microenterprises are generally available. The broad array of ICT-related services include support for business growth, from the idea through to launch and mentorship, as well as software to support business operations. In particular, cloud-based services have become very important, to start supporting all types of small businesses. This is due to the multiplicity of ICT functionality that can be made available via cloud-based services. However, the big challenge for SMMEs has been their inability to access and appropriate these, in order for the businesses to benefit from the services and functionality that can be derived from it (Pather, 2020).

One of the support measures highlighted and that is available to SMMEs is provided by the Department of Economic Development and Tourism in the Western Cape, which harnesses and deploys this technology to support small businesses. UWC together with other universities and partners, were involved in the early stages and they formed part of the reference group for the project. Since then a website, as well as an app has been launched to support businesses from start-up to scaling. For example, apart from a variety of other initiatives, a 'Tech volunteer' program was initiated when Covid-19 started. The aim of the program is to provide advisory services to small businesses, with the assistance of student volunteers who sit on the advisory panel. Students from the UWC Department of Information systems were also involved in it. Another example involves a national mentorship movement, where with the help of a technology platform in the form of a mobile app is used to support small businesses (Pather, 2020).

In general, a plethora of software applications are also available to support and enable marketing, customer sales, service, accounting, finance and other applications. These can easily be made accessible to small businesses. Furthermore, several categories of open-source software and platforms are freely available. These include email, Office Suite or e-commerce, should anybody want to start a business and sell things online. Although some of it is available at a cost, there are very low entry requirements. In summary, a variety of open-source software is freely available to the average small and micro-entrepreneur. However, the challenge is that South Africa's digital ecosystem which provides these services is multifaceted, and it may be too fragmented or complex to be accessed by small and microenterprises. Although a lot of support is available, the average small business is generally not able to harness the effective use of ICT for its operational use and to support its growth needs. Insufficient social appropriation of ICTs is therefore a major concern in the South African small business context (Pather, 2020).

At the macro-policy-environmental level, a White Paper on a National Integrated ICT policy, representing the country's *digital ecosystem*, was gazetted in 2016. Two key aspects or strategies relating to this ecosystem and the effect of ICT on small businesses are noteworthy from an industry growth perspective. The first involves the mechanisms to develop and nurture small businesses in the ICT sector. The second involves developing an enabling environment where ICT is used to support and advance the operations and effectiveness of small businesses. This includes how to catalyse innovative business ideas or 'disruptors' in areas where the core value proposition is dependent on ICTs. As part of the strategy an industry growth value chain for small businesses has also been recognized. The National Department of Telecoms and Digital Strategies is the custodian of the strategy and responsible for fleshing out and putting into place the overarching strategy as well as drive its implementation (Pather, 2020).

Ecosystem challenges

Pather (2020) stated that in terms of ecosystem challenges, the lack of awareness and marketing of the incentives and support available to small businesses constitute the biggest failures. Consequently, South Africa has a very low level of social innovation by entrepreneurs, as reported by the *Network Readiness Index* (2019), This is because the appropriation of ICT in the ecosystem requires ready access by entrepreneurs. The basis of this premise is founded on four pillars, namely (1) *technology* (2) *people* (3) *governance* and (4) *impact*. From an African perspective, South Africa performs well in terms of technology and content. This is due to the involvement of multi-national businesses and a relatively established and favourable environment for these players in the metropolitan areas of the country. However, data from the Network Readiness Report (2019), shows that the biggest challenge South Africa faces relates to *impact*, measures access and the quality of life of a country's citizens. Data from Stats SA also reflects this concerning position.

Initiatives to increase SMME adoption of ICT

Pather (2020) stated that as a university, UWC has conducted lots of other research around the ICT and small business nexus. Importantly, this includes research to facilitate the adoption of ICT: For example, how ICT can be

improved, support available to SMMEs, the causes of low adoption and developing participatory design, and including the use of different kinds of software and infrastructure. One study identified some of the antecedents that cause businesses to be technology averse, i.e. *technophobia* behind the average small and microenterprise, and how to disconfirm it, for example, through doing participatory research. Another example involved investigating the barriers and how to overcome these. The major findings emanating from this research is that most of the SMMEs involved in the studies, experienced difficulty in integrating technology into their businesses and they lacked understanding of how to appropriate it. The affordability of data is another key issue. However, this is a national matter that requires attention at a higher level. Research from universities regarding pricing is another area where universities can assist by using data available from their research to lobby government and industry organisations to lower the cost of data.

In summary, research conducted reflects a lack of awareness and marketing of ICT services available to SMMEs. This inhibits their growth, development and competitiveness. A programme focused on creating awareness and marketing of these services is therefore recommended. Secondly, *Skills Development* initiatives involving ICT literacy as well as other business training programmes supported by mentoring and coaching is required. Although ICT literacy was found to build the confidence of SMMEs, it is only the starting point. Assisting nascent entrepreneurs, start-ups and established SMMEs with developing their ideas, for example through mentorship and coaching in a way that's integrated with skills development and underpinned with an understanding of how ICT can be harnessed as an enabler to support these ventures, will play a major role in overcoming some of the myriad challenges faced by SMMEs (Pather, 2020).

Role of the Small Enterprise Development Agency (SEDA)

SEDA provides non-financial business development support to small businesses. Zaida Jackson, manager of the four SEDA branches in the Western Cape, stated that SEDA has revisited and refocused their interventions in order to help subsidize the interventions their small business clients required during the Covid-19 pandemic and lockdown. It has focused approximately 90% of the 2020 financial year budget on Covid-19 relief measures. However, roughly 80% of the budget is focussed on informal sector businesses. Different categories of informal businesses are assisted, including those in clothing and textiles, automotive support services, personal care, hair and beauty, spaza shops, bakeries and fruit and vegetable sellers. Other types of small business entrepreneurs who operate their businesses from home, such as those who make and sell cooked food as well as *shisanyama*-type businesses, are also supported. These categories of businesses have been prioritised by the Department of Small Business and they form an increasing majority of clients that SEDA is tasked to focus on (Jackson, 2020).

A major part of the service SEDA provides in the small business ecosystem, is prefunding support to informal-type businesses. This prepares and assists them in becoming registered businesses that are able to access funding and other available support schemes. Facilitating the compliance of small and microbusinesses to meet the requirements of the CIPC, SARS and UIF if they employ staff, etc., thus plays a key role for SEDA. Once small and microbusinesses meet the compliance hurdle and the businesses have been granted funding from a funding institution/s, SEDA assists them with post-support. This takes the form of mentoring and coaching from the business advisors who are in SEDA's employ. They also offer specialized training, such as bookkeeping and financial management, to help small businesses develop and adopt more formal-type business processes. Apart from the pre- and post-funding assistance provided by SEDA and funding provided by SEFA¹, the lack of marketing and awareness around these services is a major challenge that reduces the number of SMEs benefiting from the funding grants and facilities available to small and microenterprises (Jackson, 2020).

Role of Government

In order to understand the role played by government, in particular the role of local and provincial municipalities in mitigating the impact of Covid-19 on small businesses, it is important to understand that the Covid-19 lockdown was announced and instituted shortly after the municipal budgets for the 2020 financial year (starting in March 2020) had been approved. This meant that Government (at local, provincial and at national levels) entered the lockdown period without being financially or materially prepared to respond to the calls from SMMEs for support. Subsequently, they reallocated resources to ensure that they were able to start dealing with the increased requirements and requests for assistance. Apart from the direct impact of the Covid-19 pandemic and the consequent lockdown,

¹The Small Enterprise Finance Agency (SOF) Limited (sefa) provides financial products and services to qualifying SMMEs and co-operatives, as defined in the National Small Business Act of 1996 and amended in 2004, through a hybrid of wholesale and direct lending channels within various sectors.

it also exposed increased levels of inequality and poverty. This was one of the most important areas of impact on local communities in South Africa. Therefore, more support needs to be focused on the 'disadvantaged areas' where people live and secure their livelihoods. This is particularly true in terms of development efforts, including education, training and skills development, to support small and microenterprises in the townships and to equip the future generation of business owners with skills to earn a living and not be dependent on government handouts (Madikane, 2020).

Regulations and the need for information sharing

Although the Covid-19 lockdown regulations are mostly controlled by the South African government at a national level, the municipalities at provincial and local levels must operate in accordance with the national regulations. The regulations provided information about (1) who is allowed to work (2) when they are allowed to work and (3) the conditions under which particular groups are allowed to work or continue their operations. During the lockdown period many people, including SMMEs, started looking for this information. The dissemination thereof became necessary, with the need thereof spiking every time the lockdown levels changed or new regulations came into effect. As SMMEs required confirmation of the parameters within which they could operate at local as well as provincial levels of government, adequate two-way communication platforms and structures needed to be put into place to limit the uncertainty in the business environment. Communication platforms, including WhatsApp groups, Facebook, emails, and SMS platforms were activated to serve this need. These were important infrastructural components that were needed to drive communication down to where it was needed; enabling local communities to share information between and among themselves. Referring to the Overstrand Municipality, Madikane (2020) stated: "One of the things we picked up in many of these pandemics is that the survival of small businesses depends largely on the community that they serve".

In reaction to the Covid-19 lockdown, the *SMME Safety tickets* intervention was also rolled out in municipalities in the Western Cape. It focussed on distributing information pamphlets, sanitizers and masks; assisting SMMEs to follow the regulations, implementing the necessary health protocols and contributing towards mitigating the negative effects of the coronavirus. With this intervention, SMMEs in the townships were provided with safety kits, and they were shown how to use these within their businesses. Equipped with this know-how, they were able to operate, and showcase the health protocols within their communities. In the process, it engendered a sense of community through participation. The use of Covid-19 ambassadors supplemented these by educating people on the importance of wearing masks and maintaining a social distance. The ambassadors also interacted with small businesses in the townships. The interaction of these ambassadors enabled municipalities to remain aware of the needs of the locals and of the businesses in the townships. An information pack was also developed to provide direct support to SMMEs, and to a certain extent, reduce the movement in and around townships (Madikane, 2020).

Relating to additional and their future information needs, SMMEs will need to be nudged into seeking novel ideas or niche areas for them to survive (Madikane, 2020). In order to do this, they needed to get back to their jobs, start spending and generating revenues so that the economy can improve. One of the strategies considered by the municipality was to utilise their capital and operational budgets to facilitate job creation. Providing the necessary information for employers and their employees to come back to the townships and their communities and spend their income, was thus critical for entrepreneurs to start operating and spending again. Despite the lockdown, people came to the municipal offices, because they needed to 'get back on their feet' and start earning an income. Madikane (2020) further stated that in July 2020, the *Overstrand* Municipal Office had more than 300 walk-in enquiries, mainly people who came to look for jobs and those who came for enterprise support. A long list of SMMEs who came to offer their services was then made, following the walk-in enquiries from SMMEs who wanted to know how they could be brought into the supply chain processes of the municipality. Apart from involving SMMEs and information-sharing of municipal SCM processes, *business-to-business* relationships were also utilised to avail SMMEs with developmental opportunities. From a digital point of view, just prior to the lockdown, the municipalities engaged an organisation to teach business people as well as the broader community, how to utilise the available functions on their smartphones to the fullest extent. An e-learning centre was then set up during the lockdown period. This enabled the municipality to start an e-learning process, and used small-class zoom meetings to conduct training. These sessions were also used to disseminate information about the effect of Covid-19 and the lockdown regulations. Thus, people were provided with necessary information as well as effectively empowered them with better use of tools available on their smartphones. The online zoom classes are one example of the municipality's intervention to migrate people onto digital platforms and advance a digital approach to empowerment (Madikane, 2020).

Interventions to increase access to finance and overcome financial challenges

As a result of the Covid-19 lockdown, resources that small and microbusinesses would normally have had at their disposal, were depleted during the months immediately following the lockdown. As mentioned previously, municipalities also did not have the funds to assist small and microbusinesses, as the budgets had been approved prior to the outbreak of Covid-19 and the imposition of the lockdown. Due to the stringent rules that businesses have to comply with in terms of the municipal supply chain processes, it is also very difficult for small and microenterprises in particular to access the resources that are available. This is where institutions directly tasked with developing SMMEs, such as SEFA and SEDA have to provide support and assistance to struggling SMMEs (Madikane, 2020). However, as SEDA can only really assist informal businesses to get registered, the Western Province Department of Economic Development and Tourism (DEDAT) initiated a financial process to assess directly and quicker SMMEs that may require *business rescue*. This bypassed the need for small and microenterprises to first overcome the 'more stringent compliance matters' that SEDA focusses on. Municipalities will also have to effect red tape reduction strategies to ensure that the growth and development path of SMMEs is viable and not unnecessarily hamstrung. This is critical as no empirical information is available to show how small and microbusinesses, including those in the informal sector, will or can survive, and how people will continue to make a living during the economic lockdown and subsequent periods thereafter. Their need for financing is also increasing in importance. As municipalities cannot provide the necessary funding, because among others, constraints brought about by the PFMA², more options such as microfinancing need to be looked at to stimulate and encourage the investment appetite of small and microenterprises. The opportunities of partnering with other municipalities within the districts and provinces, may also provide the platform for developing a more enabling environment for SMMEs (Madikane, 2020).

Within the constraints of the Overstrand Municipality's capital and operational budget, the decision was made to train as many people and involve as many emerging SMME subcontractors as possible, as part of the implementation process. The municipality is thus revisiting their supply chain management (SCM) processes and trying to encourage more SMMEs to participate. In effect this means '*involving everybody in a little piece of the process*'. Construction services, a sector where municipalities procure millions of rands of goods and services, is a good example of where these opportunities lie. It is also a very highly competitive environment, as there are many suppliers and contractors in the sector. As municipalities change their approach to SCM, it requires that contractors understand the new approach adopted by the municipalities and understand in which area/s they can provide goods or services potentially. Consequently, municipalities are now tasked with setting up enterprise development programmes, allowing people to provide support services or do business with the municipalities. The aim is that by the end of the financial year, many businesses would have participated in this process (Madikane, 2020).

Another intervention which the Overstrand Municipality will focus on, is the development of the '*one house one household*' community garden concept. This involves people starting to grow their own food and supply to the existing market. When people are able to participate in production opportunities such as these, and earn an income as opposed to receiving a handout from a soup kitchen, it can positively affect the dignity of people. It is also an initiative that can help people who have lost their jobs and who do not have much money to start more capital-intensive enterprises. Furthermore, it contributes goods and services to the market economy within the localities where people need access to the basic necessities such as nutritious food. In addition to this, municipalities will also adopt more sectoral-specific approaches to development. This will allow people to focus on particular opportunities and reorganize their businesses for the market needs in a specific sector. However, it is also important that SMMEs understand that they cannot stick to the same type of business or strategy if it is not viable. They need to assess their businesses over different time periods and continue to look for opportunities and find innovative solutions to expand their offerings, for example, fulfilling peoples' need for safety. Various opportunities exist around the need for safety. Apart from the need for personal protective equipment (PPE), different opportunities exist around the provision of PPE. Community safety, prevention and training are a few examples. What has been considered 'normal' prior to the Covid-19 pandemic, is very different and will be different in the various stages of and the period following the pandemic. Local municipalities will see many more people coming to request assistance in terms of their livelihoods, and who seek different means to augment their incomes. They will be looking for jobs or different kinds of enterprise support. Municipalities, therefore, have to adopt more inclusive supply chain processes, as well as implement enterprise development programmes as part of their operations (Madikane, 2020).

² Public Finance Management Act, (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999)

Role of the Private and Third Sector

"The need of many SMMEs for funding is a need larger than what any one organisation on its own can fulfil."

(Savarian Arendse, Chair of the Provincial Management Board of Old Mutual, Western Cape)

Arendse (2020) stated: *"the need of many SMMEs for funding is a need larger than what any one organisation on its own can fulfil."* This holds true, even for Old Mutual, which is one of the largest insurance companies in South Africa, and a pan-African investment, savings, insurance, and banking group listed on the Johannesburg, Zimbabwe, Namibia and Botswana Stock Exchanges. During the Covid-19 pandemic the company has been inundated with requests for funding and related support (Arendse, 2020). This includes information on how to access finance, particularly through the *Masisizane Fund*, which was established by Old Mutual to offer financial and non-financial support to SMMEs in South Africa's most vulnerable communities³. Due to the great need which SMMEs have in order to survive and grow their businesses, Masisinane and Old Mutual's approach is to collaborate with partners who can assist with funding and non-financial support to SMMEs. Its funding partners include organisations across a broad spectrum of society, from academia to NGOs such as the South African Supplier Diversity Council (SASDC). Old Mutual reached out to their partners in academia, government, certain NGOs and civil society at large. One of their partner organisations in Johannesburg, who are also growing their presence in other provinces, assists them from a development perspective to help small businesses become more compliant. According to research conducted by Old Mutual, businesses couldn't access approximately 60% of all funding that was available. This was because they were not compliant, i.e. not meeting one or other criteria required to obtain necessary funding or support. Consequently, Old Mutual in partnership with SASDC, thus focussed on helping SMMEs become compliant faster, and to remove the red tape to do business and to do it in a more sustainable way. Through the development arm of South African Supplier Diversity Council, Old Mutual is able to 'certify' that a particular small business is compliant. This helps small businesses as other organisations are then more able to do business with compliant small businesses. Part of the requirement is that the businesses are transformational and have a development arm. This is part of Old Mutual's 'solving for the future and co-creation strategy' that they adopted to support SMMEs. Their other organisational partners include SEDA, provincial local government organisations such as the Department of Economic Development and Tourism (DEDAT), and local municipalities (Arendse, 2020).

One of the initiatives Old mutual instituted during the Covid-19 pandemic was to assist SMMEs with information on where they need social distance and to highlight the importance of complying to the five principles of how to stop the spread of the virus. As a practical response to the Covid-19 pandemic, they also launched a vigorous financial education campaign, called 'On-the-Money'. The purpose of the campaign is to assist business owners to assess their own personal finances and help them manage and navigate the challenges brought about by the Covid-19 lockdown and the pandemic in general. This is done using an accredited programme, which employs certified trainers to help SMMEs apply various budgeting principles to their personal finances. This helps to educate SMMEs and increase their understanding of why cash flow is important, as well as various ways to free up different cash flows. The objective is to help them to become financially more sustainable. In order to achieve this, Old Mutual adopts a listening approach and collaborates with SMMEs to help them navigate towards a better financial future. This is important because 'despite being part of a big company, big companies do not always have all the answers' (Arendse, 2020). Furthermore, the Covid-19 pandemic and the lockdown has also highlighted the increasing importance of digital skills. People and institutions will need to learn and develop ways to leverage digital skills and the necessary platforms to build on that.

"The digital era may be the great equalizer for the world. We don't always have all the answers, but its better solving together for the future" (Arendse, 2020).

Role of Universities

The role of universities towards mitigation and contribution towards solving the myriad problems faced by SMMEs and that which have been exacerbated by the Covid-19 pandemic, includes the provision of training and mentorship for small businesses. This can be facilitated by helping small and microbusinesses develop and integrate Information Technology (IT) and digital strategies into their sales, distribution and supply chain processes. Professor Shaun Pather, who heads the Information Systems Department in UWC's Faculty of Economic and Management Sciences, stated that this can help address some of the major problems SMMEs face during pandemics and periods of lockdown. However, some of the challenges they face appear to be attributable to larger structural problems in the

³ Old Mutual. The Masisizane Fund-Supporting SMMEs

broader ecosystem. These will need to be addressed at higher levels. Despite these, support is available to small businesses, if they are able to access it and find the right development partners. However, more assistance can be made available if the ecosystem challenges can be addressed - by looking at ways to make it more integrated and cohesive for small and micro-entrepreneurs. This can provide a good foundation to help develop and empower SMMEs to adopt and rely more on ICT services as an effective and integral tool in their development arsenal (Pather, 2020).

Conclusion

The lessons learnt from the lockdown stories and the experiences of small businesses, as told by the participants in this webinar series, have highlighted the fact that municipal supply chain processes do not adopt a value chain perspective. For example the government has not paid sufficient attention – they even neglected – the contribution of the actual, i.e. primary producers of core products, such as vegetables, that are provided to soup kitchens. As noted during this webinar series, large distributors and retailers are given government supplier contracts to supply community soup kitchens. What then are the opportunities that remain for small-scale primary producers who, forced by the bargaining power of large retail groups, have to supply their fresh produce at a very low cost (and often at a loss) to larger distributors and retailers?

The series has also highlighted a host of related major issues concerning the effects of Covid-19 on small and microenterprises that need particular attention. These include initiatives and incentive schemes that can be put in place to buffer small-scale producers from the realities of operating in oligopolistic markets⁴. Also, what interventions can be instituted to help *level the playing fields* between smaller and big businesses and to reduce the opportunity and income inequalities inherent in South Africa's supply markets? This is particularly important in areas concerning the production and consumption of food, which is a basic necessity. Other basic needs, such safety and security, also provide opportunities. For example, the need for basic infrastructure (adequate housing and schools that are not overcrowded) provides opportunities in the construction industry and a chance for municipalities to partner in more inclusive value chains in these sectors. The Covid-19 pandemic and lockdown has also exacerbated the need for digital infrastructure. This offers major opportunities for government, businesses and educational institutions to build the required platforms and required skills for the foundation of the fourth Industrial Revolution (4IR) and beyond. These are issues unearthed by the lockdown that require all levels of government, businesses, universities, research institutions, and the NPO sector to collaborate and seek solutions – particularly concerning the ability of small and microbusinesses to survive and create jobs, even amidst pandemics such as Covid-19 and in a post-Covid-19 era.

In this webinar series, major challenges that small businesses face and that resulted from the pandemic have been highlighted. This provides government, particularly at provincial and local government levels, with opportunities to improve the effectiveness of their supply chain processes. As the starting point of a more integrative approach to tackling inequality and poverty in South Africa, a more responsible government and business sector for instance, can pay more attention to who the *real* producers of food *in the real economy are*, and ensure that the prices they are paid are fair and cover at the minimum their operational costs in order to survive. This requires that not only first-tier suppliers who generally manage entire supply chains be adequately compensated, but that all the suppliers of core products and services should be paid in a more fair and equitable trading environment. In the long run this may lead to a growing and more inclusive local supply chain and a more sustainable food supply system. Reduced food 'wastage' and artificial 'shortage' brought about by 'inflated' retail prices⁵ may also be a result.

Corporates can also revisit their supply chain and procurement practices and bring small business into their value chain in more inclusive and fair ways. This may unlock hidden potential that also benefits large corporates with the involvement of more agile small businesses. Small businesses may also benefit from access to funding facilities that bigger corporates can provide them with. In this way, more cooperative-type relationships between small and relatively big businesses may spawn inclusive-type growth increasingly, opening up the field of opportunities across the entire business community, its major stakeholders and across society in general. Rather than the traditional competitive orientation evidenced by big business in South Africa, a shift in mindset, i.e. by viewing small businesses as suppliers of value to big business, South Africa Inc. may start to bridge the divide between small and big businesses in South Africa.

⁴ an oligopolistic market (an oligopoly) is where a few companies rule over many in a particular market or industry, offering similar goods and services. (*Corporate Finance Institute.com*)

⁵ Grocery prices in South Africa spiked during lockdown – but still haven't returned to normal, 2020. Commission to deal with suppliers who inflate prices, 2020.

Big businesses therefore have a large role to play in developing sustainable, local supply chains. This requires SMME development through more inclusive participation in their value chains. This may prove challenging for larger businesses who operate under increasing pressure from global competitors. However, many of what might be challenges for large businesses, who are often hampered by their layered governance and or silo-based organisation structures that impede their flexibility, can be opportunities for SMMEs. Due to simpler organisation structures, fewer employees and reduced legacy systems and processes to overcome, small businesses tend to be more agile, and respond faster to opportunities and turbulence in the business environment. These are characteristics that small and microbusinesses may leverage. On the other hand, despite their superior agility, small businesses are also more fragile, as they often have less cash reserves than their larger counterparts. Thus, during economic downturns and lockdowns as evidenced by the Covid-19 pandemic, small businesses tend to be affected the most. However, Business South Africa can be winners when big and smaller businesses – particularly larger corporates – adopt more inclusive, cooperative relations with their suppliers and increase the distribution of value. Opportunities abound in key sectors such as in the financial, production and retail sectors, where a more shared-value approach⁶ can help grow more sustainable markets and operations. More sustainable and equitable business operations are proving to be more critical during protracted economic downturns and crisis. The vision of achieving more sustainable – both economic and social business ventures and strategic partnerships between small and larger suppliers of all forms of capital, financial and non-financial – has to include the critical elements of developing human capital, up- and reskilling South Africa's burgeoning unemployed youth into a new generation of entrepreneurs operating micro-, small-, and medium-sized businesses, the incubators of big businesses.

Following this webinar series, some of the key aspects to consider for stakeholders involved in small business development, are the different types and support measures available to small and microbusinesses, including the informal and survivalist-type businesses; fair competition and providing more equitable opportunities, i.e. helping to level the playing fields between micro, small, and larger enterprises. These can be through more targeted and effective skills development and supplier development programmes, business incubators and or accelerators. Thirdly, technology may be used to augment and even catalyse the development of small businesses, particularly youth and female-run businesses. This is important, as Covid-19 has exposed, and in some cases may even have widened the gender divide in certain contexts and countries. A lack of access to technology by women has been a contributing factor. The field of opportunity to spur on small business growth and development by various stakeholders – development agencies, researchers and business practitioners – looms large. Instead of focusing on the challenges, organisations in and across the various value chains can build diversity into it; focus their efforts on building solutions to construct more efficient, effective development pathways out of the myriad, complex business and societal challenges affecting producers, distributors and consumers alike. In the process, new knowledge is created which entrepreneurs can act upon. Amidst the challenges, new opportunities exist and can be uncovered if people across the spectrum of society are encouraged to adopt an entrepreneurial perspective and mindset.

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