



Delft Research Project 2019/2020

Final Report

31 March 2020

Version 2.

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2. Background and Goal

The project goal was to contribute towards the development and implementation of evidence-based interventions in support of business growth and job-creation in Cape Town's urban township economies. In support of this goal, the specific Project purpose was to build on SLF's prior research in the neighbourhoods of Delft South & Eindhoven by undertaking a 3rd wave of the small-area census to develop robust and comparable data on trends in business investment and informal micro-entrepreneurship over a ten year timeframe. The project presented a unique opportunity to triangulate contemporary evidence (survey results) against previous waves of research undertaken in these sites in 2010/11 and 2015.

The project entailed a knowledge partnership between the Sustainable Livelihoods Foundation (SLF), the Provincial Government of the Western Cape (PGWC) Department of Economic Development and Tourism (DEDT) and academic partners including Concordia University (Canada), the Human Sciences Research Council (HSRC) and the UCT Graduate School of Business.

The partners are co-producers and were involved in each stage of the research process. This collaborative approach help to ensure that technical knowledge and intellectual insights were shared amongst the participants in the refinement of the methodology and development of knowledge products.

The project has resulted in a series of outputs, including high-level information sessions, a comprehensive written report (the current document) and a dataset. An anonymized version of the dataset has been made available for academic research via the partners.

3. DEDT Funding and Deliverables

The PGWC Department of Economic Development and Tourism committed R400 000 towards the implementation of the project. In support of the research, PGWC entered into a service provider agreement with the SLF. In terms of the agreement, the main project deliverables were:

Deliverable 1

- Identify PGWC and other partners' micro-enterprise data needs.
- Mobilise community based research partners.
- Conceptualise research instruments.
- Mobilise and train a local research team of field workers.

Deliverable 2

- Develop the research approach and survey instruments.

Deliverable 3

- Hand-over of raw data from the enterprise survey,
- Submit a final research report;
- Disseminate the research findings.

The research findings were presented at a high level engagement with the PGWC DEDT on the 25th March 2020.

4. Research Approach

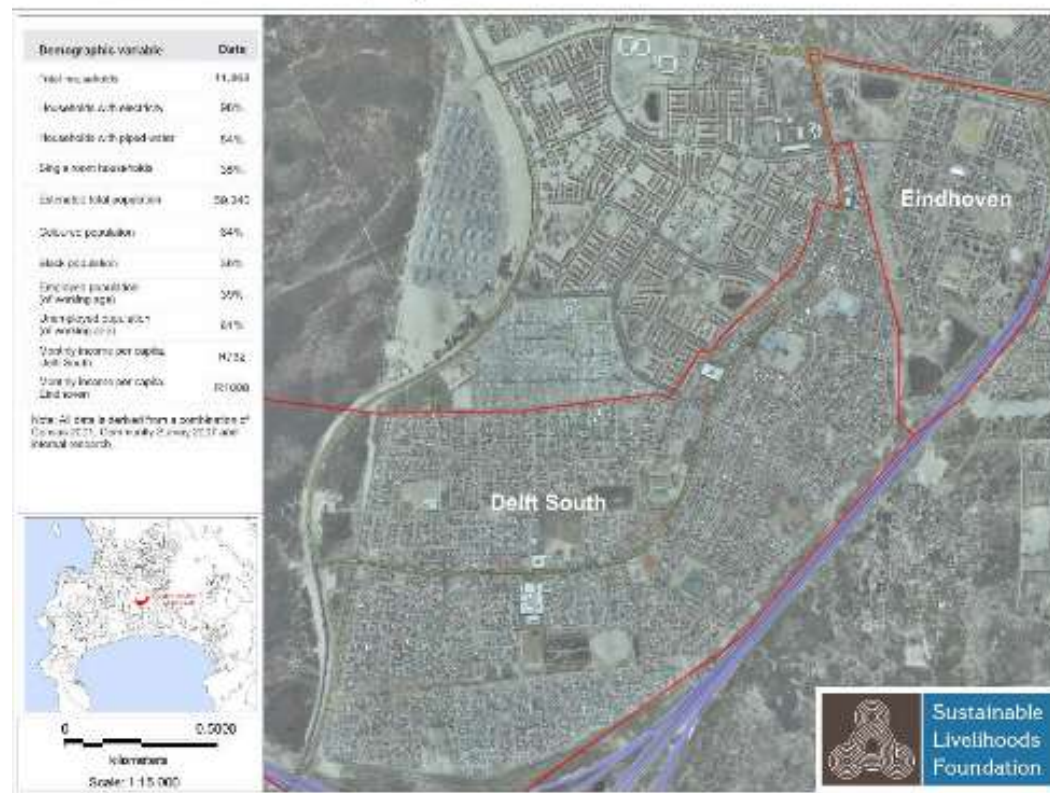
4.1 Small-Area Census Method

The researchers built on prior research undertaken in 2010/11, and 2015 within Delft and Eindhoven, making this the third in a decade long panel study of township informal businesses in this area. The research partners obtained ethical approval for the research approach and survey instruments from the Commerce Faculty, at the University of Cape Town (approval date Monday 20th January 2020).

The research site and spatial position within the Cape Town metropolitan area is shown in Map 1. In collecting data, the researchers used a modified version of the small-area census approach as described in the paper: *'Small area census approach to measure the township informal economy in South Africa'* (Charman, A. J. E., Petersen, L. M., Piper, L. E., Liedeman, R., & Legg, T., 2015). In brief, the small area census method aims to cover every street / road / pathway within a specified geographic area (in this case Delft South) wherein a team of researchers interview all identifiable micro-enterprise activities *in-situ*. The method utilized a mixed-methods approach (qualitative insights + quantitative responses). Its value lies in the effectiveness of the method to conduct a census of business activities (in other words a full scale enumeration), including qualitative data, and obtain geospatial information on the spatial situation of the business. In the current project, in addition to studying informal micro-enterprises, the research sought to survey (and enumerate) backyard housing investments.

[Map 1: Study Site](#)

Aerial overview of Delft South showing demographic profile Delft South and Eindhoven, May 2011



4.2. Questionnaire Instrument

A questionnaire instrument was developed in collaboration with all stakeholders. It was refined through six versions, whilst the functionality was tested in the field. The final version of the instrument is presented in Annex 1.1.

The questionnaire was organized into three parts: Section One recorded data on micro-enterprises; Section Two recorded data on backyard accommodation; and Section Three recorded data on the details of key persons whom the researchers should further consult for particular insights. The micro-enterprises component commenced by asking the researcher to record the nature of the business activity under consideration (what they witnessed, with their own eyes). Thereafter the questionnaire recorded the relationship of the informant to the business / accommodation. Where the researchers engaged with a business owner or a knowledgeable informant (such as a store helper), the researchers then proceeded to pose questions about the nature of the business and obtain details about the owner / owners. As part of these questions, the researchers specifically sought to investigate the following topics:

- What are your main business challenges? (an open-ended question);
- Is it important to make the business visible? (an open-ended question);
- What kind of business service support would you want to access? (a list of variables workshopped with the partners);
- What are your views on the business environment?

At the end of the interview, the researchers were required to include their own observations and notes. On occasions where an owner or knowledgeable person was not able / willing to engage with the team, we included the following options:

- The business is not open at the time of the survey;
- The business has shut down;
- The person will not speak to me.

Where these variables were selected, the researchers were simply required to draw observations on the geographic position of the business, the use of infrastructure, and the most suitable category into which the business fell. A similar structure was applied in the section on accommodation. As the key person questionnaire was designed to capture contact details of key persons, the questions simply recorded the name and contact details of the informant, as well as notes on why the informant could add value to the broader research enquiry.

Specific strategic questions were compulsory and required the researchers to input data throughout the questionnaire (except when respondent refused to participate).

The questionnaire was situated on the CommCare platform (a data collection and online server tool, see www.dimagi.com) with the correlating CommCare mobile application loaded onto hand-held Samsung tablet devices. Each researcher operated a separate device. In Annex 1.2., we illustrate the functionality of the instrument via screen shots. An important practical feature of CommCare tool is that it can handle data collection in online and offline situations, therefore not limiting the research team with regards to network connectivity.

4.3. Research Team

To undertake the research, SLF mobilized and trained a strong local field research team, who comprised 2 supervisors, 6 researchers and 2 community liaison persons. The liaison persons were linked to the Delft Community Policing Forum as well as the Delft Neighbourhood Watch. See Annex 1.3 for a photographic description of the research context and images of the field team at work. The research team were proficient in the following languages: isiXhosa, Afrikaans, English, Shona and isiZulu.

4.4. Research Protocol

In the field, upon identifying a research participant, the researchers introduced the aims and objectives of the project. A written flyer was handed out to project participants (see Annex 1.4); the flyer included information about the project and the contact details of the field team leader. If the identified participants gave informed consent to partake in the research, the researchers then asked questions from the tablet questionnaire. One of the first tasks in this respect was to record the geospatial location of the business. At the conclusion of the survey interview, the researchers requested permission to take a photograph of the business. In the case of closed businesses / business owners not being available, the questionnaire was designed to skip to the end of the instrument whereupon the researchers provided a comment on the business in question. All completed surveys were then uploaded to the CommCare platform where the data was stored, subsequent to additional storage in Dropbox platform. After the conclusion of the field research, the dataset was examined for inconsistent responses and technical / user errors and corrected. A public version of the dataset was anonymized prior to distribution.

4.5. Survey monitoring

Simultaneous to the data collection process, two office-based data analysts conducted real-time in-depth monitoring of each survey and interview, providing instantaneous feedback via WhatsApp to the field researchers with regards to any issues and questions on identified data interpretation / errors. Identified errors from specific field researchers were thus resolved swiftly on the day, and at the time of the interview, thus ensuring a high degree of accurateness and completeness of the dataset. All feedback from this monitoring was retained for review purposes during the data cleaning process. The office-based team was also in direct contact with field supervisors, providing further support on a daily basis and sharing additional information, such as GPS generated maps of interview locations at various points throughout the field work day to assist in monitoring progress as the team worked across the site. At various points in the research process, research collaborators accompanied the team to learn first-hand about the business environment, observe the research process and engage with micro-entrepreneurs.

Each survey took approximately 20-25 minutes to complete, though some took up to 40 minutes where important discussions were required. Every survey was given a unique number identifier recorded on the questionnaire for tracking, as well as on a physical survey sheet held by each researcher for back-checking.

5. Research Scope and Challenges

5.1. Achievement

The research achievements are summarised in Tables 1 and 2. Table 1 indicates the number of surveys undertaken. In the micro-enterprise component, the researchers interviewed 1,271 businesses; 109 persons refused outright to support the research. Some persons started the interview process, but then chose to exist the process as they either felt uncomfortable with the nature of the questions and/or lacked the time to complete the process. The researchers also recorded basic information on the 103 businesses that were closed at the time of the research. Merely 71 respondents recalled participating in one of the past surveys, and only 24 persons took part in both the 2011 and 2015 waves.

In the accommodation component, the researchers interviewed 1,578 persons, with 204 refusals and 586 sites recorded as 'not at home' ;

Table 1: Scope of Research

Surveys	Closed	Refused	Successful	Not At Home	Past Participation	Both 2011 and 2015
Micro-Enterprise	103	109	1,271		71	24
Accommodation		204	1,606	586		

The situation of the research respondents is recorded in Table 2. In the micro-enterprise component, 64% of the respondents were owners, 31% employees and 5% helpers or neighbours. In the

accommodation component, only 36% of the respondents were property owners, whilst 57% per tenants, 6% neighbours and 28% family members. The weighting of the respondents in the accommodation survey might indicate that the information we obtained on rental costs is more accurate than had the weighting been in reverse order, in other words in favour of the property owners themselves (who may have under-reported rental incomes).

Table 2: Research Respondents

	- Owner	- Employee	- Tenant	Neighbour	Family Member
Micro-Enterprise	529	254		48	
Accommodation	225		350	40	173

In Table 3, we summarise the main demographic characteristics of the survey respondents. In the micro-enterprise component, we interviewed 601 South Africans, 297 non-South Africans and 376 persons whose nationality is not stated (most, according to the field researchers, are non-South Africans). This would indicate that there are (now) slightly more non-South Africans conducting business in Delft South than the original South African residents. The main nationalities doing business in Delft (on the evidence collected) are, in numerical ordering, Zimbabweans (79), Somalis (55), Ethiopians (47), Congolese (29) and Malawians (24). In the spaza sector, Somalis and Ethiopians are by far the most numerous nationalities doing business in Delft.

The respondents comprise 393 women and 480 men with a combined average of age of 42 years. In the accommodation component, the researchers interviewed 763 South Africans and 18 non-South Africans. The great majority of the informants were women (487 vs 7 men).

Table 3: Demography of the Respondents

Survey Respondents	South Africans	Non-South Africans	Unknown Nationality	Women	Men	Average Age
Micro-enterprise	601	297	376	393	480	42
Accommodation	763	18		487	7	44

The spatial distribution of the surveyed businesses (blue dots) and accommodation rental stock (yellow dots) is shown in Map 2 below:

Map 2: GIS data points obtained



5.2. Challenges

The research context presented a number of challenges to the process of conducting research. In comparison to the situation in 2011, Delft South has become more threatening towards outsiders who operate within the street environment. The field researchers were constantly warned of the danger from gangsters and thugs who target (seemingly) vulnerable persons. There were moments in which the field researchers were directly confronted with the threat of mugging. Since the research team included community liaison persons with direct linkages to local neighbourhood watches (and the Delft police station) many of these threats were mitigated. In addition, the research team included an individual who was once a prisoner (and prison gang leader) and hence understood local gang culture and tactics. He was able to provide valuable advice to the team on spatial and inter-personal situations which could escalate the risks of mugging. It was particularly difficult to undertake interviews in situations in which gang activities were heightened (such as in close proximity to drug dens) or in which gangster bystanders were listening into the interview process.

There were also substantial social challenges to the research process. Some business owners (especially among immigrants) were highly suspicious of the research process and refused to provide information. This was a particular challenge in the spaza sector. A common response from store keepers was that the 'boss' was unavailable and hence they could not provide information without his consent. In some situations, the researcher encountered a language 'barrier', especially in respect to their efforts to interview Chinese, Somali and Ethiopian nationals. The research process on rental accommodation had a different set of challenges. The research team was unable to access many properties, especially those that had been converted into blocks of flats and micro-flats as a result of the securitisation of these dwellings. The developers have (in most cases) built high walls surrounding the properties and installed security gates. As this segment of the market caters to wage earners, we found that most residents had departed from their home at the time that the field research team was

in the field (from 9am to 5pm on weekdays). Those residents who remained behind were often too fearful to come out of their rooms and enter into conversation with the researchers. In most of these situations, the property owners are absentee landlords who reside off-site. In these cases the researchers were reliant on obtaining information from tenants and neighbours.

A final challenge was the nature of the questionnaire instrument. In the past, the research was undertaken using a much shorter questionnaire, with the aim to minimise the inconvenience to the respondent. In past surveys, we purposefully avoided the inclusion of questions which could be construed as inquiring on 'private matters' such as business turnover / income and whether or not the business had a bank account. In the 3rd wave, these questions were included. The response to these questions was mixed: on the one hand, we were able to obtain valuable insights into enterprise dynamics, on the other, these questions heightened suspicions and caused some respondents to exit the interview process.

The researchers reported on these various challenges in the notes:

'mhfff one of my difficult interview[s] I had this guy doesn't understand English and I mentioned that to Anthony but i tried by all means to had an interview[.] what I noticed here especially in this section there is high rate crime and there is also a guy who selling drugs in his Street so there is lot going on but he didn't want say much about that but the business is quite slow as he said'.

'The neighbour said that they are making wooden furniture but when u asked her she said no and was rude I then asked the neighbour and he said that she is like that.'

'the shebeen owner knows SLF, Rory and Andrew. trying to interview him [.] he was Mr knowing all, didn't want to participate in the questionnaire saying that this research is not helping that it's been conducted many times but not able to convince the government for the development. ...'

'the owner of the business is not here I i start introduce myself to her employee explains what I doing I started the interview when I ask the owners age the lady sitting in the salon say let me wait for the owner I stopped when she comes comes in and she is not happy with the fact the employee gives information about her with out her consent and she shout and screens I just try to explain is getting angrier so I thank her time and leave with out finishing the interview'.

'the two somalian guys on the shop didn't want to talk to me, I gave them the fly but still did not. I've advised them to put their boss on the phone so that I can speak to their boss, because everything is boss boss boss... they called the boss and I did an interview with the brother of their boss telephonically. I leveled things with them and the boss promised to talk to them and allowed me to take pictures, which is what they also refuse me on.'

Across the Delft South community as a whole, a degree of 'research fatigue' is evident. SLF was the first organisation to conduct research in Delft South in 2010/2011. Since this time, numerous research projects have been undertaken within the community, especially along the high street where students from the UCT School of Architecture, Planning and Geomatics have undertaken research in support of their master's dissertations. Delft has also been the site of research on crime and violence and housing. In addition, there have been a number of government initiatives to enumerate businesses for various purposes of development support. These research endeavours have collectively had the effect of reducing the openness and support of business owners / residents towards academic and practitioner research efforts, particular as the respondents consider that they have received little

corresponding benefit for their time and efforts. Some business owners refused to participate in the research for this reason.

6. Micro-Enterprise Survey

6.1. The number and sectoral distribution of enterprises

The Delft South residential context has changed significantly since the survey in 2015 through the addition of new residential buildings, including multi-storey tenancy flats as well as the expansion in backyard forms of dwelling (such as shacks and wendy houses). The population resident in the research site has increased, though the precise scale of this increase is currently unknown. The last population census was undertaken in 2011. In visual (ocular) terms, Delft South has densified as a residential suburb, witnessed both in comparative aerial photograph and photographic records of street scenes and businesses (SLF has a substantial database of photographs from the three waves of research). Once situated on the periphery of the Metro, the outward expanding spatial landscape has geospatially shifted Delft into a more central and strategic position, from which it is strategically linked to both the Cape Town and Bellville central business districts.

The expanding population of Delft predicts a measurable micro-enterprise response. Yet, despite this densification, the 2020 survey reveals that the number of micro-enterprise has actually fallen over 30% since 2015, with a decrease in over 500 businesses. The result is opposite to the trend recorded after 2015 when the number of micro-enterprises had doubled.

Whereas in 2010/11 the SLF survey identified 824 distinct micro-enterprises, by 2015 this has increased to 1,693, excluding three categories (community services, drug dealers and religious services as these categories were not systematically enumerated in 2020). By 2020, the total number of enterprises had decreased to 1,158. The trend of change in the number of enterprises in various sectors across all three survey events (2011, 2015 and 2020) is complex to comprehend. There are a number of potentially interrelated factors that might influence the outcome, including i) the broader economic climate (which has deteriorated in recent years¹), ii) the formal sector job market fluctuations, iii) the intensity of law enforcement, in particular for legislated businesses and street traders using public property, iv) the competition from formal sector retailers within the research site (the Delft Shopping Mall opened in 2018 on the site boundary), v) changing conditions in the local business environment, vii) heightened competition between informal micro-entrepreneurs, and viii) the condition of the institutional support environment for small businesses. Finally, seasonality might also account for the decline in some business activities (street trade) because the research commenced in late January through to early March. These post-Christmas season months are known to be very depressed from township businesses.

The change in enterprise numbers are shown in Figure 1. An important trend which the time series data reveals is the generalised growth in enterprises / categories since 2011, which was possibly informed by the growth in residential population. In Figure 2, all businesses / categories are compared in terms of micro-enterprise numbers, indicating the positive and negative changes between 2015 and 2020.

The decrease in numbers / category in 2020 may reflect 'maturation' in the economy, as less competitive businesses cease trading. It would also reflect a transition in business strategy as

¹ Note that the field work component of study was concluded in early March, preceding the economic downturn which occurred as a consequence of the global Coronavirus pandemic.

entrepreneurs shift away from trade in fast-moving consumer goods to services and rental accommodation. These topics require further investigation.

Figure 1: Delft South: Micro-enterprise numbers (2011/2015 and 2020)

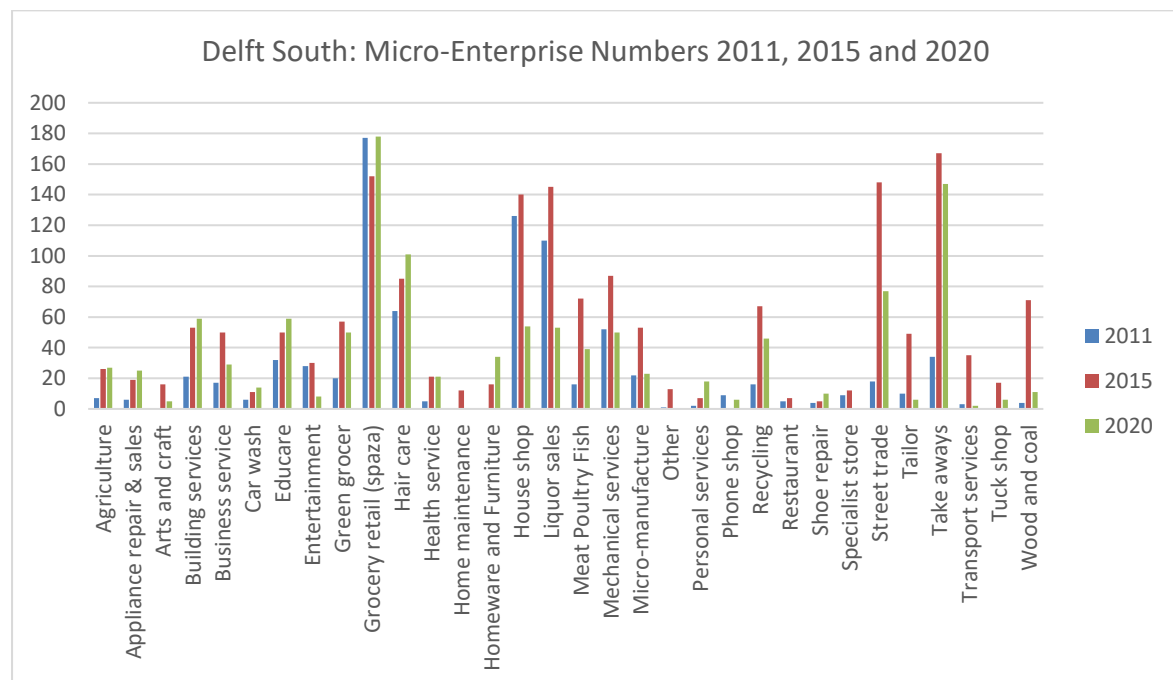
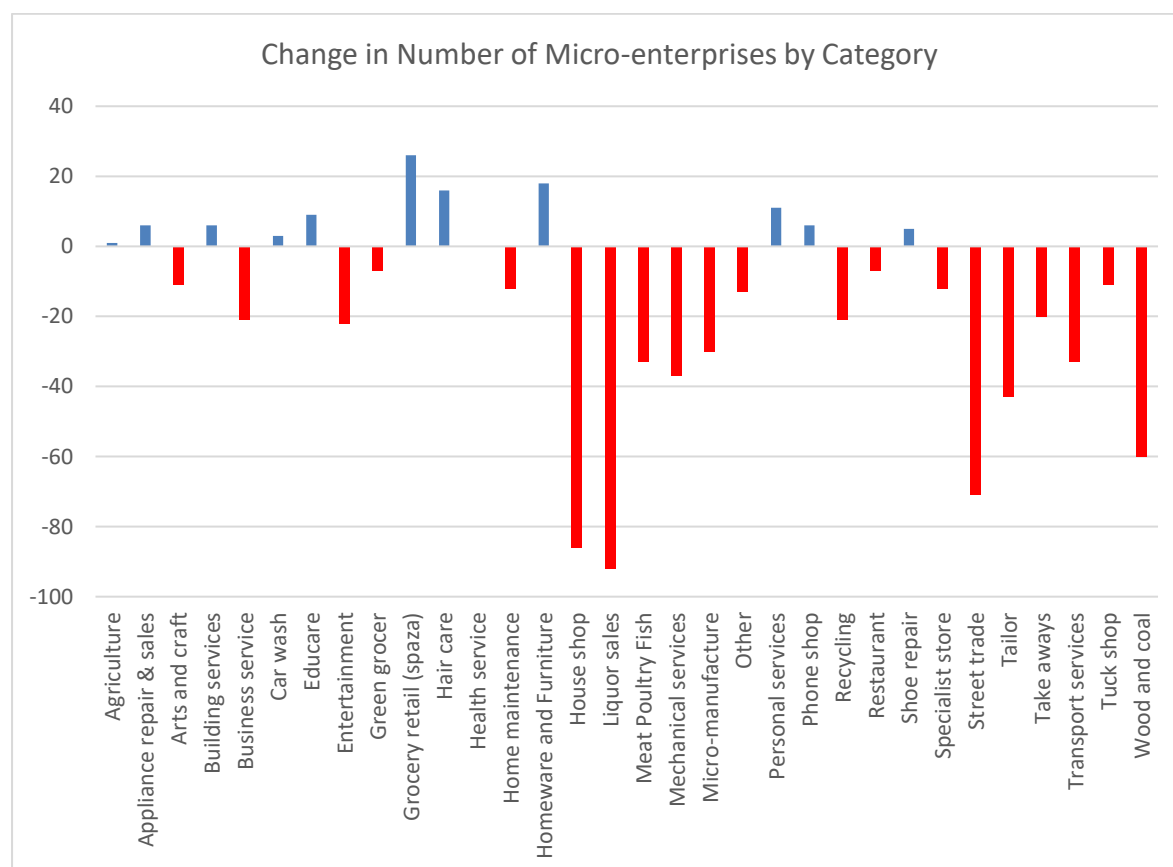


Figure 2: Change in Number of Micro-enterprises by Category (2015-2020)



6.2. Comparative change 2015-2020

Apart from the following sectors experiencing growth since 2015: appliance repairs, building services, business services, car washes, educare, spaza shops, hair care business, homeware and furniture, personal services, phone shops. The number of enterprises in all remaining 22 sectors has shrunk or largely remained unchanged across many categories. In numerical terms, the sector with the greatest growth was grocery retail (spaza shops). The growth in numbers are possibly reflective of the increased population of the survey area. It should also be noted that these businesses are generally amongst the more lucrative township businesses.

Over the same period, many business categories experienced considerable declines in overall numbers, including street trading, liquor sales, recycling, and wood and coal categories. Some sectors, such as house shops have experienced pronounced declines, with nearly 86 of over 140 businesses lost in the preceding five years, and street trade, which now has less than half the number of micro-enterprises identified in 2015. The scale of the decline in house shops and street traders represents a considerable drop in survivalist businesses engaged in selling fast moving consumer goods. In light of research on the closure of survivalist businesses under competition pressure, as reported in Petersen et al (2019), this finding is unsurprising. Petersen's research documents the concentration of businesses in township grocery markets, a phenomena attributed to both the rise of larger, 'mini market' grocery stores, and stronger linkages between shops and upstream supply chains. In the Delft South case, a further impact on survivalist businesses derives from the two supermarkets that now operate within in the study site (Goal, an independent retailer, and Shoprite which operate from the Delft Mall). Importantly, the 2020 research shows that large grocery retailers have had less negative impact on spaza shops which are able (by virtue of their relative scale and mode of operation) to derive sufficient business from top-up shopping, after hours sales, unique products and geographic convenience to ensure sustainability. The researchers' note that many of the items that survivalists once sold (such as boompies [ice-lollies], fruit and vegetables) are now obtainable from spaza shops which have effectively monopolised the neighbourhood niche.

In 2020, businesses engaged in liquor sales had substantially fallen from 2015 numbers (down by 95 micro-enterprises). This finding contradicts the population growth argument. The result might reflect the methodological challenge of studying trade in liquor businesses, most of which are clandestine. Such business owners understandably fear law enforcement officials (mainly the police) who have the power to confiscate liquor, issue large fines and give criminal records. As a result some liquor traders were nervous to discuss their business with the researchers, whilst community members are cautious to mention the whereabouts of such activities (hence there is potential under-reporting). But the result might also reflect the growth in supermarket retailing in liquor, a sector that has substantially expanded since the introduction of the Western Cape Liquor Act in 2010.

In 2015 and 2020 (see Table 4), the most prominent township businesses by number were:

Table 4: Business category and proportion 2015-2020 (number/% of all micro-enterprises)

Business category	2015	2020	Outcome
Food take-away shops	167 (9.3%)	147 (12.6)%	Decline in number, growth in relative category position
Grocery retail (spaza)	152 (8.5%)	178 (15.3%)	Growth in number and relative category position
Street trade	148 (8.2%)	77 (6.6%)	Decline in number and relative category position.
Liquor sales	145 (8.1%)	53 (4.6%)	Decline in number and relative category position.
House shops	140 7.8%	54 (4.61%)	Decline in number and relative category position.
Hair care	85 (4.7%)	103 (8.7%)	Growth in number and relative category position.

Educare	50 (2.8%)	59 (5.1%)	Growth in number and relative category position
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In 2010/11, spaza shops, tuck shops and house shops together ('grocery retail') accounted for more than a third of identified micro-enterprises, whereas in 2015 the combined share of grocery retail was down to 16%. In the 2020, the total share of grocery retail had crept up to 20.5% of all outlets (micro-enterprise activities). Adding in takeaways, businesses selling of meat, poultry and fish, and liquor sales, the retailing of food and drink accounts for 45% of all micro-enterprise activities. Whilst food and beverage businesses continue to play a central role in the Delft informal sector, in both numerical and proportional terms, the result is a lower figure than reported in Petersen et al. (2018) where 54% of all micro-enterprises across nine South African townships traded in food and/or beverages. This might suggest a slight shift towards service-oriented business categories whose business face less competition from supermarkets and the more robust / networked spaza shops.

In both 2011 and 2020 a number of non-food related micro-enterprises were recorded in the top five most frequent categories of business (see Table 5), these included hair care businesses, mechanical services and educares. None of these business categories were present within the top five business categories in 2015, whereas survivalist sellers of food / beverages were dominant. The notable decline in mechanical services in 2020 is surprising (down 37 businesses) as one would have anticipated a growth in vehicle ownership (especially the second-hand car segment) within Delft and corresponding demand for repair services.

Table 5: Most predominant businesses over 2011 / 2015 / 2020 compared

2011		2015		2020	
Business category	%	Business category	%	Business category	%
Grocery retail (spaza)	20.1	Take aways	9.29	Grocery retail (spaza)	15.3
House shop	14.3	Grocery retail (spaza)	8.45	Take aways	12.6
Liquor sales	12.5	Street trade	8.23	Hair care	8.7
Hair care	7.3	Liquor sales	8.06	Street Trade	6.6
Mechanical services	5.9	House shop	7.79	Educare	5.1

Figures 3-5 show the proportions of business distribution by category for each of the survey years: 2011 / 2015 and 2020.

Figure 3: 2011, proportions of business distribution by category

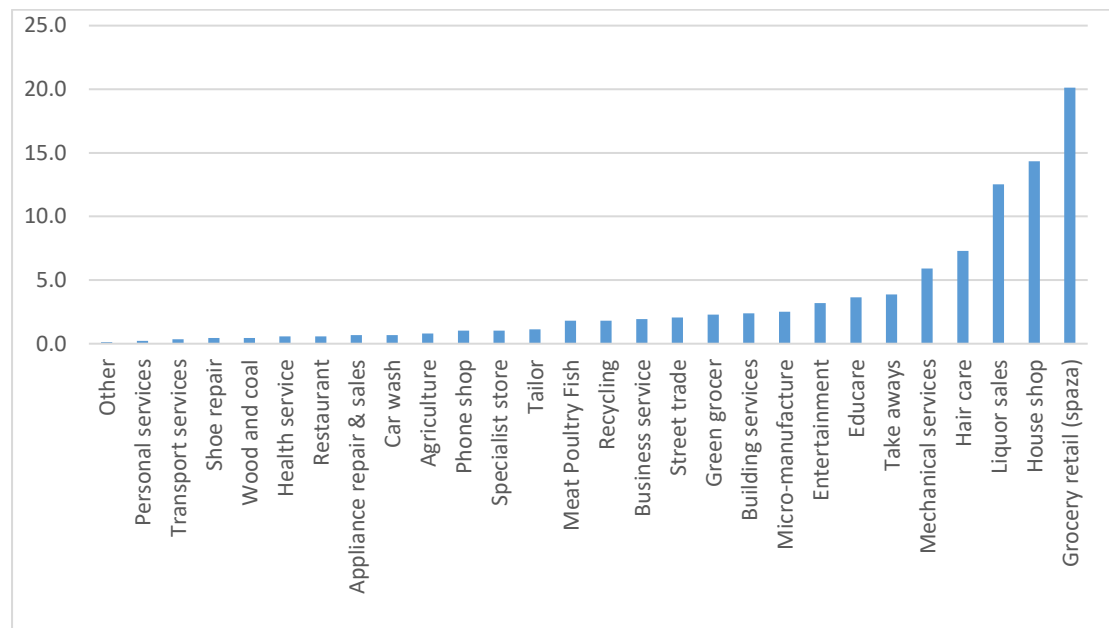


Figure 4: 2015, proportions of business distribution by category

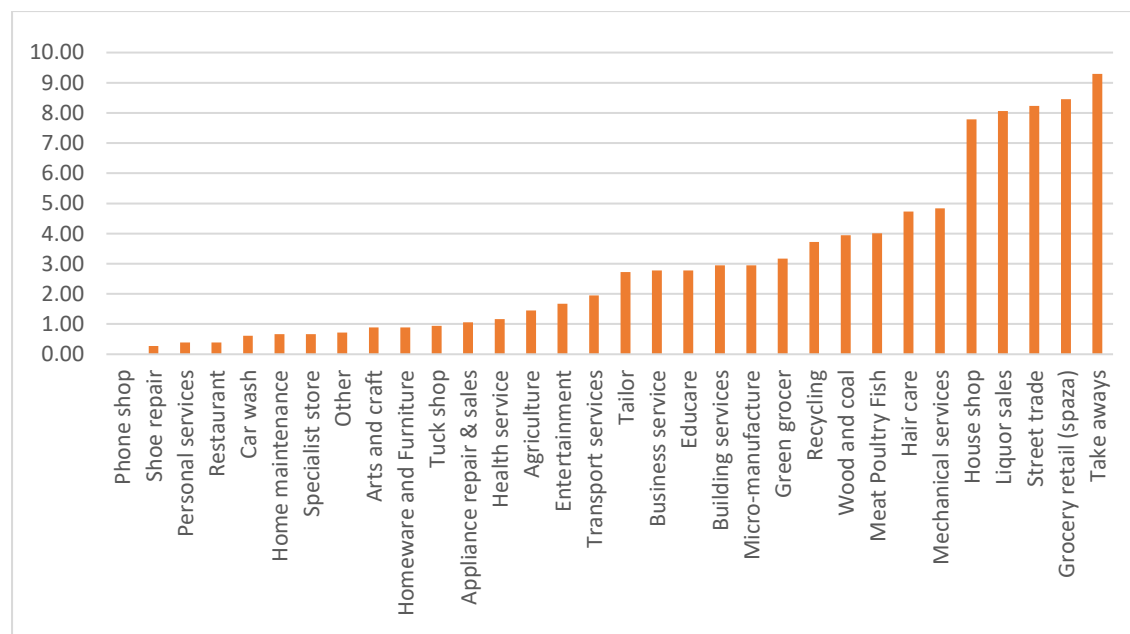
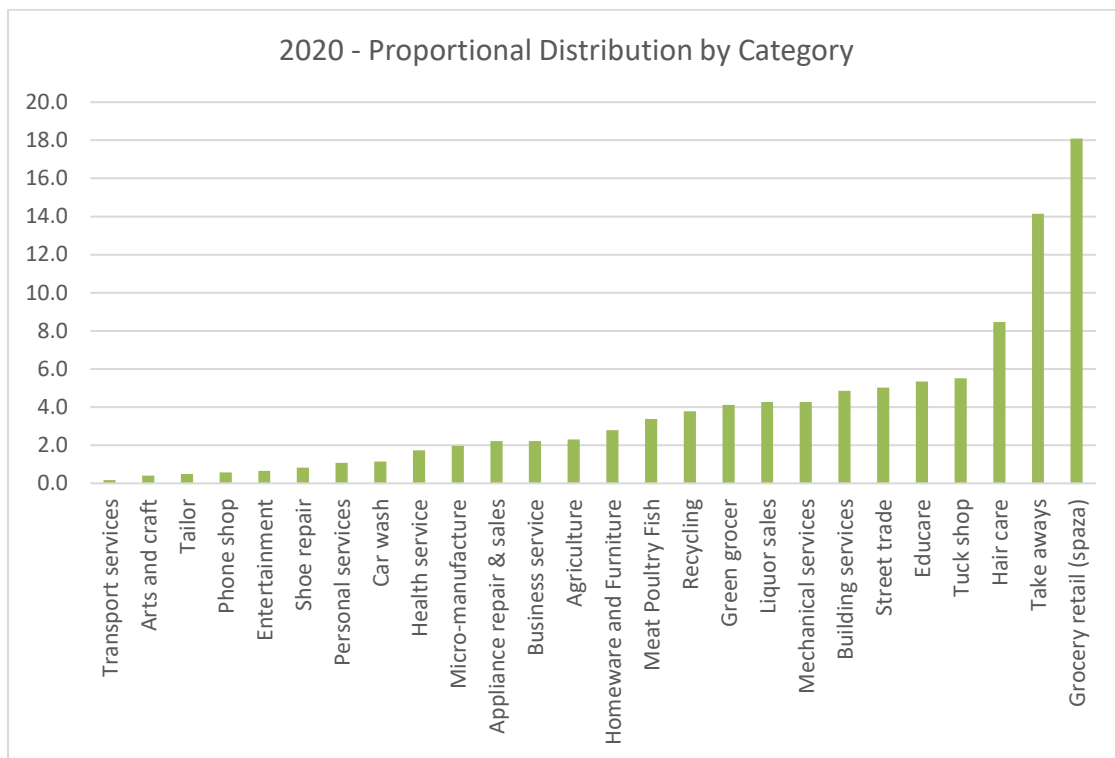


Figure 5: 2020, proportions of business distribution by category



6.3. Enterprise characteristics

Business Identity

A unique identity is important for many businesses, particularly those operating from brick buildings and container structures. Just under half of all businesses (575/ 49%) have a business name that is commonly displayed on a sign-board. In response to the question 'is it important to make your business visible?', 685 respondents agreed, whilst merely 185 thought that visibility was either not important (in the case of mobile traders) or could actually negatively impact on the business. Some respondents (such as liquor traders) expressed the concern that business identity might attract attention from state officials in a manner that could harm their endeavours.

Spatial Situation

Position

The questionnaire recorded the spatial situation of each business, differentiating between five situations: mobile traders, businesses operating on the sidewalk (pavement), businesses situated within the road, businesses operating from within private dwellings and businesses situated in public trading areas, including taxi ranks. The results are shown in Figure 6: 59% of business operate from private dwellings, 21% from sidewalks, 10% on open ground, 5.9% from trading areas and 4% as mobile hawkers.

Infrastructure

The questionnaire recorded the main characteristic infrastructure from which the business operated; the results are shown in Figure 7. In line with the results of business position, we found that 49% of businesses operate from a brick structure, 16% operate within shipping containers, 13% have no structure (apart from the human body as infrastructure), 11% operate from iron shacks, 6% use temporary furniture (such as tables and stands), 3% use semi-fixed stands which are usually situated on their open ground of the sidewalk, and 2% use an object for mobility. Seventy seven percent of the container businesses operate outside residential properties, mainly from the sidewalk and situations on open ground. Some of the mobile object we encountered were: shopping trolleys, municipal 'wheelie bins', bicycles, horse and cart, prams, carts and caravans.

Rent and Utilities

Some 208 businesses reported that they rented either the structure or trading position. The average monthly rental was R1,500, though excluding private dwellings (where rents tend to be higher) the average falls to R1,200 per month and below R900 for businesses operating from shacks and semi-permanent infrastructures. Across the total dataset, 486 businesses (56%) require and use water within the business, whilst 564 businesses (64%) require and use electricity. The use of these utilities obviously correlates with the business's infrastructure set-up, though a minority of street traders are also reliant on water and electricity.

Figure 6: Business Position

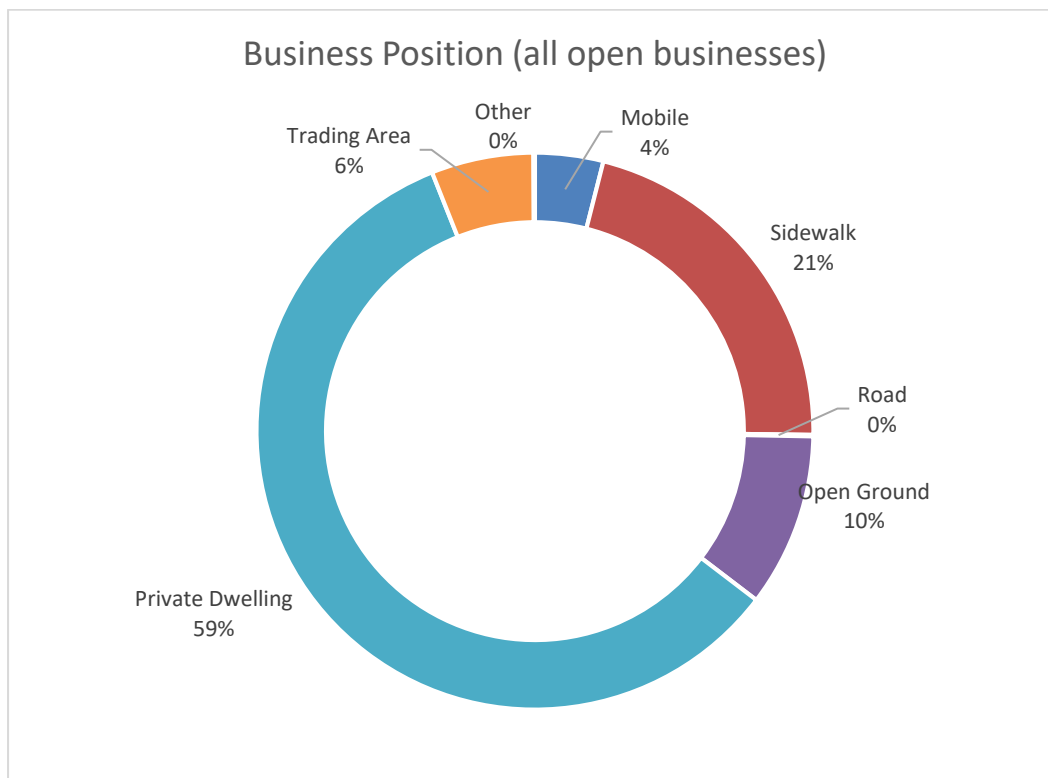
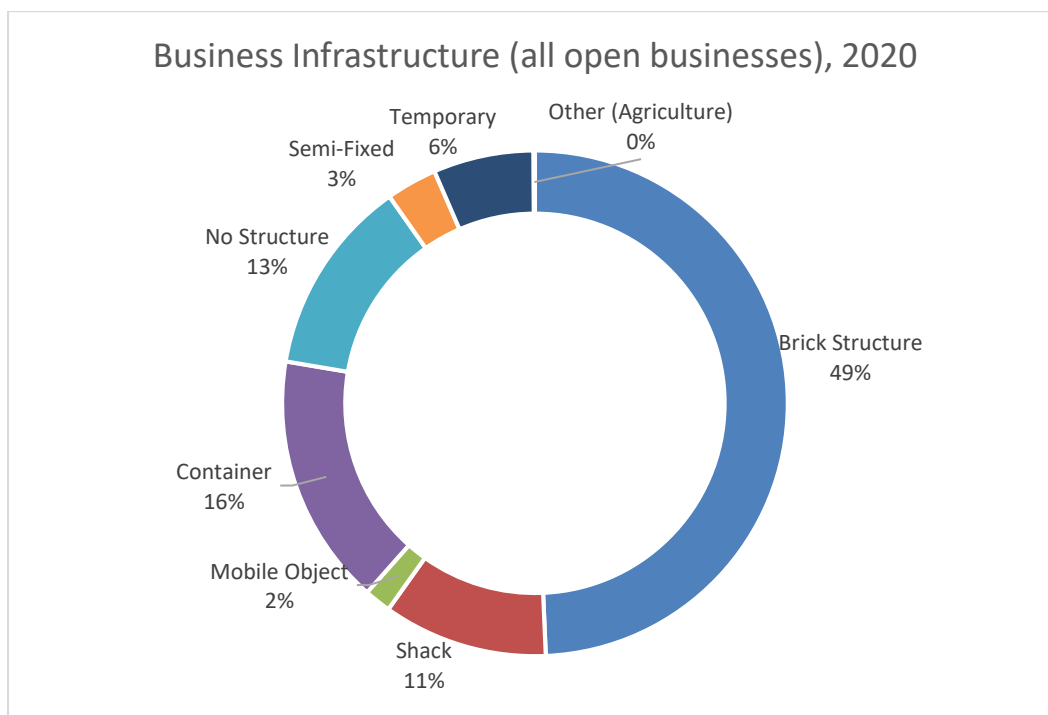


Figure 7: Business Infrastructure



Formalisation

Of the 857 cases who answered the questions on enterprise formalisation, merely 43 (5%) reported having a municipal permit, such as a permit to trade in perishable products, 37 (4%) having a business licence such as a liquor licence as obtained from the Provincial Government, 64 (7%) reported that they had registered with the revenue authorities, and 72 (8) reported another form of institutional

affiliation. Unfortunately the latter response was not directly investigated. The overall result (that businesses are predominately informal) is consistent with previous SLF research in Delft and similar township sites we have studied. When questioned as to their challenge in becoming formalised, the predominant responses were either that the business owner had not seen the need for formalisation or had insufficient information about the benefits to be derived from formalisation. Among those who had considered formalisation, some of the obstacles that were noted include: land use zoning; health clearance; building plan clearance; perceived exclusion of immigrants; concern on the standards requirements; concern on the standards pertaining to building infrastructure, the perceived complexity of the registration process; and the perceived cost of registration. One respondent reported that traders were once *'scammed by rogue city officials who collected R30 from all traders ... duped into believing it was registration'* (field worker notes).

A noteworthy finding is that only 40 businesses reported to belong to a form of trader association; these included the Delft Chamber of Business, early childhood development forums and groups informally linked together via the Provincial Department of Social Development, and the Somali Association of South Africa. None of the respondents mentioned affiliation to the South African Informal Traders Alliance, led by Rosheda Muller. This is important to note as the Traders Alliance consistently claims to represent and speak on behalf of informal businesses in its engagements with government.

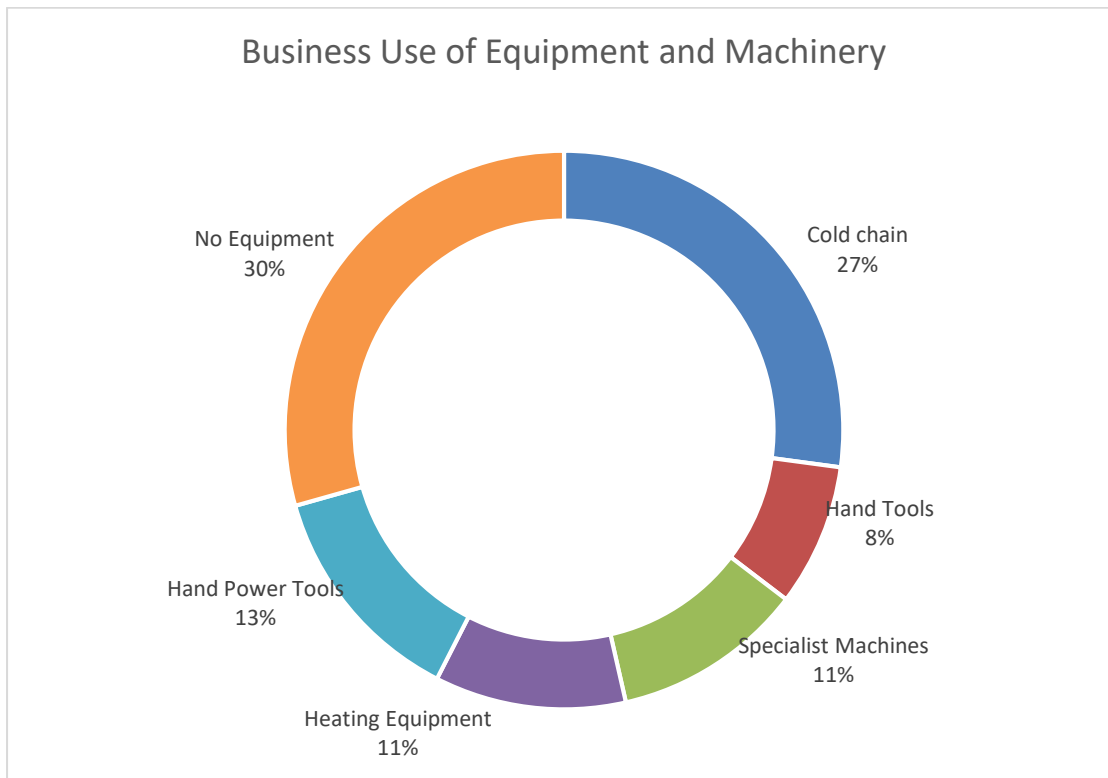
Technology

The research enquired of the role of technologies in the business. A set of questions sought to elicit information on the equipment utilised within the business. Responses were catalogued using the options of i) cold chain (fridges and freezers), ii) hand tools (scissors, kitchen knives, hammers, screwdrivers etc.), iii) specialist machinery (welding machine; washing machine etc.), iv) heating equipment (gas ring, chip fryer, braai stand), and v) hand power tools (hair dryer, drill etc.). A further set of questions sought to understand the role of digital technologies and digital services (banking) in the business.

Equipment

One third of all business do not use equipment (tools). Among the two thirds that utilise equipment, 30% use cold chain equipment, 9.2% use hand tools, 12% make use of specialist machines, 12% using heating equipment and 15% use hand power tools. The result is presented in Figure 8. Although tools are not fully integrated into most micro-enterprises in Delft, the dependence on electricity to power equipment should be noted, particularly for businesses with cold-chains or those that utilise machines and hand power tools.

Figure 8: Business Use of Equipment and Machinery



The digital economy

Two hundred and sixty eight respondents reported using mobile data within their business. This finding is possibly an understatement of the actual state of affairs as some respondents might have discounted the role of social engagements / networking as a business input. We know that cell phone use is widespread. The respondents answering affirmatively to this question spend around R50 per month on data (the median is R150 per month), though 7 businesses spend more than R1,000 per month on data. The relatively low expenditure on data might reflect people's access to Wi-Fi within private homes and from public facilities. This topic requires further investigation. The most important digital apps utilised in business were apps for messaging (145) (such as WhatsApp) and those used for hosting / engaging with virtual markets (51) (Facebook). Merely six respondents referred to search engines (such as Google), five used email, two specifically spoke about using apps for financial transitions, and four mentioned the use of financial services. The latter figures are no doubt an under-reporting. The research found that at least 66 respondents were willing to accept non-cash payments for goods and services, with payment effected via platforms such as e-wallet, direct deposits into bank accounts (including EFT), and via money transfer platforms including Shoprite's in-store system and Makuru. We learnt indirectly through our discussions on these questions that 28 businesses had integrated digital technologies within their businesses, whilst a further 21 businesses operated point of sales devices, commonly to sell airtime and electricity. These figures are surely under-reported as many of the spaza shop operators (whose businesses are most likely to operate these devices and are connected to digital services) were unwilling to participate in the survey.

6.4. The spatial distribution of enterprises

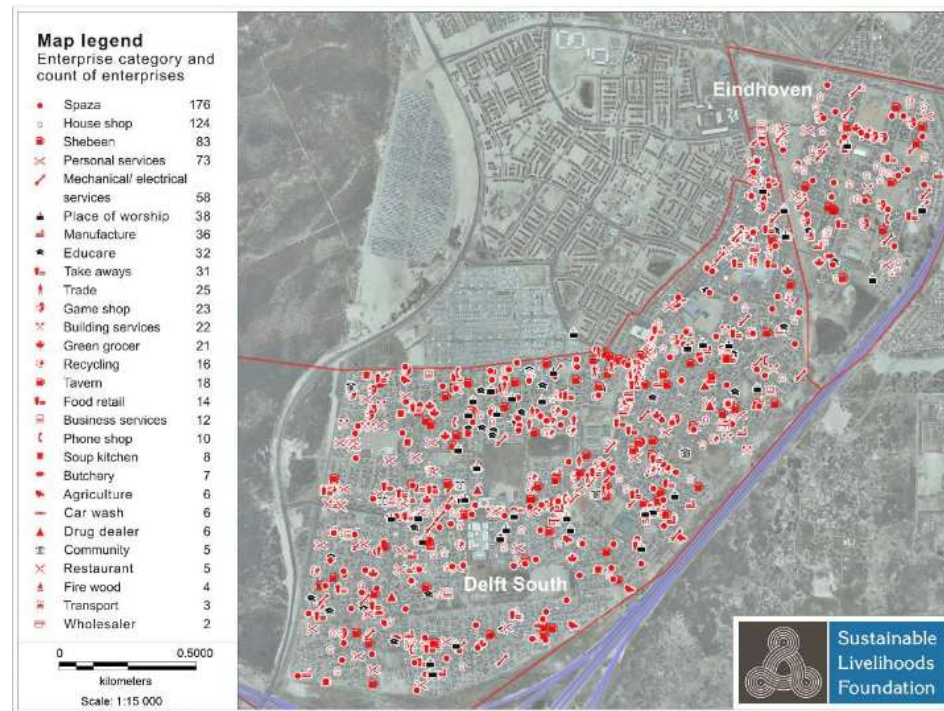
The spatial distribution of the identified businesses is shown in Maps 3-6. Map 3 illustrates the distribution of businesses in 2011 and Map 4 shows the 2015 distribution. Map 5 illustrates the distribution of businesses in 2020. The overall increase in the number of enterprises in the period 2011- 2015 is visually evident, whilst the decline in micro-enterprises from 2015 – 2020 is evident in the thinning of businesses within the residential context. In both 2011 and 2015, residential businesses were commonplace, but have clearly declined (in absolute and relative terms in 2020). Instead, the 2020 dataset shows the increasing density of micro-enterprises in the high street, once again pointing to the importance of this transport link and its role as a corridor for business. The transition of micro-enterprises to the high street may well reflect maturation of this township economy.

The dataset reveals how in the 2010-11 survey, 29% of micro-enterprises traded on the high street, whereas in 2015 the proportion had increased to 31.37%. In the 2020 survey, the proportion of businesses on the high street has again increased to 44%. The spatial distribution of high street businesses is shown in Map 6. It is important to note that private dwellings accommodate just over one third of all high street businesses (192/35%). This finding points to the key role of property owners in re-developing their properties to orient towards the high street and for municipalities to change land usage zoning and rights from residential to mixed residential and business usage. The data on high street business infrastructure underscores the importance of high streets in providing accessible space on which businesses can establish more permanent forms of infrastructure, including iron shacks (9% of structures) and shipping containers (28% of structures). As could be anticipated the high street is also the most important spatial context for businesses that operate without the use of physical infrastructure (15% of all businesses).

In Figure 9, we examine the relative change in high street business categories, comparing the dataset from 2015 with the recent survey (2020). As could be expected, most enterprise categories witnessed a proportional shift from residential localities to the high street over this period. Particularly significant shifts occurred in the categories of green grocer, poultry and fish, and mechanical services. But there were some notable exceptions. Spaza shops and liquor traders remain firmly rooted in the geospatial context of the neighbourhood economy. There were proportionally fewer spaza shops on the high street in 2020 than in 2015. For these businesses, neighbourhood locations are both more lucrative and possibly safer, even though the latter argument might seem counter-intuitive as high streets are better patrolled by the police and taxi drivers.

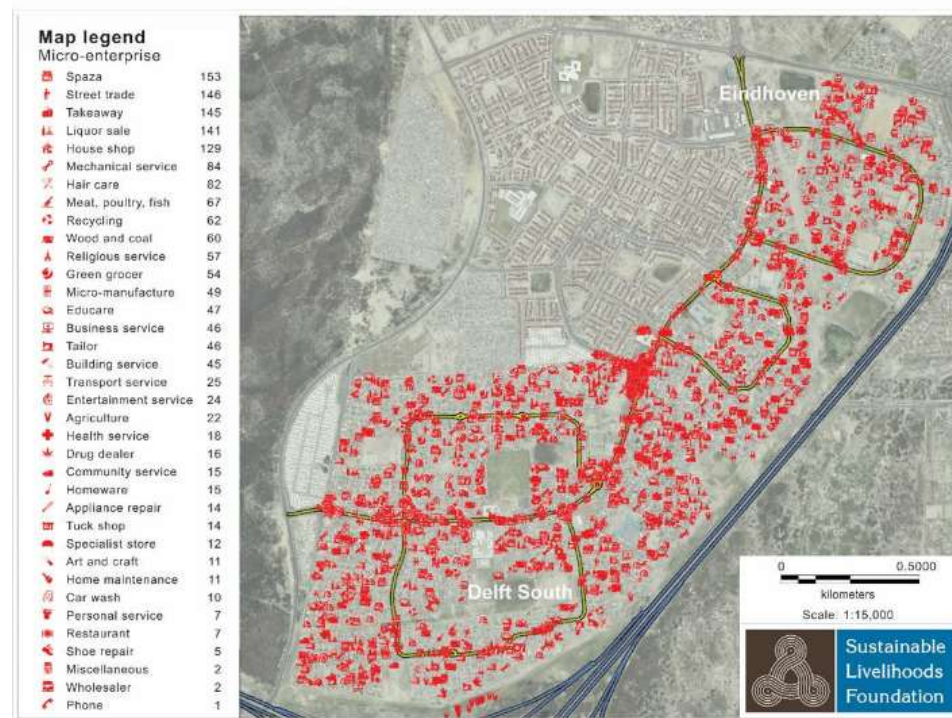
Map 3: Micro-enterprise distribution, 2011

Distribution of micro-enterprises by enterprise category Delft South and Eindhoven, May 2011



Map 4: Micro-enterprise distribution, 2015

Distribution of micro-enterprises by enterprise category Delft South and Eindhoven, September 2015



Map 5: Micro-Enterprise Distribution, 2020

Distribution of micro-enterprises by enterprise category Delft South, 2020



Map 6: High Street Businesses, 2020

Distribution of high street micro-enterprises by enterprise category Delft South, 2020

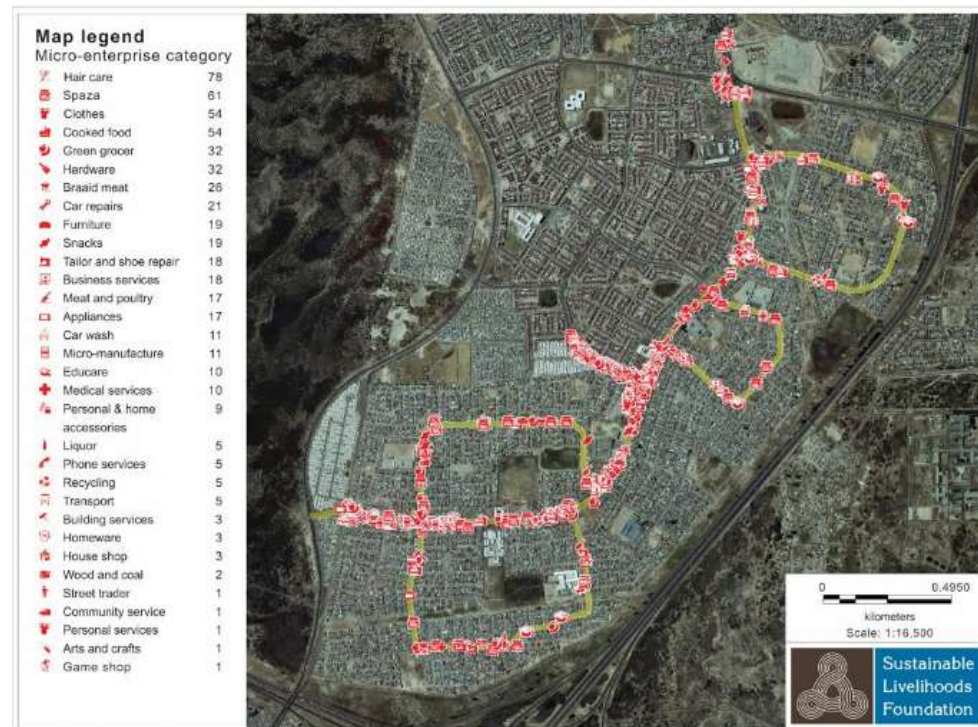
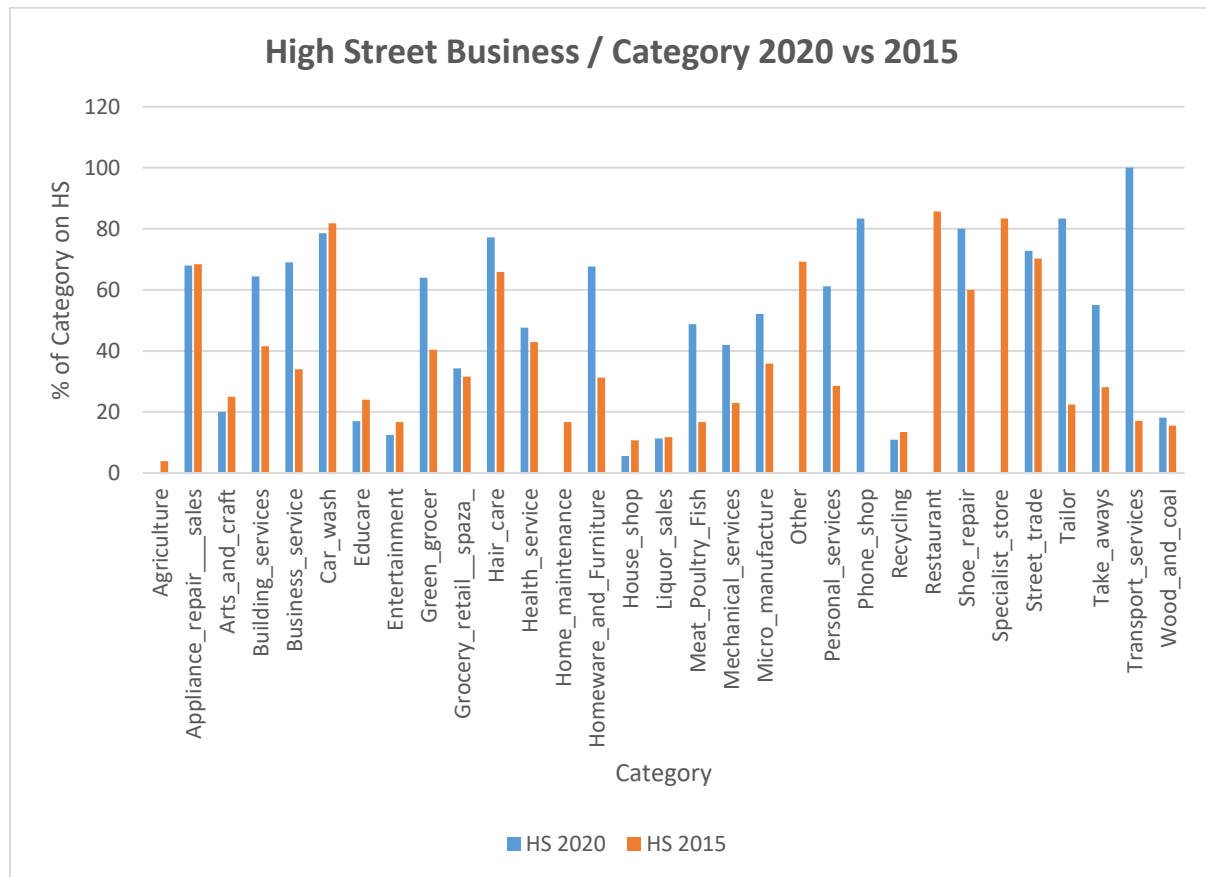


Figure 9 Change in Relative Status of High Street Business Categories



7. Changing Business Environment

The time-series analysis of micro-enterprises in Delft South reflects a series of interlinked and important trends. Whilst the research identified enterprise growth in some business categories like take-aways and grocery retail (spaza) shops, we found that survivalist businesses in various categories were in decline. This was particularly evident in the retailing of groceries, but also geographically with businesses in residential areas declining in considerable numbers. Conversely, the grocery retailers, notably the immigrant run shops, have grown in number – countering a broader trend of business consolidation in the sector but potentially emerging as a consequence of the increasing density of housing in the Delft area. This finding is important as it counters the argument that supermarkets threaten the survival of spaza businesses. Whilst it is difficult to obtain information on the ownership structure of these businesses, we learned that 25 of the spaza shops in this census were owned by an individual or consortium who operated other shops. Across the dataset as a whole, we identified 145 situations in which the business owner has a second or additional business.

The high street has an increasing density of business activity which may reflect the strategic importance of Delft as an urban centre and the street itself as a business node. Since 2010 the residential settlements adjacent to Delft have expanded, as noted above. Over time both local and adjacent residents have sought to utilise the nearby opportunities (along high street feeder roads and within the Delft high street in particular). The main taxi artery route connecting Delft to destinations in the metropolitan region connects some 25,000 - 40,000 daily commuters through the site. This localised movement of people contributes towards the vibrancy and potentially fluid dynamic of the high street economy. It is likely that an increasing number of non-resident entrepreneurs have begun

to exploit these growing market opportunities, shifting their business to Delft. This is partially reflected in the fact that the research team were only able to engage with 71 persons who had been previously interviewed (in either 2011 or 2015). Yet 37% (334) of the 895 cases from whom we obtained data claimed to have been in business for 5 years or longer, with 421 claiming (in some cases, potentially falsely?) that they had been trading from the same site for over five years. The evidence, to the contrary, indicates an inward relocation of mainly immigrant run businesses (aside from spaza shops) to the high street.

The research indicates a number of factors that might have influenced micro-enterprise changes in Delft. These include:

- The spatial position of Delft as a residential / business hub;
- The role of immigrant entrepreneurs who have either bought out local businesses and/or created new businesses in underserved sectors;
- The increasing density of residential accommodation built on private property, accommodating a population of wage earners;
- The prevailing policy prohibitions on liquor trading and policing of such activities;
- The accumulation of business skills and knowledge in businesses such as hair salons;
- Growing demand for hardware and (affordable) household goods / furniture;
- Socio-cultural influences that benefit particular businesses (such as the demand for certain kinds of food service).

7.1. Safety and Security

The business environment has been strongly influenced by the threat of violence and high incidences of crime. Since 2010, we have noted a growth in complaints about extortion. It seems as though some profitable businesses, especially immigrant run operations (who may have less social capital within this setting), are required to pay tribute to gangsters and taxi thugs. In some instances the demand represents a request for a 'reciprocal' favour in security service, wherein the giver of the item (cigarette, fruit etc.) will be left alone for a period of time. In other instances, the demand is more structured and presents a service in the guise of protection, from the extorter or other extorters. This represents a classic situation of 'violent entrepreneurship' as theoretically described by Volkov (2020). Gangsters and taxi thugs thus effectively fulfil the role of the state to enforce the rule of law and safeguard the rights of entrepreneurs to do business. Under these potentially challenging conditions (not universally felt), many survivalist businesses (especially middle aged women) that are not situated in protective spaces (such as clusters along the high street) have exited the informal economy.

In the survey, we asked respondents to comment on the broader business environment. To our surprise, 36% said that the environment was improving for their business, 30% reported it was unchanged, whilst 16% thought that it had worsened; 18% had no comment to offer. Ninety one respondents mentioned a situation in which crime had direct impact on their business. The general impression from the dataset suggests that violent entrepreneurship itself is not a major disabling factor to most businesses. In some cases (the most obvious case is the spaza sector) it might even present a relatively affordable form of security service, with the 'fees' paid to gangsters possibly lower than the equivalent cost of a private security service. This topic requires further study.

The threat of crime is real. Streets are unsafe, especially after dark. Much of the new residential population living in the blocks of flats remain behind locked gates at night. There is an absence of

business response from restaurants or bars to serve this population, which indicates that the night-time leisure economy is notably stunted. Bars in general appear to have made little or no progress in the quality of their service offering, though this might also reflect the non-supportive policy environment and vested interests of the main suppliers (an argument advanced in Charman, Petersen and Govender, 2020).

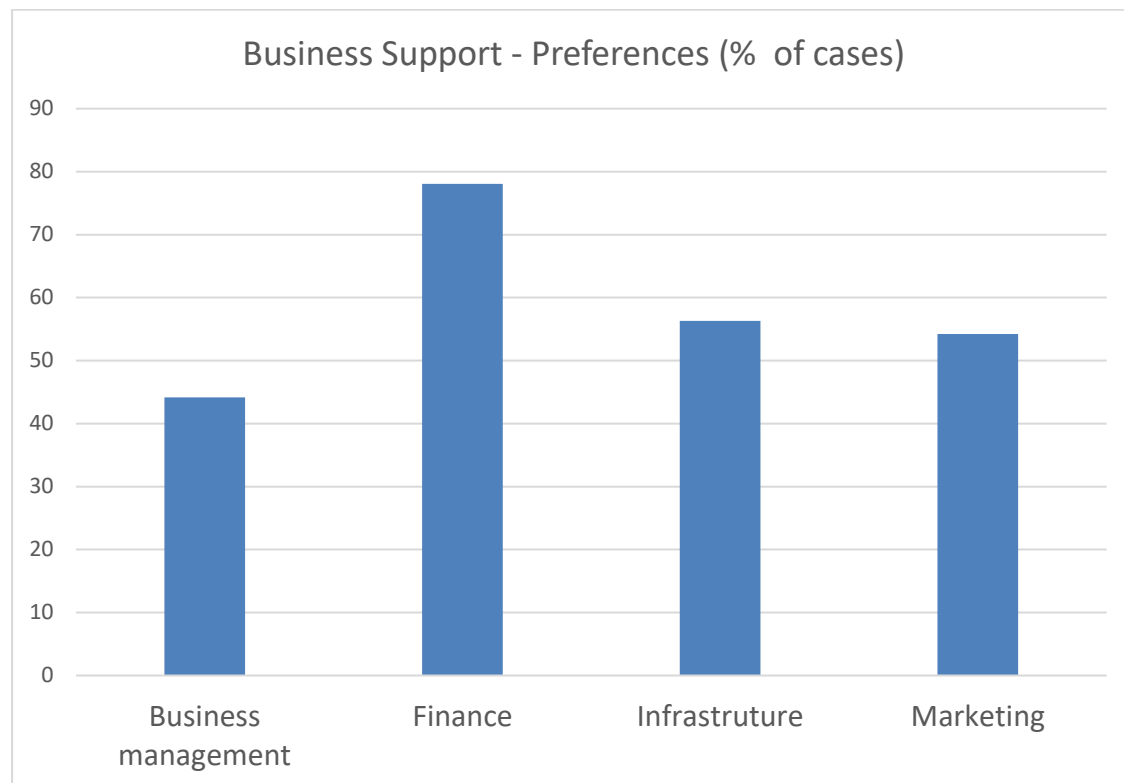
There is a substantial drug economy in Delft. Though its scale and characteristics are hard to measure, drug dealing is seemingly a highly lucrative activity and the demand for drugs appears to have remained constant since this social development was noted in the 2015 survey. The main drug is *tik* (crystal methamphetamine); sold by street merchants from local gangs, who are mainly South Africans. Delft is territorially divided between different gangs plying this trade.

8. Support services demanded

A number of traders expressed their frustrations at failed government promises. These traders claimed that, at some point, officials had offered them improved business infrastructure or help to formalise their businesses. In some cases such offers were accompanied by a demand for an upfront payment.

The researchers asked the respondents to specify the kind of business services they would be interested to receive, prompting their response with various options developed in consultation with the PGWC. The results are shown in Figure 10. It is unsurprising that most (78%) of respondents asked for micro-finance, though since the terms of this service were not specified (whether a grant or interest-bearing loan) the affirmation for this service should be cautiously viewed. In line with the findings on enterprise formalisation, only half (52%) of respondents indicated an openness for support with business registration – potentially due to the perceived lack of benefits that this would provide. There were positive responses to marketing and support with business infrastructure, though training in business management was less well demanded (44% of case respondent). Whilst respondents were, in general, open to direct forms of business support, the response to offer of training was substantially less well endorsed. Over 100 respondents felt no need for training. In contrast 147 respondents were potentially interested in business training (often on specific issues, such as how to improve their technical skills) and 89 in marketing, though it must be noted that only 29 respondents requested training in financial management (in contrast to the high demand for micro-finance).

Figure 10: Preference for Business Support Options



9. Accommodation Survey

The researchers identified a range of rental accommodation offerings (see Table 6). These results do not include accommodation units for non-rental, typically built to accommodate family and friends in backyard structures. Our focus is on the rental segment, a development that has been analysed in Scheba and Turok (2020). Our research aims to contribute to this literature through providing a quantification of the scale of these investments.

The most common rental stock are shacks made from corrugated iron sheeting, found in 850 properties with 1,112 units under rental. These are leased for an average of R428 per month, excluding electricity (an additional R136), though in exceptional cases rentals up to R2,000 per month are charged (for larger units). The second most frequently observed form of low cost rental accommodation are wooden wendy houses of which the researchers identified 163 properties with 149 units under rental. These are rented out for an average of R412 month, with electricity costing a further R120.

At the higher-end of the market, the most frequently identified forms of rental accommodation were micro-flats, built alongside or adjoining the primary residential house. These are usually built with brick and mortar walls. The research identified 502 properties with such flats with 415 individual units under rent. These are leased at rates ranging from R1,000-R3,000 pm, excluding electricity for which an additional sum of R213 is charged. Most of these flats provide tenants with access to tap water and toilets connected to the main sewerage system. At a similar price point are rooms that are built onto

existing houses as semi-detached brick and motor extensions. We identified 118 properties containing such developments with 208 units under rental.

In spatial terms, the most significant development in the Delft South rental accommodation market are multi-story blocks of flats. These two and three story buildings are built over the entire property cadastral footprint with the original property usually demolished for this purpose (see photograph in Annex 1.3). Our research identified 141 blocks of flats, in other words multi-story buildings which wholly replace the original RDP structures, with 477 individual units under rent. These units are rented out for R1,482 per month on average, plus R200 for electricity. The most expensive units are rented out for R3,500 per month. The largest block of flats that the researchers identified contains 24 units. We were able to obtain financial data on 68 blocks of flats that collectively provide 418 units of accommodation. These flats generate a combined monthly turnover for the property owners of R199,500. If we extrapolate these figures to the total number of flat / units under rental, and use average rentals as a yard stick (a very conservative estimate, since the more upmarket properties were the least accessible), we can calculate that the identified flats generate revenue of R706,914 per month. At the top end, one property developer earns R45,600 per month in rental, though the average turnover is around R11,000 per month. Taking all forms of identified rental accommodation into consideration, we estimate that the single room rental market generates a turnover of about R1,950,577 per month in Delft South (there are very few such property developments in Eindhoven).

Table 6: Accommodation Rental, Delft South

Category	No. of Properties	No. of Units Rented Out	Ave. Rental PM	Ave. Monthly Electricity Charge	Cases with Fin. Data	Monthly Turnover / Fin. Case
Shacks	850	1,112	428	136	403	120,650
Wendy Houses	163	149	412	119	64	44,510
Semi Detached Extensions	118	208	1,117	300	60	119,100
Micro-Flats	502	415	1,131	213	146	467,500
Block of Flats	144	477	152,282	211	68	199,500
Business Properties	4	4	1,225	150	3	4,100
Total	1,781	2,365			744	955,360

The spatial distribution of the identified micro-flats and blocks of flats are shown in Maps 7 and 8.

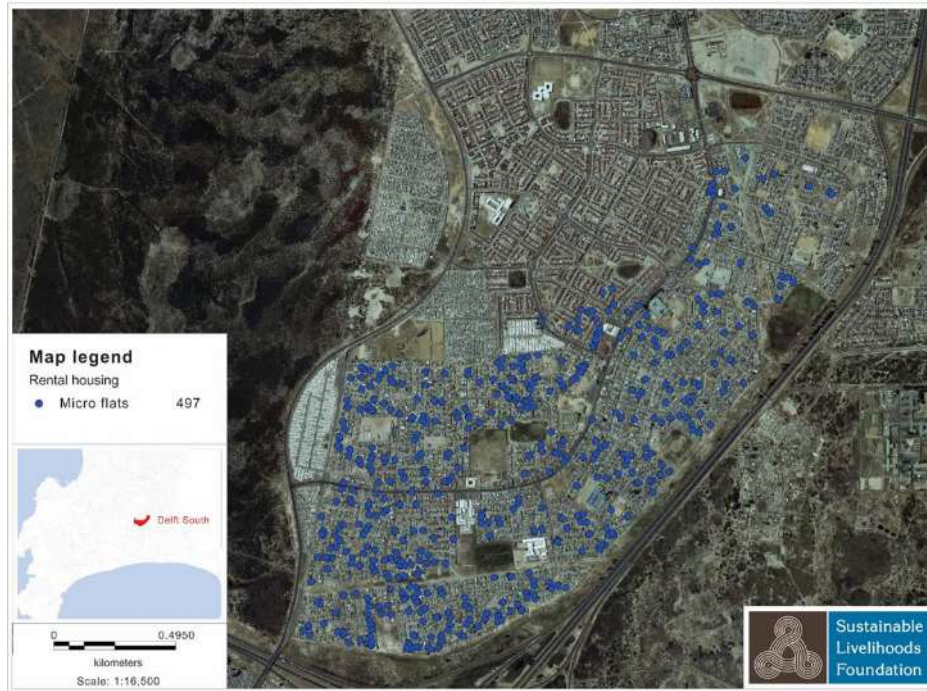
Our dataset on accommodation rental is patchy. The results indicate that the great majority of tenants rent their accommodation under informal lease agreements. Whilst 65 respondents report that they occupied the property unit under a formal agreement, 691 respondents reported having some form of informal (word of mouth) agreements, valid on a month by month basis. In respect to data on the form of property ownership, we learnt that in 341 out of 399 cases the property owner held formal title deeds. We obtained 748 responses to the question enquiring about the means of finance which the developer utilised to fund their property. These responses under-report the position of the property owners of the blocks of flats and micro-flats, which developments require substantial amounts of capital and whose properties were often inaccessible during the field research phase. In other situations, including the developers of shacks and wendy houses, most owners use either personal savings or other means (including income from business, employment or retirement schemes) to fund the development. Merely eight individuals said that they had accessed finance from

institutional lenders (such as banks) and 15 said that they had obtained the finance from informal sources (including family).

Our academic collaborators (HSRC) will be re-examining the dataset to fine-tune these findings and assess the qualitative insights for contextual clarifications.

Map 7: Micro-Flats in Delft

Delft Micro-Enterprise Survey, 2020 Rental housing stock



Map 8 Blocks of Flats in Delft

Delft Micro-Enterprise Survey, 2020
Rental housing stock



10. Respondent and Interviewer voices

The dataset includes a remarkable repository of qualitative insights. Below are some of the researchers' field observations on aspects of the research:

On competition from malls:

Ethiopian [shopkeeper is] a friend of mine we did catch up. [He] has a business around our area I know him very well and to be honest he is still have no complaints besides competition now that Goal Supermarket has intervene in our space because customers now are go for that Supermarket they only sells bread and airtime for now because customers they don't normal go to the supermarket for those kinda things so yeah but they are trying.

[A] very small operation. the owner told me his business has been weaken by the opening of the Delft mall.

On the difficult of interviewing shebeens:

[T]hey said they don't have any business but i know they selling beers I used to buy there but now I think we are up to something so they only told me they are no longer doing that such business even though I know they lying so they didn't want to be interviewed even though I've tried to explain myself to them quite clear so yeah it was even difficult to capture a photo.

[T]he owner remembered the interview done in 2015 and he was complaining snout how the laws discriminate against black people. Just tonight there would be raids on black owned taverns according to him. He sees the DA as the instigator of all these targeted raids.

On unfulfilled government promises:

[T]his lady she's running a tshisa nyama business everyday in a trading area. We took 45 minutes interview she was telling more about their challenges as a business associates now that government promise them to provide them with containers ever since then nothing has happened a lot is going on between this business owners and authorities and the crime is so high this thugs are so disrespectful to them they break up their business premises now and then so they are struggling.

[T]he man totally refused to give us an interview although he admitted that he was running a meat business. He had a big pig carcass in his bakkie and his reason for not giving an interview was that eventually the government would want to tax him. he gave several examples of how government collects data for such purposes. Although we tried to explain to him that we were not from government, he didn't want to listen

On drug dealing

ish to be honest I've tried to speak to one of them but they refused to talk and I know they are selling drugs one of the biggest drug Lords in this area and they do have this gangsterism gang in this area so yah that's what I gathered about this premises.

11. Information Dissemination

SLF will post a shortened version of the report on the www.livelihoods.org.za website.

SLF is committed to undertake a number of public and high level engagements to share the study results and strategic messages. All engagement will be subject to government protocols around the containment of the COVID-19 pandemic.

It is important to share the findings with the people of Delft. In this respect, SLF will make the reports available for consultation at the public libraries. Furthermore, copies of the report will be shared with relevant Ward councillors and the Sub-Council. Subject to health protocols and available financial resources, SLF would be committed to hosting a public engagement event and exhibition of the research findings within Delft.

12. Strategic Recommendations

12.1 High Street

In spatial terms, the Delft main road along with the neighbourhood major taxi routes, present the most promising development opportunity. The proportion of businesses within these high street contexts now stands at over 40%. Furthermore, some of the most promising businesses in-terms of sustainable (stable or growing) local demand, including hair care businesses and food service businesses (take-aways, but also green grocers) are situated on the high street. We also know that private home owners have played an important role in activating the high street for business use through repurposing their properties to support a mixed-use purpose, retaining the residential function and accommodation infrastructure for doing business. In support of the high-street, government (both municipal and provincial) could consider the following interventions:

- Rezoning properties along the high street to acknowledge (and further enable) mix-use.

- Improve security along the high street, through (for example) more intensive use of street lighting, CCTV monitoring, and foot-patrols.
- Readjustment to the road-infrastructure, where applicable, to accommodate off-street parking and enable vehicle to access properties (via the installation of mountable kerbs).
- There is limited scope for institutionalising street trader plans along the high street and these instruments should, instead, be focused on transport nodes and public spaces.
- Investigating strategies through which public infrastructure (such as libraries, clinics, community centres, and parks) can interface more effectively with the high street business environment. At present, these facilities have seemingly little positive impact on the business environment.
- Ensure that all pedestrian pathways that connect residential neighbourhoods to the high street remain unoccupied (there are containers and shacks in some of these thoroughfares) to enable clear lines of visibility to and from the high street.

12.2. Street Trade Nodes

The research indicates that street trade has declined since 2015. To support survivalist businesses, government should focus on improving the trading environment within currently used spatial nodes, including the three taxi ranks (one formal and two informal) and in public trading spaces along the high street. A further strategic node is the trading sites opposite the Delft Mall. Within these sites, a street trading plan might be a feasible mechanism to enhance tenure security, though many survivalist businesses might be reluctant to fulfil the obligations in terms of monthly rent payments. The business environment within these nodes could be enhanced through modest investment in infrastructure, particular in terms of the provision of access to portable water, electricity and sewage. Although there might be support (among some traders) for improved trading infrastructure, it is important to recognise that most traders require highly flexible infrastructure which allows them to shift site in pursuance of new / better opportunities. Systems and infrastructure to manage environmental hazards such as waste products and by-product fat (from street drains) should be considered. In line with the need to improve sanitation, the provision of public toilets and hand washing facilities in these places should be prioritised.

12.3. Enterprise Formalisation

There is low engagement with formal institutions and adherence to institutional requirements for business licencing. Most businesses are probably too small to warrant mandatory formalisation. Yet there is a case to enable and enforce formalisation. In sectors with prescribed formalisation, such as educares or liquor traders, informalisation has stunted the growth of the sector. The low level of formalisation can be attributed, in part, to the difficulty of complying with the requirements for formal compliance, such as land use zoning, building standards, and health regulations. In this respect, government needs to consider whether its current policy frameworks are achieving their intended outcomes, in social terms as well as business development. The leisure economy seems to be much under-developed in Delft South. In sectors where formalisation is not prescribed, informalisation has sometimes been used as a means to avoid institutional requirements and the costs associated therewith. The spaza sector is one example. The micro-enterprises in this sector are, in general, sufficiently large in scale and seemingly financially stable (the sector grew from 2015 to 2020) to warrant their inclusion within the institutional regulatory framework, but are under no pressure to formalise. Just as formalisation does deliver a social benefit in the sectors of educares and liquor trade,

so formalisation in the spaza sector would require adherence to municipal requirements on health and environmental health standards (and to redress often expressed community concerns on the integrity of products) to the benefit of the wider society.

To advance formalisation, government needs to find ways of incentivising regulation to provide formalised businesses with various direct social, economic and technical opportunities. The kind of business support measures that have been advanced by national government in the wake of the COVID-19 pandemic provide a starting point to explore institutionalising longer-term support structures to enable township businesses to adjust through temporary crises. The rights of immigrants with respect to enterprise formalisation should be clarified and communicated through official channels, so that immigration status on its own should not disadvantage entrepreneurs' from adherence to business regulations.

12.4. Support Services and Training

The research indicates that there fairly low demand for training as a stand-alone business support offering. Instead, training should be tied to direct strategies to support businesses. Of all services, the demand for micro-finance is greatest, though the precise expectations in this respect are unclear and further investigation is warranted. It is unclear how such micro-finance would be reinvested in stock, equipment or business infrastructure. The research found that digital technologies and systems were not widely utilised among Delft businesses. This might reflect technical barriers to using these technologies (such as poor hand-set quality, high data-costs and unreliable access to the internet or slow internet) or social barriers such as concerns around privacy. In collaboration with the private sector, government should explore ways of enhancing an understanding of the value of these technologies and providing direct technological support to businesses. The opportunity that technology could fulfil in enabling Delft businesses to engage in markets situated spatially outside Delft has yet to be developed (or exists in isolated cases).

12.5. Accommodation Entrepreneurs

The investment in micro-flats and blocks of flats is the most notable entrepreneurial investment witnessed in 2020. Anecdotal evidence indicates that the value of these investments range from around R400000 to R1 million, with the residential site alone (in other words the plot or plot with RDP house) valued at around R250,000. From the perspective of the wider economy, these investments play an important role in providing affordable accommodation to wage earners, particularly to those persons working under conditions of informal employment in the formal economy, including SADC immigrants.

Our evidence shows that many of the property developers in this segment of the rental accommodation market are non-residents to Delft South / Eindhoven. Their properties in Delft are simply a commercial investment. As such, it can be expected that these property developers conform to the regulatory requirements and rates obligations of all property developers (elsewhere) in the City of Cape Town. In order to advance formalisation (and land use compliance), the municipal government should be encouraged to revisit its spatial planning for Delft and consider a zoning amendment (possibly a new form of residential zone or an overlay zone) to enable formalisation, easing some of the current re-zoning / land-use compliance requirements that are potentially non-attainable for some of these developers. Municipal government should devise a strategy to support and/or compel property owners to ensure that commercial buildings are compliant with measures to ensure safety

and reduce the risks of fire or electrocution. In addition, government should advance the need for formal rental agreements whereby the rights of both the lessee and the lessor are clearly articulated and can be formally protected.

Annex 1: Supporting Documents

Annex 1.1.: Questionnaire Instrument

Delft South 2020 Surveys

- Delft South Micro-enterprise & Housing Survey 2020
 1. Questionnaire number required
 2. Record Location of Operation required
 3. What kind of operation is this? required
 0. Micro-enterprise
 1. Accommodation/Housing/Rentals
 2. Key persons
 4. Micro-enterprise
 0. What business activity are you recording? required
 1. Business name required
 2. Who are you talking to? required
 0. Owner
 1. Employee
 2. Informant (Helper/Neighbour)
 3. The business is not open at the time of the survey
 4. The business has shut down
 5. Person will not speak to me
 3. Business position required
 0. Sidewalk
 1. Road
 2. Open ground
 3. Private dwelling
 4. Trading area
 5. Mobile
 6. Other
 4. It other position, please specify required
 5. Type of mobile structure required
 0. Car
 1. Non-motorised means
 6. Type of non-motorised means required
 0. Bike
 1. Wheel barrow
 2. Wheely bin
 3. Trolley
 4. Foot
 5. Other

7. [If other means, please specify](#) required
8. [Type of infrastructure](#) required
 0. No structure
 1. Temporary (table/shelf/umbrella)
 2. Semi-fixed (some permanent structure)
 3. Container
 4. Zozo/shack
 5. Brick structure
 6. Other
9. [If other infrastructure, please specify](#) required
10. [Business Type](#) required
 0. Airtime: airtime for cellphones, data
 1. Appliance repair: electrical goods, including cell phones
 2. Arts and crafts
 3. Brick making
 4. Business services: internet, printing, scanning etc
 5. Car parts: new or second-hand
 6. Car wash: private cars and taxis
 7. Cash-for-gold: buying of gold and jewellery for cash
 8. CDs and DVDs
 9. Clothing sales: new or second-hand
 10. Clothing accessories: shoes, bags, hats, belts, jewellery
 11. Cosmetics: make-up, hair products, body products
 12. Driving school
 13. Financial services: loans, insurance, stokvels, gooi-gooi, matshonisa
 14. Fresh meat: including chicken, eggs and dairy
 15. Furniture sales: new or second-hand
 16. Furniture making: including beds and coffins
 17. Funeral services
 18. Green grocer: fruit and vegetables
 19. Grocery retail: Wholesaler
 20. Grocery retail: Mini-supermarket (7/11)
 21. Grocery retail: Spaza shop
 22. Grocery retail: Small house shop
 23. Hair salon or barber
 24. Hardware: new or second-hand building materials, tools
 25. Homeware sales: household goods, plastic buckets, cleaning products, mops etc
 26. Household appliance sales: fridges, microwaves, irons, kettles, TVs
 27. Liquor (Tavern - licenced): beer, spirits, traditional
 28. Liquor (Shebeen - unlicensed): beer, spirits, traditional
 29. Live animals: chickens, sheep, pigs
 30. Mechanical repair: car engines
 31. Mechanical repair: car exhausts
 32. Mechanical repair: tyres

33. Mechanical repair: panel beaters
34. Medical services: including traditional healers
35. Medicine sales: including pharmaceuticals
36. Recycling: scrap metal
37. Recycling: glass
38. Recycling: plastic bottles
39. Shoe repair
40. Snacks: chips, sweets, cool drinks
41. Tailor: making new, repairing and altering of clothing
42. Take aways: braai meat
43. Take aways: cooked food
44. Take aways: other (mealies, bompies)
45. Tobacco: cigarettes, snuff, boxer
46. Wood, coal and paraffin
47. Welding: gates, fences, burglar bars etc
48. Zozo (readymade huts/shacks)
49. Other
11. [Business and owner details](#)
 0. [Owner gender](#)
 1. Male
 2. Female
 3. Partnership (e.g. husband and wife)
 4. Other
 1. [Owner's age](#)
 0. Exact
 1. Approximate
 2. [Owner's age \(exact or approximate\)](#)
 3. [Age of partners](#)
 4. [Owner nationality](#)
 0. South African
 1. Other
 5. [List all other nationalities](#)
 6. [Do you recall participating in previous SLF surveys in 2011 or 2015?](#)
 0. 2011
 1. 2015
 2. I did not participate
 7. [Number of years owner has been in business](#)
 8. [Number of years owner has traded in this site](#)
 9. [How many people work in this business on a regular basis, excluding owner?](#)
 10. [Does owner have another business besides this one?](#)
 0. Yes
 1. No
 2. Don't know
 11. [If yes, specify other businesses](#)

12. [Which days do you trade?](#)
 0. Monday
 1. Tuesday
 2. Wednesday
 3. Thursday
 4. Friday
 5. Saturday
 6. Sunday
13. [Do you belong to a Trader/Business Association?](#)
 0. Yes
 1. No
14. [If yes, which one?](#)
15. [Is the business formalised?](#)
 0. Provincial licence (e.g. liquor licence)
 1. SARS registration
 2. Municipal permit (CoCT)
 3. No
 4. Other
16. [What challenges do you face to register your business?](#)
17. [Do you rent this site or stand/structure/house/container/space?](#)
 0. Yes
 1. No
18. [If yes, how much rent do you pay?](#)
19. [Is this rental amount per week or per month?](#)
 0. Per week
 1. Per month
20. [Does the business use water?](#)
 0. Yes
 1. No
21. [Does the business use electricity?](#)
 0. Yes
 1. No
22. [What specific equipment is required for this business?](#)
 0. Cold chain (e.g. fridges)
 1. Heating/cooking (e.g. braai stand, chip fryer, stove)
 2. Hand tools (e.g. hammer, knife, potato chopper)
 3. Hand power tools (e.g. drill, blender, hair dryer)
 4. Specialist machines (e.g. welding machine, washing machine)
 5. No equipment
23. [Does trader use mobile data/airtime for their business?](#)
 0. Yes
 1. No
24. [If yes, how much do you spend?](#)
25. [Is this data/airtime amount per week or per month?](#)
 0. Per week

1. Per month
26. [Does trader use digital apps for their business?](#)
 0. Yes
 1. No
27. [Which apps do you use?](#)
28. [What other kinds of technology do you use in your business?](#)
29. [Does the business owner have a bank account?](#)
 0. Yes
 1. No
 2. Don't know
 3. Will not answer
30. [If yes, specify bank\(s\)](#)
 0. Absa
 1. Capitec
 2. FNB
 3. Nedbank
 4. Standard
 5. Tyme
 6. Other
 7. Will not answer
31. [If other bank, please specify](#)
32. [Does the trader accept non-cash payments?](#)
 0. Yes
 1. No
33. [If yes, what non-cash payments do you accept?](#)
34. [Is it important to make your business visible?](#)
 0. Yes
 1. No
35. [How is it important?](#)
36. [Why is it not important?](#)
37. [What kind of business service support would you want to access?](#)
 0. Marketing support
 1. Finance
 2. Business Management advice
 3. Infrastructure
 4. Registration
38. [What training do you need for your business?](#)
39. [Would you like to comment on the business environment?](#)
40. [Would you like to comment on the crime situation?](#)
41. [Would you like to comment on the policing situation?](#)
42. [Would you like to comment on competition?](#)
43. [Would you be willing to attend a 1-day workshop to discuss township business issues?](#)
 0. Yes
 1. No

- 44. [Respondent's name](#)
- 45. [Respondent's number](#)
- 12. [Will you allow me to take a photo of the inside of the business?](#)
- 13. [Will you allow me to take a photo of the outside of the business?](#)
- 14. [Research observations and notes](#)
- 5. [Accommodation/Housing/Rentals](#)
 - 0. [Who are you?](#) required
 - 0. Owner
 - 1. Tenant
 - 2. Family member
 - 3. Neighbour
 - 4. No-one is home
 - 5. Person will not speak to me
 - 1. [Owner details \(Accommodation\)](#)
 - 0. [Owner gender](#)
 - 0. Male
 - 1. Female
 - 2. Partnership (e.g. husband and wife)
 - 3. Other
 - 1. [Owner's age](#)
 - 0. Exact
 - 1. Approximate
 - 2. [Owner's age \(exact or approximate\)](#)
 - 3. [Age of partners](#)
 - 4. [Owner nationality](#)
 - 0. South African
 - 1. Other
 - 5. [List all other nationalities](#)
 - 2. [What property rental categories are visible to you?](#)
 - 0. Iron shacks (zozo)
 - 1. Wendy house (wood)
 - 2. Semi-detached, brick & mortar home extensions
 - 3. Micro-flats (independent of residential house, one or double storey flats)
 - 4. Block of flats (no residential house, flats covering the entire property)
 - 5. Business property
 - 3. [Iron shack \(zozo\)](#)
 - 0. [Zozo: how many units?](#)
 - 1. [Zozo: how many are rented out?](#)
 - 2. [Zozo: Average rental per unit](#)
 - 3. [Zozo: Is this rental amount per week or per month?](#)
 - 0. Per week
 - 1. Per month
 - 4. [Zozo: Does the rental include water?](#)
 - 0. Yes
 - 1. No

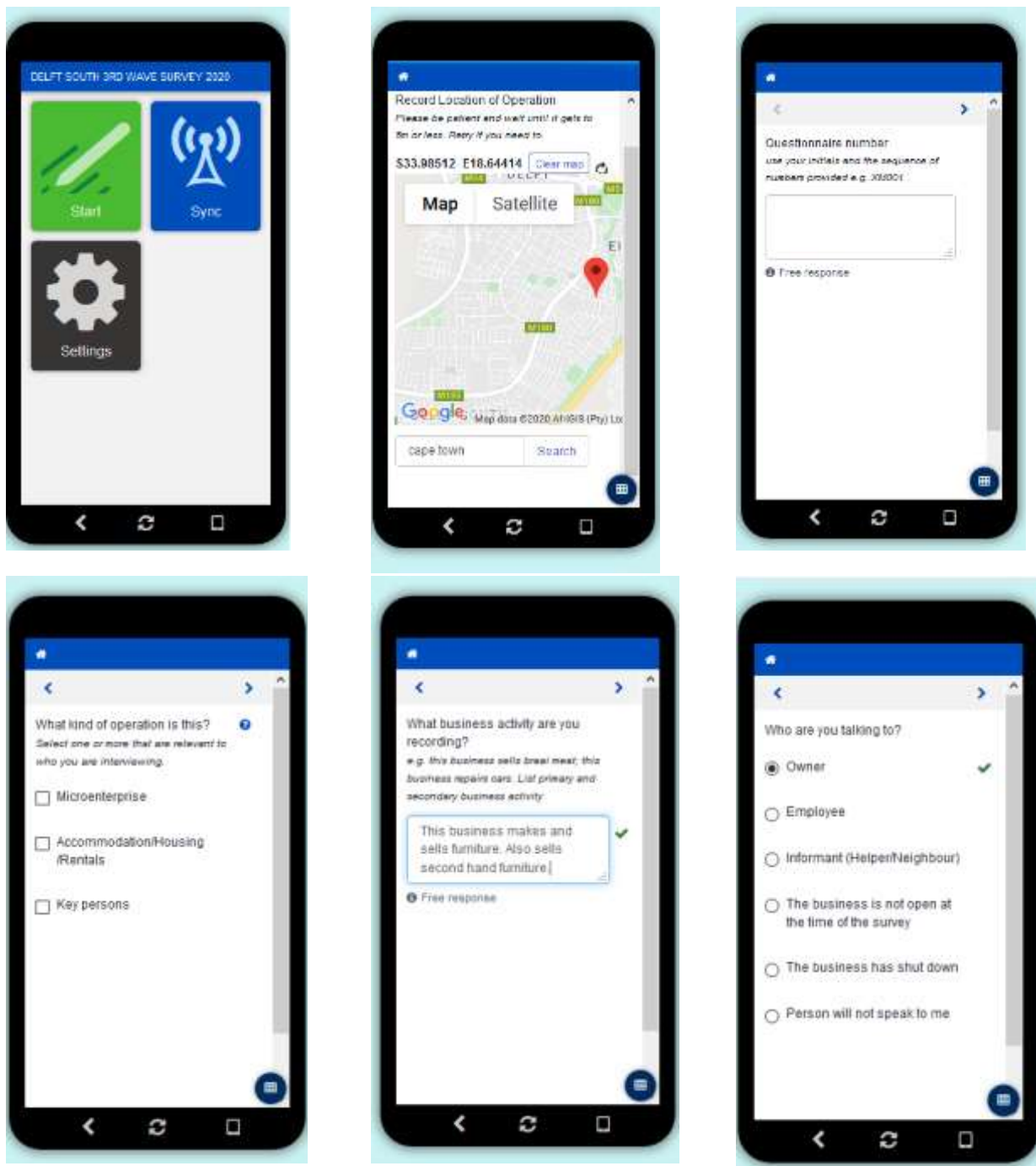
5. [Zozo: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed price
 3. CoCT box
6. [Zozo: how much is the electricity?](#)
7. [Zozo: is the elec amount per week or per month?](#)
 0. Per week
 1. Per month
4. [Wendy house](#)
 0. [Wendy house: how many units?](#)
 1. [Wendy house: how many are rented out?](#)
 2. [Wendy house: Average rental per unit](#)
 3. [Wendy house: Is this rental amount per week or per month?](#)
 0. Per week
 1. Per month
 4. [Wendy house: Does the rental include water?](#)
 0. Yes
 1. No
 5. [Wendy house: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed price
 3. CoCT box
 6. [Wendy house: how much is the electricity?](#)
 7. [Wendy house: is the elec amount per week or per month?](#)
 0. Per week
 1. Per month
5. [Semi-detached, brick and mortar home extensions](#)
 0. [Semi-detached extensions: how many units?](#)
 1. [Semi-detached extensions: how many are rented out?](#)
 2. [Semi-detached: Average rental per unit](#)
 3. [Semi-detached extensions: is this rental amount per week or per month?](#)
 0. Per week
 1. Per month
 4. [Semi-detached extension: Does the rental include water?](#)
 0. Yes
 1. No
 5. [Semi-detached extension: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed price
 3. CoCT box
 6. [Semi-detached extension: how much is the electricity?](#)

7. [Semi-detached extension: Is the electricity amount per week or per month?](#)
 0. Per week
 1. Per month
6. [Micro-Flats \(Independent of residential house; one or double storey flats\)](#)
 0. [Micro-Flats: how many units?](#)
 1. [Micro-flats: how many are rented out?](#)
 2. [Micro-Flats: Average rental per unit](#)
 3. [Micro-Flats: Is this rental amount per week or per month?](#)
 0. Per Week
 1. Per Month
 4. [Micro-Flats: Does the rental include water?](#)
 0. Yes
 1. No
 5. [Micro-flats: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed price
 3. CoCT box
 6. [Micro-flats: how much is the electricity?](#)
 7. [Micro-Flats: Is the electricity amount per week or per month?](#)
 0. Per Week
 1. Per Month
7. [Block of Flats \(no residential house; flats covering the entire property\)](#)
 0. [Block of flats: how many units?](#)
 1. [Block of Flats: how many are rented out?](#)
 2. [Block of Flats: Average rental per unit](#)
 3. [Block of Flats: Is this rental per week or per month?](#)
 0. Per Week
 1. Per Month
 4. [Block of Flats: does the rental include water?](#)
 0. Yes
 1. No
 5. [Block of Flats: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed Price
 3. CoCT box
 6. [Block of Flats: how much is the electricity?](#)
 7. [Block of Flats: is the electricity amount per week or per month?](#)
 0. Per Week
 1. Per Month
8. [Business Property](#)
 0. [Business Property: how many units?](#)
 1. [Business Property: how many are rented out?](#)

2. [Business Property: Average rental per unit](#)
3. [Business Property: Is this rental amount per week or per month?](#)
 0. Per Week
 1. Per Month
4. [Business Property: Does the rental include water?](#)
 0. Yes
 1. No
5. [Business Property: Does the rental include electricity?](#)
 0. Yes
 1. No
 2. Fixed Price
 3. CoCT box
6. [Business Property: how much is the electricity?](#)
7. [Business Property: Is the electricity amount per week or per month?](#)
 0. Per Week
 1. Per Month
9. [General Property Questions](#)
 0. [Does the property extend to the second floor?](#)
 0. Yes
 1. No
 1. [Does the property owner reside on site?](#)
 0. Yes
 1. No
 2. [If you are the property owner, do you have formal title deed?](#)
 0. Yes
 1. No
 2. I'm not the property owner
 3. [How did you mainly finance the property development?](#)
 0. Personal savings
 1. Loans from family and friends
 2. Formal loans from banks (e.g. Absa, FNB etc)
 3. Formal loans from other institutions (e.g. TUHF, iBuild, Bitprop etc)
 4. Informal loans
 5. Other
 4. [What kind of lease agreement do you provide/have?](#)
 0. Written agreement
 1. Informal (verbal) agreement
 5. [If you are the property owner, do you have more rental properties besides this one?](#)
 6. [If you are the tenant, do you consider the unit value for money?](#)
10. [Will you allow me to take a photo of the dwelling?](#)
11. [Research observation and notes](#)
6. [Key persons](#)
 0. [Key person questionnaire](#)

1. [Informant name](#)
2. [Contact Number](#)
3. [Nature of informant](#)
4. [Notes](#)
7. [Field researcher name](#)

Annex 1.4. Screen shots of the CommCare application



Annex 1.3: Field Research Photographs



Annex 1.4. Introductory Flyer



20 January 2020

Dear Madam / Sir

The Sustainable Livelihoods Foundation is conducting research on small businesses in Delft South. This follows a similar survey undertaken in 2011 as well as 2015. The aim of the research is to record the range of small businesses in Delft and understand how the business environment has changed over time. We are interested to learn about your challenges in running a small business. The findings of the research will be used to inform future business support projects.

SLF is an independent non-government organisation. We have no connection to the police, SARS or any government law enforcement. We can assure all respondents that the information you provide will be kept confidential and will not be used against you or your business in any way.

Should you have specific questions about the research, please feel welcome to contact the Field Research team leader, Mr Anthony Muteti (083 357 8401). Please indicate to the researchers if you would be interested to hear the findings of the research at a public meeting in Delft.

Thank you for your co-operation and assistance.

SLF Research Team

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