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# **THE ROLE OF SMALL HAULIERS WITHIN THE TRANSPORTATION INDUSTRY**

**by**

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## Abstract

There is very limited information that is available on small haulage and the role that it plays in the communities that embark on it. For this reason it was necessary to compile a directory of all the accessible small hauliers and the services that they provide.

The research presented here explores the role of small haulage as both an employment and income generating venture. The study was conducted in three geographic locations that range in scale, sophistication and location along a transect from city (Pietermaritzburg) to town (Greytown) to rural service center (Maphumulo). Larger and more formal haulage is characteristic of Pietermaritzburg as opposed to both Maphumulo and Greytown where small haulage is prevalent. Data was collected using a quantitative questionnaire, which included both open and closed ended questions.

148 small hauliers were interviewed for the study and their ages range from 22 to 65 years. The majority of these small businesses are self-funded because they have been refused financial assistance by formal financial institutions. Most financial institutions do not have policies governing financial support for small entrepreneurs. Some are not aware of support systems made available by the government to assist small businesses. The majority of these businesses operate with one vehicle, either from home or from a highly accessible area like a busy street where there is greater need for their service. The small hauliers in Greytown and Maphumulo operated from loading zones similar to the ones found in the taxi industry. Besides hauling goods they also compete with the taxi industry for passengers to supplement their incomes and as a response to the

greater needs for passenger transportation in these areas. The businesses are locality bound, rely on local skills and markets and serve the communities that they are based in. They are owner managed, very informal, not registered and lack the business support and skills necessary for their long term survival, are threatened by bigger hauliers. The small hauliers embarked on them out of poverty and in the absence of any other source of livelihood.

The biggest challenge is to prepare and develop these types of small businesses for incorporation into the bigger and formal haulage sector by providing them with a highly accessible support base and the necessary business running skills to ensure their long-term survival. There is also a need to incorporate women more in these types income-generating ventures.

## PREFACE

I hereby declare that this whole dissertation unless noted otherwise, is my original work and has not been submitted in part or in whole to any other University.

Zamaqamu Carol Majozi

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## ACRONYMS

DoT: Department of Transport

DTI: Department of Trade and Industry

MSA: Moving South Africa

SMME: Small Medium and Micro Enterprises

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## 1. Introduction

South Africa is currently faced with a crisis of employment. To address these problems the Government is encouraging the development of Small, Medium and Micro enterprises (SMME's). This study explores the role of small hauliers within the transportation industry, as income and employment generating ventures that directly stimulate local livelihoods and the growth of local economies. It also maps out the extent of small haulage at three sites - Pietermaritzburg (a city), Greytown (a rural town) and Maphumulo (a rural service center). Since there is very little research that has been conducted on the subject this dissertation further identifies the services provided and their down and upstream links to the formal and informal sectors of the economy.

Small hauliers, in line with the objectives of Small, Medium and Micro enterprises provide transport services to people where either these are generally lacking or are expensive. They tend to be highly flexible and able to respond to changes and specific customer needs. They are integral to local economic development. This is true in rural areas like Maphumulo and Greytown, where there are high levels of poverty and unemployment and limited economic activity and infrastructure.

Start Up Finance is seen as one of the major inhibitors and threats to the survival of small haulage businesses. There is a huge need to improve access and to provide support systems, for example small business development courses. These are essential to equip small businesses with skills essential to their survival, and to their incorporation into the formal businesses through the tendering system. The majority of these businesses have no accounting system to monitor their profitability and to ensure the smooth running of the business.

The concept of small hauliers used through out this dissertation refers to small, non - passenger transport service providers. In this study the vehicle size ranges from a normal bakkie, or van to a one ton truck.

## 2. Literature review

### Small, Medium and Micro enterprises

A major shift from goods to information based production has been observed with capitalism. Castells points out that this shift leads to the "demise of agricultural employment ... followed by the irreversible decline of manufacturing jobs, to the benefit of service jobs which will ultimately form the overwhelming proportion of employment". (Castells, 1996:203). This change has major implications for the most of the labour force who have long depended on industry for work. Like most Third World countries, South Africa is faced with an enormous crisis of employment (Gilson, 1989:3). According to the Statistics South Africa's report there has been a constant decline of 2.5% on formal employment every year. Whilst formal employment is decreasing, there has been an increase in the services industry, for example restaurants, bed and breakfasts. (Statistics South Africa: 2001:2). The annual October Household Survey attributes the rise in self-employment to an increase in outsourcing (Statistics South Africa: 2000:1). Most of the people involved in these are unskilled, so their hope for incorporation into the global information based economy is through local informal economy or through "outward- oriented criminal economy" (Castells, 1996:131). Hence the South African government is currently encouraging small, medium and micro enterprise (SMME's) development.

The Human Development Report (1991) sees access to income and employment opportunities as one of the most important factors in ensuring development. With the demise of industrial employment, small, medium and micro enterprises provide the people involved with opportunities for economic development (Rist, 1997:9). Small hauliers provide an opportunity for the creation of jobs and in turn provide an income for a number of families. They also provide the people involved within them with skills in running businesses. These can be used in

providing opportunities for growth and for incorporation into the formal businesses through the tendering system. At the same time they have a ripple effect on the development of the local economy and in turn of the whole country.

Mathfield (2000:28) notes that the majority of SMME's are locality bound, rely on local skills and markets and in most cases, serve the disadvantaged communities where they are based. The Department of Trade and Industry's (DTI) White Paper on Small Business (1995:10) describes three types of SMMEs. The first they call Survivalist Enterprises. These are micro enterprises that individuals embark on out of poverty and in the absence of any livelihood. They are owner-managed and generally very informal in their nature. In most cases they are not registered and lack start up capital as well as necessary skills for running a formal business.

The second type of SMME's, are businesses that employ between five and fifty workers. Unlike micro enterprises these are formal businesses that are registered. The third type of SMMEs are medium sized enterprises which may be owner controlled and which employ between fifty and two hundred workers. All the small hauliers interviewed for this dissertation could be described as Survivalist Enterprises as they are locality bound, have a maximum of two employees, who for the most part, are family members. Moreover they started their enterprise without resources in response to poverty and high employment.

### Black Poverty

Small business development is seen to be a low cost and appropriate policy to address the historical unemployment crisis in South Africa and to create economic growth (Gilson, 1989:3). Pre-existing structural unemployment has been aggravated by substantial job losses in both mining and manufacturing and as well as in the government sector. This can be attributed to changes in the global economy from mass manufacturing of goods to flexible service provision (Castells, 1996:154) as well as neo liberal assumptions about the place and role of the state.

(Manicom, 1995:3). According to Mathfield the groups that are worst affected are rural African men and women who for a long time have had to rely on these sectors for their livelihoods (Mathfield,2000:27) .

The importance of the Small, Medium and Micro Enterprises for livelihood creation can't be overstated. It is hoped that these small businesses will generate income and meet the production and service needs of largely underserved, rural populations. This, in turn, is expected stabilize and to enhance local economies.

The Department of Labour's employment strategy framework argues that the stimulation of small businesses is an efficient strategy for raising income and distributing wealth amongst all population groupings. It also shows that since 1996, such enterprises have absorbed more than a quarter of the unemployed in South Africa. (Department of Labour,2000:12)

#### Transport as a sector

One of the key aims of the Department of Transport (DoT) is to develop strategies and policies that

“practically support the development needs of the nation and the transport needs of both passenger and freight customers” (Department of Transport 1999:4). One sector of the transport economy that has been little studied but which seems to fit in with these aims is that of small hauliers. Not only are they sources of livelihood and income for people involved in the sector, their presence is critical to the success of other small entrepreneurs and more generally, to local economic development. While the DoT aims to put an institutional and regulatory system in place involving the study of the markets for which they provide services, it is worth noting that the DoT pays little attention to small-scale road freight as a SMME sector. It's focus on SMME's only takes into consideration

subsidized bus services, which are formal and part of the Departments tendered contract system (Department of Transport, 1999:47).

### Infrastructure's Contribution to Economic Development

The role of small haulage contributes to the debate around the role of infrastructure in development. The argument is whether economic growth is as a result of infrastructural development or the other way around. The KwaZulu-Natal Minister of Transport strongly believes that the basis for any economic development is the building of roads (Asiphephe Campaign Pamphlet Undated). In support of this argument, the World Bank's technical paper on transport and economics identifies three ways that infrastructural development can have a positive effect on the economic development of an area.

“(i) Transport can enter as a direct input into the production process; (ii) transport can act as a complement to other factors by raising their marginal product; (iii) transport can attract increased quantities of inputs and thus shift the potential aggregate production outward.” (1993:5)

Rama (1999) suggests that infrastructure can't be separated from economic development.

” The argument is that in most instances poor accessibility and mobility, whether in the urban or rural areas, has the effect of limiting the social and economic growth of an area.” (Rama S 1996:6).

### SMME Developmental Support

Relating to lack of employment opportunities is the argument by the Minister of Trade and Industry that “ small and medium enterprises are underdeveloped” in South Africa. (CDE;1991:1). One of the key reason's given is the lack of a forum or support structure to

address the needs of potential and established small businesses. Accordingly the South African government set up Khula Enterprises to address financial problems, and it's sister organization Ntshika for general support and guidance in starting up a small business. There are two routes that small businesses can take, one is to go and get loans through the banking sector, however very few small businesses take this route. Formal institutions like banks often do not lend money to these small businesses. In cases where the financial institutions do, the business has to provide some proof of proven experience and success in a similar business venture, and also to put down some form of collateral. This collateral is often absent for black small business people (Ibid,3). Even in some cases where it is available, some banks are now very reluctant to take the collateral, as it is costly for them to resell the business in the event of failure by the small entrepreneur in honoring the business agreements (CDE: 2000:4).

Option Two involves getting finance through a "wholesale lender" like the Small Business Development Corporation to lend money to smaller retail lending financial institutions. These can in turn lend the money to needy small businesses at lower rates than those being charged by the banking sector. (CDE:1999:2). Khula Enterprise Finance as a wholesale lender is threatened by lack of financial support from donors and the government. In turn they are threatening the survival of the small businesses that they support. Another major problem faced by this institution is it's failure to regenerate its current investments for future investments in another smaller businesses as "the cost of borrowing far exceed(s) the interest rates Khula is charging its SMME clients" (Banking Council:2001:1)

### Competition

In rural areas like Maphumulo and Greytown, these small haulage businesses also provide the passenger transportation service. This is mainly due to shortage of passenger transportation supply in relation to the needs of these communities. This puts them in direct competition with the taxi industry. Dugard's thesis attributes this conflict to many factors. The two major one's are,



the rise in unemployment and the deregulation of the taxi industry (Dugard, 1998). The deregulation of this industry has resulted in an increase in the number of operators, thus falling profits (GCSP: 1998). The CDE reports highlight one of the major negatives effects of this competition" .. competition is synonymous with death,... at the end of the day, an awful mentality prevails: shoot the competition" (CDE, 1996:5). Violence is seen as the only means for regulating the commuter market. It allows the stake holders power to keep the prices up at the same time keeping the competition down. The small hauliers in these areas do not trust available law enforcement structures to support their course. This is as a result of the current low number of arrest and lack of convictions of the taxi violence perpetrators (GCSP, 1998). This competition for limited resources has inhibiting effects for the general growth of the small haulage industry.

### 3. Methodology

The study site was selected along a transect, from a city (Pietermaritzburg) to a rural town (Greytown) to a rural service center (Maphumulo).

#### Research design

Given the lack of knowledge about small haulage, it has been essential to design the study in parts. Phase one involved the identification of the study population through the creation of a basic database or service directory of all the small hauliers that could be accessed at the three study sites. Using the snowballing sampling technique, the researcher made contact with visible small hauliers at each site and asked them to refer others they knew to be in small haulage to the project. This method was largely successful in generating a core database. However the possibility that some hauliers might have been excluded because of competitive interests needs

to be taken into account. The list should also be considered incomplete because some hauliers come in and out of the business, a dynamic that is difficult to capture in a once off, fixed time study.

Initially it was envisaged that a stratified sample chosen by type of service provided would be selected from the inventory. However, due to the incompleteness of the list and the small numbers, it was decided to interview all accessible small hauliers at all three sites.

Data was collected through two structured questionnaires. The first questionnaire acted as an inventory or register of all the accessible small hauliers operating in the three study sites. As a short, screening instrument it established the types of services provided, the number of employees in the business, the number of vehicles owned or used and the source of start up finance for the business. The majority of the Pietermaritzburg inventory interviews were conducted telephonically. At the two other sites the screening questionnaire was administered in face-to-face interviews by the researcher (See page 28 to 34).

The second instrument was a larger quantitative questionnaire with both open and closed ended questionnaires. The closed ended questions were pre-coded and the respondent was asked to select from the various options provided. The open ended questions allowed respondents to elaborate in specific detail on some of the issues. Face to face interviews were conducted in administering the quantitative questionnaire. The process of capturing was instituted immediately after data collection. This involved the coding of the qualitative and some recoding of quantitative data. Data was captured and analyzed using the Statistical Package for Social Scientists.

### Sample

The population size that could be established by this study is of that of 152 small hauliers, of whom 42 were located in Pietermaritzburg, 50 in Greytown and 60 in Maphumulo. The findings presented here are based on sample of 148 respondents involved in small non-passenger transport, all but one of whom are male.

#### 4. Findings

##### Demographic Characteristics of the Respondents

In terms of the locational spread, thirty-eight are based in Pietermaritzburg, fifty in Greytown and sixty in Maphumulo. Geographic and numeric differences were observed in the three locations, where small haulage in Pietermaritzburg was scattered and not as prevalent as in Greytown and Maphumulo where it was found in "loading/ operating ranks" similar to those found in the Taxi industry.

The majority of respondents are African (n=145), one haulier is Colored, and two are Indian. As noted earlier, in terms of sex, only one respondent is female. Hauliers interviewed in this study range in age from 22 to 65 with the mean age of 39 years. 41% are 35 years or younger, 41% are middle aged and the rest are older. Most (n=101) of the respondents are either married or living with a partner, 8 are divorced or separated from their partners, while 39 are single. Most of the respondents have middle to large families - 47.3% have families of between four and five people, 22% live with between 7 and 12 people. Only 38 live with less than three people and 7 live alone.

In terms of education, most respondents are functionally literate (60%) and 31% have matric or some form of post school education. Four fifths also have previous work experience - 7% were formerly professionals, mostly teachers who were retrenched, 61.5% were previously involved in unskilled and 11.5% in semi skilled occupations. The remainder (n=14) had been, either unemployed or in school before becoming involved in the business and nineteen had or still have another business.

### Small Haulier Enterprises

The majority of small haulage enterprises are new. 27% are less than a year old and 62% have been operating for between one and four years. The remainder (n=16) have been established for between five and ten years.

Typical of micro enterprises, most (n= 98) operate their businesses themselves. However, over a third (n= 50) have between one or two employees, creating an additional 105 direct employment opportunities. A large number of the employees (n=75) are family members, which helps small hauliers minimize expenses as well as increase incomes for their households. Of the employees, twenty-nine have full time positions with sixteen provided to people outside owners' families. Thirty-five people are in regular part time jobs and a further forty-one get occasional, casual employment from these small businesses.

All but one of the employees are African (n=104) and the overwhelming majority (n=100) are male. Most employers regard their employees as skilled or semi skilled, and most have kept their jobs for anything between one and four years.

As the table below shows, most respondents entered small haulage without experience or any form of formal training. A few (n=12) could draw on their family background with only a handful (n=8) attending short business training courses. Notably, the latter all had matric or some form of post school education.

Training		None	Parent/family background	Short courses	Total
Education.	Functionally illiterate	10	3		13
	Functionally literate	87	2		89
	Matric and Post School	31	7	8	46
Total		128	12	8	148

Figure 1: Cross tabulation of education by business training

Respondents started up their haulage businesses as a means of creating a livelihood for themselves and their families. This includes the sixty-five who had been retrenched from their previous occupations, the three who had been unemployed and the forty-six who felt starting their own business would improve their lives. 23% saw these businesses as investment opportunities to create more wealth for themselves and their families. For the majority of the hauliers theirs is only the source of family income.

In light of the fact that they are operating on a micro scale, more than half the respondents (n=68) haul anything. Some specialize to some degree. Thus, twenty two respondents haul perishable goods, including groceries and vegetables; twenty four transport beverages, six each haul building materials, livestock or furniture and four transport sugar cane and timber. Aside from moving goods, a significant proportion (75%) also transports people. Once again there is a sizeable number of these hauliers (n=67) who transport anybody while others attend to specialist, recurrent passenger transport needs. Thus, two respondents transport traders and their wares to different

pension pay-points, 18 transport pensioners, 12 carry school children and teachers and 11 take sick people to hospital. Their client base is largely local, and mostly African.

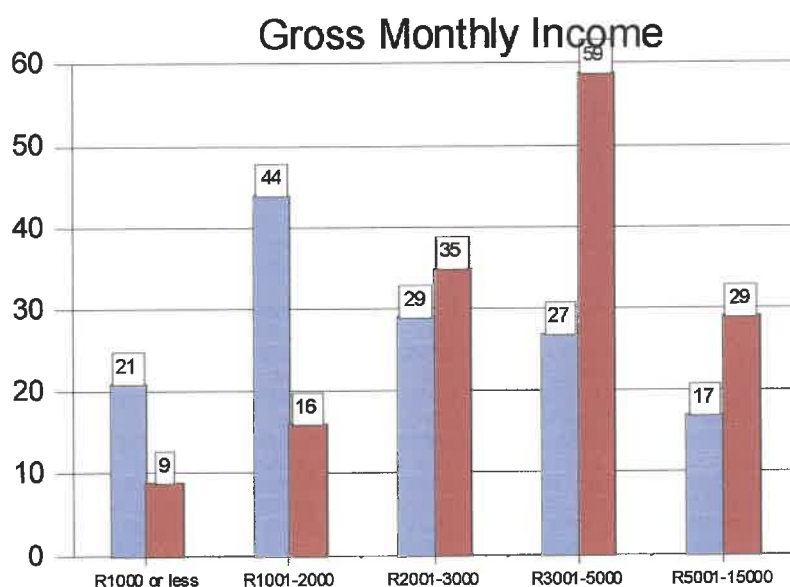


Figure 2: Comparison of incomes for busy and off-peak months.

In terms of income, the chart above shows two distinct curves. The blue one shows that almost half of the respondents (65/138) have a gross income of R2000 or less a month. The second, red curve reflects reported gross earnings in busy months. Here earnings clearly move up the income scale, with most (123/138) grossing over R2000 and at least 40% earning between R3001 to R5000 mark. While most report some seasonality in earnings, 41 respondents say they earn more or less the same amount of money.

Respondents attribute the variation in their incomes to increases in demand (n=94) especially at Christmas time. The small hauliers in Maphumulo and Greytown said when migrant workers came home they spent money on and for their families, increasing the demand for passenger and goods transport services. Also, Christmas is the time when local savings clubs (stokvels) make and distribute purchases from their annual savings.

They create a fairly large transport demand. Thus, clubs buy in bulk and hire small hauliers to transport their groceries from the shops to the venue where goods are divided up. Thereafter, individuals within each Stokvel hire the hauliers to transport their goods to their homes.

Most respondents (n=91) felt their businesses were performing well or very well. While only a few (n=13) thought they were performing badly, a fairly sizeable proportion (n=44) were satisfied but saw room for improvement. Those who were happy with their performance attributed their successes to being well known in the communities they serve. Some felt that economic changes negatively affected them and some felt they are not doing well because they did not have enough clients.

On a positive note most hauliers (n=117) felt that they were well located and especially, that their proximity to the main city centers had a positive influence on their businesses. They attributed their successes to customer loyalty (n=138), being competitively and reasonably priced (n=128) as well as flexible and responsive to customer needs (n=118). Only 39 felt that their performance could be linked to the absence of competition either from the other small hauliers or from the bigger businesses.

#### Problems facing the small hauliers

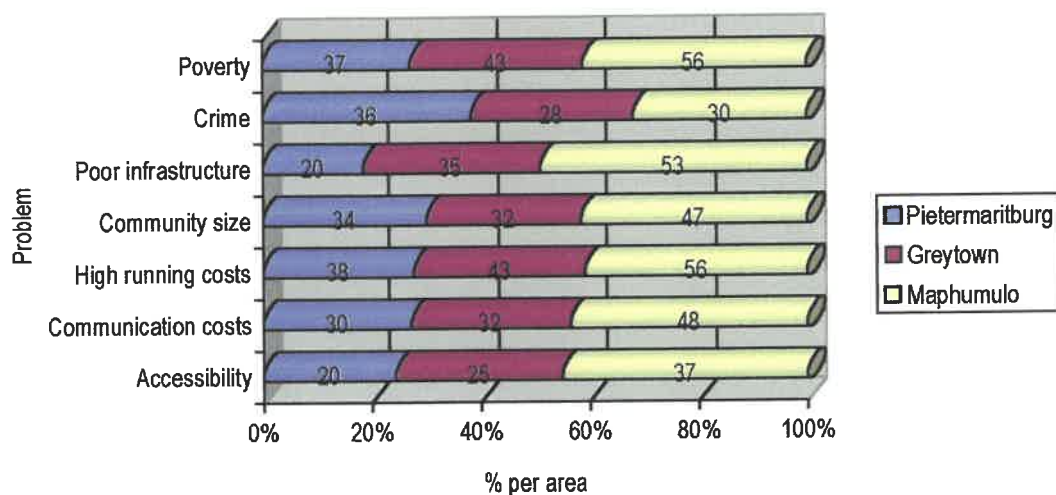
Small hauliers face several problems. By their own accounts, obtaining start up finance was one of the primary difficulties that they had to overcome to begin their enterprises. Only 5% were able to start their businesses from raised loans, which with one exception were all outside the formal banking system. The rest self-funded their enterprises by drawing on packages or savings and inheritances, or combining these with borrowing from family.



A second problem that is intimately linked to that of raising start up finance is the difficulty of finding reliable vehicles that are affordable. Most respondents bought second hand vehicles, in some cases, ones that were not road worthy and had to be fixed before they could use them. One respondent even went so far as to buy the body of the vehicle from a scrap yard and build the car part by part to an acceptable standard.

A third problem faced by small hauliers relates to accessing clients and marketing their services. At least five respondents had difficulty finding venues from which to operate while 14 had found it difficult to register their vehicles or their businesses at taxi ranks. Finally, negotiating prices with clients and in some case getting the clients to pay for the services rendered was also a problem for some.

#### PERCEIVED GROWTH INHIBITORS



Once in business, competition (n=61) as well as constant petrol hikes (n=46) are seen as the major negative conditions affecting small haulage business performance. Whilst it might be expected that a large number of the hauliers in Greytown and Maphumulo

would complain about a lack of business facilities like the telephone and advertising opportunities, in fact, only two raised the issue. More respondents drew attention to the problems of poor conditions of the road (9), of the vehicle (5) and their lack of proper business skills. Nine hauliers felt that the type of service that they provide - which only requires them to work during certain seasons or days of the month, inhibited profitability for the business. Other factors that respondents felt crippled any positive growth of small haulage businesses were, transport costs (n=141), being far from the other bigger markets with more potential business (102), high running costs (137), slow growth of the local market (125) and poor infrastructure (108). Most of the hauliers (136) agreed that poverty in their communities had a negative influence on their business. This is understandable considering that they rely on their immediate communities for clientele.

Small hauliers also pointed the negative impact crime has on their businesses.

### Crimes experienced

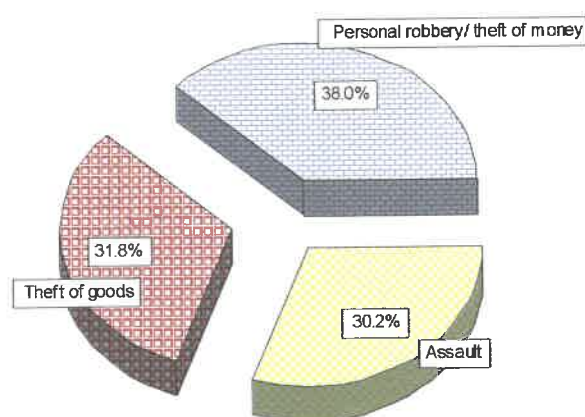


Figure 3: Crimes experienced by the Small Hauliers.

Forty-nine have experienced a personal robbery. In addition, forty-one have had the goods that they were hauling stolen, forty-nine have also experienced theft of money and thirty-six have also been assaulted. The impact of such crimes is both immediate and long-term. These men work within small communities where everyone is well

known to everyone else and there is intense competition for limited business. Any bad publicity can negatively affect any potential growth of the business.

The majority (83%) of these hauliers do not keep a record system of their business transactions, although they worry about profitability and many (n=85) face problems of cash flow. Of the 26 who do keep books, they are either done by themselves (n=15), or a family member (n=10). They use record keeping to identify profitability (11), costs (6) and to budget and save for the future (9), an exercise they feel is useful to the smooth running and efficiency of their enterprises especially when profits are down.

Other problems that are considered to negatively impact on their enterprises include competition from bigger businesses (129). These more established companies are seen to be threatening, because of the resources they can muster and their ability to lower costs. The small hauliers can't insure the goods they carry or the vehicles they run. Also, in one vehicled companies, maintenance and down time have extreme consequences, given that most 66% work on one contract at any given time. Most small hauliers 70% regard Government regulations as cramping their development and 50% feel taxation threatens their survival.

Concerning the future of their business, responses are mixed. For some (n=31) these businesses as profit making ventures and they are willing to stay as long as there is money to be made. A few (n=15) are involved in small haulage as a stopgap measure while they look for other work. These views are especially articulated by people who are currently either working for somebody else or who are looking for employment in the fields that they have been trained in, like retrenched teachers. Several feel that the business is not secure as it is highly dependent on a poorly resourced, local clientele and is affected by the changes in the economy, especially in the fuel prices.

These different perspectives are reflected in the divergent views on involvement of family members. Almost half of the respondents (n=72) have no problems with involving their children in the running of their business. They see their endeavors as a family enterprise with opportunities for growth and with greater prospects than the job market. A sizable minority (n=53) does not want to involve their children in small haulage, suggesting that they could find better jobs in other sectors. To this end they were encouraging their children to get a better education so that they could find a better way of earning a living. Several (n=23) pointed to the dangers of the job, especially in places like Maphumulo where they compete with the taxi industry for passengers.

#### Employee Wages

In terms of the percentage of the gross monthly income that goes towards paying wages, vast differences were observed amongst these employers. Fourteen small haulers use between 2 to 5 percent to pay wages, twenty three between 7 to 10%, twenty eight almost a quarter of what they make, four between 30 and 50 %. Two employers seem to be running the business at a loss as they use over half (60-80%) of their total gross income to pay their employees wages. The wage amounts range a lot, with some employees being paid the minimum of R10 a day.

## 5. Discussion

The findings outlined raise several issues that need consideration. Generally, small business development is seen by both the Government and the communities involved in them as a viable strategy for economic development. Not only do they create direct employment opportunities but they also have a spill over effect into the general economy of the communities they operate in. The findings here suggest that this is indeed the case. Small haulage has this effect in communities where it is conducted.

The findings presented in this paper suggest that there is lot of truth in the theory of polarization. This theory envisaged that the movement towards informationalism would result in an increase of the top and the bottom employment categories at the expense of the middle. (Castells, 1996:206). This will in turn result in a loss of a number of formal employment opportunities. To address this change in the structure of employment, people have started small businesses, one of which are the small hauliers. The study has shown that the majority of these small haulage businesses are there to alleviate poverty especially in rural communities, where employment opportunities are scarcer.

May argues that poverty is not a static condition and there is always a chance for some individuals, households and communities to move in and out of relative poverty (May, 2000:4). The respondents interviewed for this survey seem to prove this point. The majority of them started these small businesses as a response to ".....poverty in South Africa results(ing) largely from lack of employment opportunities, including self employment, which will generate an income adequate to provide an acceptable standard of living" (CDE, 2000:2). This report goes on to argue that the majority of the

unemployed people in South Africa work in the informal sector including being self employed.

Whilst the idea of a wholesale lender hierarchy is ideal in the sense that it caters and provides support specifically for the small business, the majority of the people at grass-root level are not aware of any such structures. A high number of these small businesses are self funded due to the lack of knowledge of any form of financial assistance other than the banks. Some of the funds have been borrowed from sources like the moneylenders that can in the long run threaten the existence of the small business due to their high interest rates. The small hauliers interviewed for this study are living proof that there is very little knowledge of the various structures and programs put in place to assist them with either financial or business support especially for people who are illiterate and in rural areas. This, in spite of Khula's report that they have increased their "loans to black entrepreneurs for 27% to 64% over the past six months, with extra effort to support women, the disabled and rural people" (CDE, 200:40).

The report highlights the secrecy surrounding the Khula enterprises, as it shows that not only are the potential small business people ignorant of its existence and the services that it provides, but also the whole of the South African banking sector (CDE: 1999:3). This speculation can be further supported by the fact that the respondents lack any skill base necessary for the running and survival of a formal business and that they have no knowledge of where to get such skills, or of the existence of small business support organizations.

Lack of communication between the various government departments regarding policy formulation that affects the small business entrepreneur is another major stumbling block. As already pointed out in the findings of this research, these small businesses

are started out in response to desperation and poverty. They have no start up capital or skill base. The last thing they need is dealing with the various licensing laws. Consider the issue of payment of employees. Due to the minimal amount of money that they make, the majority of these businesses cannot afford to pay the minimal wage of R1200 as stipulated by the Department of Labour. Some of the employees earn as little as R10 per day, making part of some 350 000 South Africans who earn less than R200 a month (CDE, 1996:2). This, further supports the arguments made by the International Labour Organisation (ILO) that "being employed does not mean that the person has risen above poverty" (ibid). This is due to the fact that the majority of these employees are not able to effectively provide for all the basic needs of their families but getting an income is what distinguishes these people from the unemployed.

As a result of lack of start up funds these small haulage businesses have to find cheap vehicles and in some cases they buy the body of the car and rebuild the car part by part to an acceptable roadworthy condition. What this means is that the minute the vehicle is running they start operating with it, in order to get more funds to improve its condition. This has implications for road safety in general. Not only do they face the risk of the goods not arriving to its destination in time, they pose a risk to other road users. The use of vehicles that are not in a roadworthy condition is most prevalent in rural areas where there are no regularly maintained road safety management systems. The Department of Transport needs to set in place a regulatory system to deal with this issue.

Also relating to the Government's role is the issue of infrastructural development. The majority of the hauliers in Maphumulo and Greytown, are affected by the lack of proper roads and other structural resources necessary to running a transportation business. This limits the economic activities these hauliers are involved in. They cannot access

the majority of their clients' homes due to the lack of primary and access roads linking the community. This means that the small hauliers are forced by lack of infrastructural development to abandon both goods and passengers in remote and in some cases dangerous areas, which raises the transportation cost on the part of the client.

Small businesses in general have proved to be easy targets to different kinds of crimes in almost the same proportions thus threatening their very existence. A young businesswoman in the Soweto Township confirmed that small entrepreneurs are likely targets for crime. What makes their situation difficult is that the majority of them do not report these incidents as they feel that the goods and money stolen for them are too petty. Whilst it is true that the sums of money that are stolen could be considered by some as meagre, their loss can have major influence in the sinking or the survival of the small businesses that they are taken from, and by association to the larger economic development of the areas these small hauliers operate in. Furthermore the theft of goods that are being hauled has major detrimental effects on the survival of the small haulage businesses. These are the types of businesses that are based on trust. This is established through the knowledge that your goods will arrive at their destination on time, safely and at a cheap their rate. One should keep in mind that such small businesses usually operate within small communities where businesses are made and killed through word of mouth.

Relating to this is the fact that the majority of small businesses are afraid to discuss any problems they might be facing with their clients in giving quality service. This is due to their fear of losing clients. Intense competition within poor communities is just one the major inhibitors to effective business running. This means that the small entrepreneur at times fails to provide his/ her clientele with effectively low prices, reliable quality service, More importantly there are no effective lines of communications between him and the



clients. This has major implications of the survival of the business itself, as making profits becomes the deciding factor in the way the business is run. The small hauliers challenge the ideas of the Moving South Africa project's on successful businesses. They are inflexible, insecure, unreliable and at times unsafe to use as they might not be in a road worthy condition. (Moving South Africa, 1998: ) Also by competing with the taxi industry for people not only do they put themselves in danger but also the people who use them.

The nature of these small businesses means that community support is a very important and integral factor in ensuring that they survive in this highly competitive environment. Poverty in these small underdeveloped communities is but one deciding factor to the kind of support that these communities can offer.

#### The role of small hauliers in local economic development

Small hauliers businesses have created incomes and livelihoods for approximately 751 people. This figure represents people who benefit financially from such businesses. The profits made are used by these small entrepreneurs and their employees for the general maintenance of their families, including paying for school fees, buying food and clothing. These livelihoods are highly dependent on the needs for the small haulage services. In cases where the small haulier has employees, a large proportion of the income generated by these small haulage businesses goes towards paying wages. There is no control over the wages paid to the workers in this service. Whilst a number of people are employed by these small businesses this present another problem of exploitation, as the workers are paid below the expected wage level. Thus although these businesses employ people, they do not address poverty in the communities that they

are conducted in. These businesses are livelihood creating but they are not a proper poverty alleviation strategy.

## Conclusion

Small and Micro enterprises are essential in stabilizing the economy and for providing employment to the people that engage in them. Thus they improve the economy of the communities that engages in them. Whilst the government has entrusted Ntshika enterprises as the support base, to encourage and ensure the sustainability of these businesses, it needs to review it's strategies with regards to these small businesses. The organization has proved to be inaccessible to the small business people who require assistance. These small hauliers have realized a market gap but are struggling to fill it due to lack of financial resources and support bases. There is a great need to stimulate and support small haulage development, especially in under-serviced small town and rural areas. Local economic development programs should make a concerted effort to include a policy on this transportation entrepreneurship sector.

There is furthermore a need for the Government to create a balance between local economic development and the provision of necessary infrastructural resources. It needs to be understood that one cannot stimulate the economy without providing the relevant support bases for it's long-term sustainability.

Whilst it is true that this industry is demand driven, there is still a need for some form of regulatory policies especially with regards to the issue of wages. There is dire need for the government to exert some control over the small haulage industry, especially towards standardization of wages across the industry. Government interventions should be aimed at ensuring that the industry " contribute(s) to a sustained, stable, predictable flow of funds through time." (SSATP Working Paper No19, 1996).

Women have for a long time being excluded from lot of employment and development projects. There is a greater need to encourage women into the transportation related businesses by addressing the social, economic and political barriers that prevent their participation. They need to be incorporated into the small haulage industry, which is currently a male dominated sphere of local economic development.

## Directory of Small Hauliers

### Pietermaritzburg

No	Name	Type of service	Contact number
1	Bhim's Transport	Non – perishables	033 251 0082
2	Mbhele's Transport	Anything	082 349 1346
3	Mini Moves	Anything	033 387 1707
4	John	Anything	082 392 0385
5	Bargain Moves	Anything	033 342 2859
6	Dladla's Transport	Anything	082 668 8090
7	Nathi's Transport	Beverages	033 386 1587
8	SS;s Transport	Beverages	082 2556 466
9	Pappies Transport	Building Materials	082 429 5805
10	PM Transport	Anything	033 345 4133
11	Rampersed Transport	Flour	082 8711 103
12	Mahrage Transport	Sand	033 3979 731
13	Milly's Transport	Beverages	033 398 1947
14	Nkosinathi	Beverages	033 386 1866
15	Mr Ngcobo	Vegetables	033 397 7113
16	Mr Shata	Anything	033 386 9674
17	Bheki Dlamini	Anything	033 342 6712
18	Sihle	Beverages	033 391 2307
19	Brian's Trans	Anything	033 387 3338
20	Sandile's Transport	Anything	033 342 1209
21	Bheki	Anything	082 697 0210
22	Smiso	Anything	033 387 6864

23	Nkontwana C and son's	Anything	033 3922 849
24	Mlaba	Livestock	033 342 4590
25	Thuthukani	Anything	033 386 7863
26	Sizakancane	Livestock	033 394 4794
27	Bheki	Anything	033 390 2984
28	Thulani Zungu	Building material	033 345 7526
29	Mr Mbatha	Livestock	033 391 4316
30	Thabo	Anything	033 387 4184
31	Sizwe's Moves	Beverages	033 342 3355
32	Michael	Anything	033 386 2335
33	Midi Moves	Furniture	033 345 5137
34	Mike	Furniture	033 341 1912
35	J's Trans	Anything	033 342 0052
36	Peter	Anything	082 7949 516
37	Bibi's Transporters	Anything	083 231 8629
38	Shaun	Anything	072 143 7971

## Greytown

No	Name	Type of service	Contact Number
1	Mike	Anything	082 445 7919
2	Dave	Anything	072 188 3079
3	Sandi's Transport	Beverages	082 720 7836
4	George	Building Material	082 973 5501
5	Graham	Anything	083 308 8037
6	Mike's Transport	Furniture	082 459 3895
7	Themba	Anything	0823 366 5524
8	Indlovu Transport	Anything	082 772 9314
9	Fairview	Anything	083 982 3179
10	Ndlovu's Moves	Furniture	082 371 7886
11	Mervyn Transport	Anything	082 487 99 56
12	Mbhense's Transport	Timber	033 413 2786
13	Bhengu's Transport	Livestock	082 485 6995
14	Mackenzie's Transport	Anything	033 4133318
15	Mbothwe D	Anything	033 417 1140
16	Madlala Pat	Anything	033 417 1346
17	Maharaj DS	Anything	033 413 2570
18	Ndelu JJ	Anything	033 413 1912
19	Mthethwa Siph	Anything	033 415 5371
20	Ndlela Skhumbuzo	Anything	083 231 8629
21	Dlamini	Anything	082 599 0623
22	Mbeje Thabani	Anything	072 431 9771
23	Khanyisani Dlamini	Perishables	083 591 773
24	Ntongwana Maseko	Anything	Rank opposite Spar

25	Senzo Khanyile	Anything	Opposite Taxi Rank
26	Sifiso Dlamini	Anything	Opposite Taxi Rank
27	Brian Njapha	Anything	Opposite Taxi Rank
28	Sihle Nzuza	Anything	Opposite Taxi Rank
29	Lunga Mbhele	Anything	Opposite Taxi Rank
30	Vukani Zuma	Anything	Opposite Taxi Rank
31	Zamani Ngubane	Beverages	033 417 7252
32	Skholiwe Cele	Anything	083 425 5589
33	Sipho Khoza	Water tanks	033 413 1422
34	Boy Mtungwa	Building material	033 417 2962
35	Dan Nhlangulela	Building material	072 985 4412
36	Mbuso Dlamini	Anything	Opposite Taxi Rank
37	Sibonelo Maphanga	Anything	Opposite Taxi Rank
38	Themba Nzimande	Anything	Rank opposite Spar
39	Lucky Mzolo	Anything	Rank opposite Spar
40	Sabelo Mbatha	Anything	082 431 1875
41	Phumulane Mashaba	Anything	072 256 5589
42	Ndumiso Nhleko	Anything	082 665 0004
43	Thani Hlengwa	Anything	Rank opposite Spar
44	Sibusiso Nyoka	Anything	033 417 2122
45	Bheki Ngubane	Anything	Rank opposite Spar
46	Mandla Makhathini	Anything	083 579 0046
47	Nkosinathi Mtolo	Anything	083 392 0358
48	Mpikayise Dlamini	Anything	Rank opposite Spar
49	Simo Mbatha	Anything	Rank opposite Spar
50	Senzo Dlamini	Anything	Rank opposite Spar



## Maphumulo

1	Mduduzi Mnikathi	Sugar Cane/Timber	083 109 6880
2	T N Gumede	Anything	032 481 7213
3	Musa Nzuza	Anything	083 476 6870
4	Mbuso Mthethwa	Anything	082 974 8705
5	Sbongiseni Nhlangulela	Anything	082 9696 948
6	Thami Mdluli	Anything	082 340 3098
7	Thulani Buthelezi	Vegetables	083 437 7770
8	Phendukani Ngcamu	Vegetables	083 354 9236
9	M Mbatha	Vegetables	083 598 3467
10	Khangalani Thafeni	Vegetables	082 7414 762
11	Siza Manqele	Vegetables	083 598 0908
12	Richard Zuma	Vegetables	082 760 2126
13	Sipho Khumalo	Livestock	083 480 7946
14	Thandinkosi Nzuza	Anything	083 589 9958
15	Jabulani Gumede	Beverages	082 435 5533
16	Khangalani Mbatha	Beverages	082 968 5704
17	Thabani Zulu	Anything	082 420 7945
18	Thokozani Ndlela	Sugar Cane	082 331 5009
19	Baba Maphumulo	Anything	082 361 6784
20	Nkosinathi Zungu	Building Material	082 975 8619
21	Thabelani Cele	Anything	083 673 3701
22	Bheki Masuku	Chickens	082 469 2298
23	Mduduzi Khumalo	Anything	082 488 8380
24	Senzo Mkhize	Building Material	082 836 5534

25	Msizi Khanyile	Anything	082 434 4704
26	Bheki Mahlangu	Water Tanks	082 712 4893
27	Sbonelo Maphanga	Anything	082 701 1759
28	Langelihle Mdluli	Building Material	083 953 2286
29	Thabani Mkhungo	Anything	082 470 0989
30	Sipho Mbhele	Anything	083 759 9869
31	Linda Mzimela	Beverages	083 504 2225
32	Sihle Mphemba	Anything	083 594 0715
33	Khanya Hlela	Anything	083 321 4157
34	Thembinkosi Msomi	Furniture	073 968 223
35	Sipho Gabela	Anything	Taxi Rank
36	Musawenkosi Nhleko	Anything	Taxi Rank
37	Themba Nzama	Anything	0324 481 7452
38	Sakhile Nduli	Anything	Taxi Rank
39	Muzwempi Khoza	Anything	Taxi Rank
40	Sipho Dladla	Anything	Taxi Rank
41	Melusi Mthembu	Anything	Taxi Rank
42	Zwelisha Mpanza	Anything	Taxi Rank
43	Dlokwakhe Msibi	Anything	Taxi Rank
44	Sonwabo Mpulo	Anything	Taxi Rank
45	Thami Ngubo	Anything	Taxi Rank
46	Zakhele Ngubane	Anything	Taxi Rank
47	Soka Mkhize	Anything	Taxi Rank
48	Sbusiso Cele	Anything	Taxi Rank
49	Thiba Ngiba	Anything	Taxi Rank
50	Dalton Msibi	Anything	Taxi Rank

51	Mike Ndaba	Anything	Taxi Rank
52	Sifiso Mathabo	Anything	Taxi Rank
53	Derrick Sikhakhane	Anything	Taxi Rank
54	Ngoso Mahlaba	Anything	Taxi Rank
55	Zakhele Gasa	Anything	Taxi Rank
56	Sifiso Magudulela	Anything	Taxi Rank
57	Mfanafuthi Khanyile	Anything	Taxi Rank
58	Themba Cele	Anything	Taxi Rank
59	Ndodo Dlamini	Anything	Taxi Rank
60	Sizwe Goba	Anything	Taxi Rank

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# APPENDICES

***Small hauliers within the Transportation Industry Study -Zama Majozi 2000***

**Introduction**

I am carrying out a survey for the University of Natal to identify the number of small hauliers operating around Pietermaritzburg and the types of services that they offer. I have a few questions that I would like you to answer about your business. The interview will last about 10 minutes.. So by taking part in this study you will be assisting yourself and all people involved within your transportation sector and their families. Are you available to answer the questions now

**Available .....**      **Call back later.....**( Mark the relevant one)

**Date.....**

**Time of interview:.....**

**Place of interview:.....**



*Small hauliers within the Transportation Industry Study- Zama Majozi 2000*

**Inventory Questionnaire**

- 1.Name of business.....
2. Name of owner/contact person:.....
- 3.Contact number:.....
- 4.No of employees:.....
- 5.Types of service(s):

Household goods	1
Anything	2
Animals/livestock	3
Food and beverages	4
Cold storage	5
Mixed perishables	6
Mixed non-perishables	7
- 6.Where do you service: .....
7. No of vehicles.....
8. Of those vehicles how many

Own	1
Hired	2
10. Previous occupation .....
- 11.Main source of start-up finance

Bank loan	1
Small business development loan	2
Sale of previous business	3
Retrenchment Package	4
Inheritance	5
Self funded	6
Other ( Please specify)	7

***Small hauliers within the Transportation Industry Study- Zama Majozi 2000***

12.How long have you been operating for?.....

13. Do you operate your business mainly from:

	<b>Yes</b>	<b>No</b>
Home	1	2
Industrial area	1	2
Other (Specify).....		

14. Other employment or occupation besides this business.....

**THANK YOU**

## **SMALL HAULIERS WITHIN THE TRANSPORTATION INDUSTRY STUDY-2000**

**Interviewer Name.....**

**Date of Interview.....**

**Time of Interview.....**

**Place of Interview.....**

**Type of Service.....**

### **INTRODUCTION**

**We are carrying out a survey for the University of Natal to find out about the role that small haulage plays within the transportation industry. We have some questions that we would like you to answer about your conditions of work, your experiences and activities . The interview will last about 40 minutes. The information from this survey will be useful, not only for government departments but also for the transport sector. So by taking part in this study you will be assisting yourself and all the people involved within the small haulage sector and their families. Whatever you say in this interview is confidential and you will not be named in the research.**

## SMALL HAULIERS SURVEY

### DEMOGRAPHICS

#### CODE BY OBSERVATION

#### 1.1 Sex: [Sex]

Male	1
Female	2

#### 1.2 Race [Race]

African	1
Coloured	2
Indian	3
White	4

#### CODE BY ASKING

#### 1.3 Age \_\_\_\_\_ [Age]

#### 1.4 Marital status [Maritstat]

Single	1
Married/ Living with partner	2
Separated / divorced	3
Other (specify)	4

#### 1.5 Number of people living with you \_\_\_\_\_ [Famsize]

**1.6 Place of birth****[Placeborn]**

Pmb	1
Greytown	2
Maphumulo	3
Elsewhere in KZN	4
Province SA	5
Elsewhere Africa	6
Elsewhere World	7

**1.7 Can you tell me the highest standard of education that you have completed?[Schooling]**

No schooling	1
Std 4 or less	2
Std 5	3
Std 6-9	4
Std 10	5
Tertiary (Non-university)	6
University	7

**2. OCCUPATION AND INCOME**

I want to start by asking you some questions about your business and the way you and your family earn your livelihoods

	CODE BY ASKING	
--	----------------	--

**2.1 What kind of business are you running here?****[Bustype]**


**2.2 Who owns the business?****[Whowns]**

- |                           |   |
|---------------------------|---|
| Self                      | 1 |
| Partner                   | 2 |
| Children                  | 3 |
| Family company (local)    | 4 |
| Other company/corporation | 5 |
| Other (specify)           | 6 |

**2.3 Do you or any other member of your family, who contributes income to this household, own a business or enterprise other than this one?****[Otherbus]**

- |     |   |                         |
|-----|---|-------------------------|
| Yes | 1 | (if yes ,write number ) |
| No  | 2 |                         |
- Number \_\_\_\_\_

**2.4 Aside from this business , are you or any member of your family who contributes to the income of your household employed in any other occupation?****[Otheroccp]**

- |     |   |                        |
|-----|---|------------------------|
| Yes | 1 | (if yes, write number) |
| No  | 2 |                        |
- Number \_\_\_\_\_

**2.5 What do they do?****[Whatocep]**

---

---

**2.6 Of all these enterprise and sources of income, which do you consider to be the most important to your family's security?** [Occsecure]

This business	1
Other business	2
Other occupations	3
All the same	4

**2.7 Can you explain why you say this?** [Whysay]

---

---

---

### **3.THIS BUSINESS**

	CODE BY ASKING	
--	----------------	--

Now I want to ask you some questions about this particular enterprise?

**3.1 What training do you have for this business?** [Training]

None	1
Parent/family background	2
Short courses	3
Formal institution (degree/diploma)	4
Other(specify)	5

**3.2 What did you do before you began in this business?** [Prevoccp]

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**3.3 Why did you begin this business?**

**[Whybus]**

---

---

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**3.4 Where did you obtain your start up finance?**

**[Startfin]**

Bank Loan	1
Small Business development loan	2
Other loan	3
Sale of previous business	4
Package	5
Pension	6
Inheritance	7
Self-funded	8
Combination of the above	9
Other	10

**3.5 What 3 difficulties did you face in starting up your business?**

**[Difficulty1]**

---

**[Difficulty2]**

---

**[Difficulty3]**

---



## 4. EMPLOYMENT

CODE BY ASKING

Let us talk about the employment opportunities that your business provides

**4.1 Excluding yourself , how many people work in this business?**

**[Noemploy]**

4.1	4.2 Number	4.3Sex 1. Female 2. Male	4.4Race 1. African 2. White 3. Indian 4. Colored	4.5Skill level 1 Skilled 2. Semi- skilled 3. Unskilled	4.6 Length of time employed
Full-time					
Part-time					
Casual					
4.7 Total					

**4.8 How many of your employees are family members? \_\_\_\_\_**

**[Famemploy]**

**4.9 How long has this firm been operating with this number of employees?**

**[Howlong]**

Less then a year                      1  
 One to four years                      2  
 Five to ten years                      3  
 More then ten years                      4

**4.10.1 Does your workforce change of often?**

**[Labchange]**

Yes    1                      No    2                      (if no go to 4.11)

4.10.2 What changes have there been?

[Whatchange]

---

---

4.10.3 What has been the reason for them?

[Reaschange]

---

---

4.11 What is your current total wage bill Per Month \_\_\_\_\_  
Per week \_\_\_\_\_

[Wagemonth]

[Wageweek]

4.12 Approximately what percentage of your gross income ( turnover before tax) goes  
towards your wage bill?

[Wageperc]

---

4.13 Aside form the wages what are your main costs?

[Maincost]

---

---

## 5. CLIENTELE/ CUSTOMERS

	CODE BY ASKING	
--	----------------	--

The next issue that we will talk about is your clientele

5.1 Which of the following best describes your clientele in terms of age, race and sex?

5.1.1 Age

[Clientage]

Mostly old	1
Mostly middle age	2
Mostly young	3
All ages	4

5.1.2 Race

[Clientrace]

White	Yes	1	No	2
Indian	Yes	1	No	2
Colored	Yes	1	No	2
Black	Yes	1	No	2

### 5.1.3 Sex

[Clientsex]

All female	Yes	1	No	2
Mostly female	Yes	1	No	2
Male/ Female	Yes	1	No	2
Mostly male	Yes	1	No	2
All male	Yes	1	No	2

### 5.2 Where are the majority of clientele you serve from?

[Clientfrom]

Pietermaritzburg	1
Greytown	2
Maphumulo	3
Elsewhere in KwaZulu-Natal	4
Other provinces in South Africa	5
Rest of Africa	6
International locations	5
Other	6

### 5.3 In terms of income, would you describe the income category of your clientele as.?

[Clientinc]

Low income	1
Lower-middle income	2
Middle income	3
Middle-upper income	4
Upper income	5

## 6. PERFORMANCE

	CODE BY ASKING	
--	----------------	--

### 6.1 Approximately how many people do you serve per day?

[Howclient]

### 6.2.1 In terms of performance does your company have peaks, i.e in the year time are there

months that are particularly good?

[Peaks?]

Yes 1 No 2

If yes

### 6.2.2 Which months are good months? \_\_\_\_\_

[Goodmonth]

6.2.3 Why do you say this?

[Saywhy]

6.2.4 Which months are bad months? \_\_\_\_\_

[Badmonth]

6.2.5 Why do you say this?

[Saywhy]

6.3 In the past month how much was your gross income?

[Gross]

6.4 Is that typical of the good or bad months?

[Samegr]

Yes 1 No 2

6.5 What is the difference ? ( December?) -[with reference to 6.2.2]

[Whychange]

6.6 What would you be earning in these other busy months of the year?

[Busymonth]

**NOW I AM GOING TO ASK YOU ABOUT YOUR WORKING HOURS.**

6.7 How many days a week do you open for business?

[Dayswork]

7 days a week	1
6 days a week	2
5 days a week	3
4 days or less	4
Month end only	5
Other (specify)	6

6.8 Do you work

Yes No

Day time

1 2

[Workday]

Evenings

1 2

[Worknight]

Weekends

1 2

[Workweek]

6.9 What is your daily opening hours?

[Whenopen]

**6.10 How would you describe your business, would you say it is, doing very well, well, average or poorly at the moment?** [Howdo]

Very Well	1
Well	2
Average	3
Poor	4
Very Poor	5

**6.11 Why do you say this?** [Whydo]

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**6.12 Which of these factors have a significant positive influence on your business's performance?**

	Yes	No	
Location of the business	1	2	[Location]
Relative proximity to the city	1	2	[Cityprox]
Local customer loyalty	1	2	[Custloyal]
Competition in the area	1	2	[Areacomp]
Flexibility	1	2	[Flexi]
Absence of other competition	1	2	[Nocomp]
Being known	1	2	[Known]
Being reasonably priced	1	2	[Prices]
Other	1	(Specify)	[Otherpos]

**6.13 What factors would say impacts negatively on your business's performance?**[Neginflu]

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**6.14 How would you rate your business in terms of the quality of service you offer?** [Rateserv]

(Scale 1-10 , where 1 = very poor and 10 = excellent)  
 Service \_\_\_\_\_

**6.15 In what ways if any can you improve on the services that you provide?** [Improve]

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**6.16 Besides transporting goods do you ever transport passengers?**

**[Transpp]**

Yes 1                      No 2 ( If no skip 6.19)

**6.17 The passengers that your transport, are they**

Pensioners 1  
School children 2  
Sick people going to hospital 3  
Special trips 4

**[Transpens]**

**[Transkids]**

**[Transsick]**

**[Transspec]**

## **7. PROBLEMS**

**CODE BY ASKING**

I shall now ask you questions on perceived problems and disadvantages.

**7.1 Which of the following do you think are the disadvantages to your business's performance in this area?**

	Yes	No	
Time/distance from other markets	1	2	<b>[Timeprob]</b>
Transport costs	1	2	<b>[Transcost]</b>
Accessibility	1	2	<b>[Access]</b>
Communication Costs (Advertisement, telephone)	1	2	<b>[Commcost]</b>
High Running costs	1	2	<b>[Runcost]</b>
Size of local community/market	1	2	<b>[Commsize]</b>
Slow growth of local market	1	2	<b>[Mktgrowth]</b>
Labor costs	1	2	<b>[Labcosts]</b>
Poor infrastructure	1	2	<b>[Roadinfra]</b>
Crime in the area	1	2	<b>[Crime]</b>
Poverty in the community	1	2	<b>[Poverty]</b>
Other (s), Please specify	1	2	<b>[Otherdis]</b>

**7.2 How would you describe crime in the area?**

**[Howcrime]**

Very High 1  
High 2  
Average 3  
Low 4  
Very low 5

### 7.3 Has your business been affected by the following

	Yes	No	
Personal robbery	1	2	[Robbery]
Theft of money	1	2	[Montheft]
Theft of goods	1	2	[Goodthef]
Physical assault	1	2	[Assualt]
Cancellation of contracts	1	2	[Cancel]
Loss of customers	1	2	[Custloss]
Loss of staff	1	2	[Staffloss]
Other	1	2	[Othrcrim]

### 8.BUSINESS SKILLS

	CODE BY ASKING	
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#### 8.1 Do you have a record and accounting system of your operation?

[Accounts]

Yes 1 No 2

#### 8.2 Who looks after this system for you?

[Whobooks]

- |                                    |   |
|------------------------------------|---|
| Yourself                           | 1 |
| Other family members               | 2 |
| A friend                           | 3 |
| Another person                     | 4 |
| Another small organization         | 5 |
| A well established accounting firm | 6 |

#### 8.3 How do you use this system?

[Accountuse]

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#### 8.4 How does this system affect the way you run your business?

[Accountafft]

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**8.5 Do you use the system to identify**

Expenses 1  
 Cash flow 2  
 Profitability 3  
 Good returns 4  
 Savings 5  
 Planning for the future 6

**8.6 What do you think you have to do in order to keep your business going? [Improve]**


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**8.7 What kind of support do you think you need to keep the business going? [Support]**


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**8.8 Where are you going to get the support from?****[Getsupp]**


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**8.9 What do you think is your biggest threat in running this business?**

	Yes	No	
Competition from other small businesses	1	2	[smallbus]
Competition from big businesses	1	2	[bigbus]
Cash flow problems	1	2	[cashpro]
Inability to insure goods	1	2	[goodinsu]
Inability to insure the business	1	2	[insurebus]
Inability to maintain vehicles	1	2	[vehiman]
Competing Interest i.e have more then one contract at the same time	1	2	[compint]
Government regulations	1	2	[govreg]
Government tax	1	2	[govtax]
Other ( specify)_____	1		[otherthre]



## 9 CLOSING

CODE BY ASKING

By way of closing

**9.1 How would you describe your future in this business operation?**

**[Future]**

- |                                 |   |
|---------------------------------|---|
| As a way of making a livelihood | 1 |
| Stay as long as making profits  | 2 |
| It is a short term thing        | 3 |
| It is a passing thing           | 4 |
| Other                           | 5 |

**9.2 Why do you say this.**

**[Whyfuture]**

**9.3 Do you see your children being involved in this kind of business?**

**[invchild]**

Yes 1                      No 2

**9.4 Why do you say this?**

**[whychild]**

**Thank you for your time**

