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Retail in Johannesburg South: Perceived Impacts of Large Retail Establishments on the Business Performance of Spaza Shop Retailers and Street Traders in Orlando West

Thantsha, Seremi

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RETAIL IN JOHANNESBURG SOUTH:

Perceived Impacts of Large Retail Establishments on the Business Performance of Spaza Shop Retailers and Street Traders in Orlando West.



STUDENT NAME:	STUDENT NUMBER:	SUPERVISOR:	DATE:
Seremi Thantsha	721032	Alexandra Appelbaum	11 November 2016

A research report submitted to the School of Architecture and Planning, Faculty of Engineering and Built Environment, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the Bachelor of Science with Honours in Urban and Regional Planning.

DECLARATION

I, Seremi Thantsha, hereby declare that the work conducted in this research report is my own and that all the sources used to support the research study have been accurately acknowledged and reported throughout the document, and that this dissertation has not been previously submitted, in its entirety, to any University to obtain an academic qualification.

Signature: _____

W.S. Thantsha

ABSTRACT

Contemporary second and third space economies are continually experiencing significant growth patterns in economic developments. Initiatives of reconfiguring and rejuvenating previously marginalised and economically deprived communities are deemed as 'supposed responses' to the states failure of redressing and addressing the relenting heirlooms of apartheid. Understanding the nature and impacts of such transformative economic developments on economic, social, and spatial conditions has not been heavily necessitated in urban planning literature. This is in reference to the nature of their competitive dominance within township economies and their effects on the growth and sustainability of informal economic activities. To advance this wanting knowledge, Orlando West was selected as a sample area to represent all the townships in Johannesburg South. The report contributed to this understudied topic through capturing local street traders and spaza shop retailer's perspectives on this issue. Qualitative methods and techniques were used as approaches to exploring and gaining knowledge on this growing economic conundrum in townships. This research study presents results involving eleven (N=11) key respondents who operate local small and micro retail businesses. Conclusions were drawn based on the eminent narratives provided by these selected key sources to help answer the main research question. To halt this continual propagation of monopoly domination, masked cannibalism, cryonic capitalism and the culture of consumerism the report recommends future directions based on related secondary-data and findings outlined in the study.

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DEFINITIONS

Fetish-object - in this report Ellapen (2006) appropriates this term for 'an object that is highly endowed with certain value'.

Micro retail enterprise – It is usually described as a type of business that lacks formality, particularly in terms registration for business taxation and licenses. Retailers of micro enterprises are characterised by their elementary business and technical skills and a very limited capital. Micro businesses have a turnover that is below the VAT (value-added tax) registration limit (i.e. R150 000 per annum) and have at-most five employees but often fewer than that as described by Tustin (2001:10). In this report a micro enterprise is appropriated for street trading.

MSBs (Micro and Small Businesses**) –** This is a special type of SME (Marnewick, 2014) - they are essentially micro-convenience grocery stores or retails operating in township residential areas and are distinguished by their business operation, characteristic and distinctive branding, and business turnover which include street hawkers and spaza shop owners .

Large retail enterprise – According to M.M Zimmerman (adopted by Gupta, 2015) this is a retail enterprise that specialises in necessaries and convenience goods, such as a supermarket, national retail chain or shopping centre. These are departmentalised retail-establishments (viz, household department, self-service grocery, etc.). They have an increased division labour (Mathebula, 2013) and usually they are constituted by staffs of 20 - 60 members, which also include CEO(s), managers and supervisors. They are also characterised by their advanced economies of scale and an annual turnover above R500 000.

Retailing – Is a set of business activities carrying on the purpose of realising the exchange of goods and services for household or personal usage, in which they are either performed in a formal retail store or some form of none-selling-store (Dlamini, 2012).

Small retail enterprise – *In this report this term is specifically appropriated for the use of a township 'spaza shop' – which is used to refer to a hidden-shop in township slang (*Liedeman, et al, 2013*) that usually operate within a residential dwelling (backyard, garage), outside, attached to a fence or wall, or in a stand-alone container (Mokgabudi, 2011)*. It is described as an informal convenience store of which some lack formality (often referred to as retail tax-evaders) and few have licensed business registrations

(i.e. income Tax and VAT). According to ETU (2016) they usually have employees fewer than ten. ‘Depending on size’ their overall annual turnover is estimated to fall between R10 000 – R300 000 (Mathebula, 2013).

LIST OF ACRONYMS

ACHIB's - African Council of Hawkers and Informal Businesses

BBBEE - Broad-Based Black Economic Empowerment

BMR - Bureau for Market Research

CoF - Corridors of Freedom

CoJ – City of Johannesburg

DFA - Development Facilitation Act

DRDLR - Department of Rural Development and Land Reform

EEA - Employment Equity Act

EIA - Environmental Impact Assessment

EMM – Ekurhuleni Metropolitan Municipality

IDP - Integrated Development Plan

GPT – Gauteng Provincial Treasury

LED – Local Economic Development

LSDF - Local Spatial Development Framework

MEB - Micro Entrepreneurs Bank

MFI - Micro Financial Institutions

MSBD – Ministry of Small Business Development

MSBs – Micro and Small Businesses

MSC - Maponya Shoprite Centre

MSD - Metro Spatial Development

MSE – Micro and Small Enterprises

NDP – National Development Plan

NEMA - National Environmental Management Act

NGP - New Growth Path

NIP - National Infrastructure Plan

NSDP - National Strategic Development Plan

NUAA - Native Urban Areas Act

PDG - Palmer Development Group

RSDF - Regional Spatial Development Framework

SACN – South African Cities Network

SBDI – Small Business Development Institute

SDF - Spatial Development Frameworks

SDI - Spatial Development Initiative

SRT - Soweto Retail Strategy

SOPA – State of the Province Address

TED – Transformative Economic Development

TOD - Transit Oriented Development

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"Soweto is a symbol of the New South Africa, caught between old squatter misery and new prosperity, squalor and upbeat lifestyle, it's a vibrant city which still openly bears the scars of the Apartheid past and yet shows what's possible in the New South Africa"

(Central Strategy Unit - CoJ, 2011:9).



INTRODUCING THE NATURE OF RETAILING IN TOWNSHIP SPACE ECONOMIES

"Empowering black businesses, particularly your micro, small – medium enterprises, is absolutely essential if we are going to transform and grow the economy of our country"

(Ramaphosa, 2015).

1. INTRODUCING THE NATURE OF TOWNSHIP SPACE ECONOMIES

1.1. Mixed-Views on the Impacts of Local Economic Transformations in Townships.

The post-2000 township space economies have been undergoing vast transformations which have been an effort and a by-product of public developers and mostly private entrepreneurs. These efforts have been the result of previously marginalised areas experiencing constant proliferations of economic developments throughout their geographies. In addition, these economic endeavours have and are still perpetually altering the traditional structures of township retail landscapes which were previously fuelled and dominated by mainly informal local retail businesses providing basic services and products to a consumer market that is relatively low-income (Ligthelm, 2008). With current growths in the number of middle-class groups urbanising townships, this has led to only a small populace of local consumers left to support street hawkers and spaza shops. As a result, this has contributed to the exacerbation of the somewhat high attrition rate of small and micro local traders, causing a continuous decline in their survival rate. This exponential population growth in townships is deemed to serve as a substantial market that has potential to support the growth of large retail chains and outlets. This is due to that there is currently a high demand of ease of access to township adequate shopping centres that offer quality products and services.

For local residents, they get to benefit through their previous high travelling expenditures being curtailed from performing out-shopping in the inner city of Johannesburg and other surrounding areas. Moreover, Potelwa (2010) and Zondi (2011) indicate that these demands are also triggered by the desire from this emerging township middle-class to get products and services similar to those provided in well-off regions, such as suburbs in Sandton, Randburg and Midrand. The result of these outcomes has been a heightened level of competition for spaza retailers and streets traders with a potential risk of witnessing a substantial consumer spending shifting away from them and redirected to franchise businesses and national chains in these newly established shopping complexes (Ligthelm, 2008). However this has now widely sparked some interest in scholars making this phenomenon one of the key

subjects in literature of urban planning, governance, economics and geography. This is regarding the impacts of foreign and domestic private retail developments on economic, social and spatial conditions. Discussions and debates reflecting the nature of these retail developments revolve around their dualistic effects (both positive and negative externalities) on these conditions. These deliberations have prompted this research to conduct empirical investigations with a special focus on how local micro and small retailers conceptualise and understand the impacts, influences and pressures associated with the presence of large enterprises on their business performance. This is a highly untouched subject in literature which identifies it as a gap that needs further studying to gain an improved knowledge on this growing issue. The basis of this research filling in a small portion of this widespread gap is to potentially spark prospective researchers to conduct in-depth investigations on this matter. Therefore, capturing the perceptions of these local traders is important in bringing awareness of the personal experiences they undergo in the contemporary township retail industry that is constantly becoming highly competitive, often occurring at their expense.

In order to occupy that missing gap, the report deconstructs and discusses existing secondary data to help formulate a theoretical framework to guide the analysis of the obtained perceived narratives. The attempt is to interrogate the existing multifaceted stories of the impacts transforming and reshaping township space economies and influencing the way in which MSBs operate under competitive conditions of this growing local economic industry. The issue identified with these economic transformative developments is their impacts unfairly creating conditions that are predominately conducive for large retail enterprises to thrive. Although such abovementioned impediments still persist, government developmental plans, frameworks and policies are still narrow-mindedly identifying these economic developments as highly necessary transformative initiatives. The question that arises is that, is the government intentionally being oblivious of the challenges that are associated with these supposedly transformative developments or are they as profit-driven as most private developers (Dlamini, 2012). Their support is still based on the argument that these economic initiatives have the potential to reverse and augment the current nature of urban areas faced with relenting injustices that are a result of the apartheid system. Hence the Palmer Development Group (2005:4) assertively argues that the government's insights are primarily driven by economic benefits such as job creations, a rise in opportunities for suppliers of goods, improved household savings as a result of cheaper product prices, and reduced commuting expenditures and durations for local residents. The downside of the government being narrow-minded and supporting the influx of highly competitive enterprises has

worsened the polarisation of big enterprises thriving and smaller enterprises suffering to realise any substantial growth.

Most contemporary research conducted on this topic associates these economic developments with concepts such as impact, transformation and change. It is a way to, some extent, assess or indicate the minimal level of success government development strategies have achieved thus far in the post-apartheid era. Hence the Global Entrepreneurship Monitory Survey has indicated that the South Africa government still has a lot to do (Badenhorst-Weiss & Cilliers, 2014). The issue is derived from the financial incapacity the South African government are 'claimed' to have, which has been the result of their failure to implement most of their proposed and promised plans in improving the socioeconomic conditions facing impoverished communities. Due to such circumstances previously marginalised areas have, to a minimal extent, remained spaces of misery through their long overdue experiences of economic incompetency and exclusion, social and spatial segregation and poverty.

In spite of the above, literature does outline several positive externalities that have benefitted some members of the society. Of which few have relatively contributed to promoting goals of achieving equality of a democratic dispensation (Mtshali, 2015) and improving certain socioeconomic aspects, which on the other hand still needs more effort from both the public and private sectors. Hence literature still indicates the existence of mixed-views from sceptics criticising government development plans as being ineffective, unfair and unpromising. Arguments of this nature are based on the everyday realities most disadvantaged societies face, while optimists excessively idealise what has been achieved thus far. Presumably, amongst other sceptic criticisms it can be assumed that the government's incapacities and their highly favoured privately-driven developments are contributing to the recycling and modification of township economic apartheid. This is contemporarily indicated by the displacement of small and micro black-owned local businesses and also their prohibition of trading in certain spaces, especially in the city and certain areas like Maboneng and Melrose Arch. On the other hand, optimists deem these local economic developments in holding great significance in kick-starting development and urban renewal through attracting investments, other facilities and services into townships.

1.2. Areas of Marginality in the Gauteng Context

The basis of this section is to present a brief general history of townships and the focus area as a useful background to the main research question of this report. The blueprint of the apartheid injustices has been spread throughout the Gauteng Region, particularly in previously marginalised and disadvantaged

areas. This left behind trails of unbalanced distributions of resources and economic activities exacerbated by the contemporary lopsided patterns of development. The detriment of this phenomenon has been felt by people inhabiting 'third-spaces' (townships) positioned between rural and urban areas. Certain literatures identify these third spaces as segregated spatial realms that are unique to the context of South Africa. Although the concept is not vastly used, Mahajan (2014) appropriates this term for usage by describing townships as vestiges of the apartheid regime that are differentiated by their unique characteristics that make them neither urban nor rural. This is particularly considering their spatial, structural and social differences which are still kept in existence by the post-apartheid policy.

The distinctions classifying townships include, amongst others, an area that is geographically marginalised from economic and social opportunities (Southworth, 2003) which absorbs a plethora of the labour force working in the Metropolitan cities and wealthy suburban areas. This however meant the lack of disposable income for these local residents to necessitate for other responsibilities such as grocery shopping due to their daily commutes to and from these areas of work. The restrictive bylaws that prohibited economic activities from operating in townships in pre-1994 has crippled the potential entrepreneurial spirit of local businesses from improving their local economy and supporting most of the local resident's wants and basic needs. As such, this could have possibly served as a viable solution to most of the challenges currently facing townships. These so called 'third areas' are also known for Otherness and marginality. This is whereby the people classified under the colour black were forced to accommodate these spatial realms as a way to avoid causing possible harm to the Afrikaner hegemony. Nevertheless, post-1994 has eye-witnessed gradual transformations through these apartheid formed marginalising boundaries being undone, which have led to the ease of movement between all these spatial realms. Hence it should be noted that its unique and distinctive sobriquet is derived from its influences and attributes of both rural and urban spaces.

Prior 1994, townships were not recognised as an essential part of the urban economy but were perceived as only being useful dormitories for the labour force (Mtshali, 2015). In addition, these spaces were neglected by the local government and authorities. As a result, strict measures were taken to restrict black township informal traders (i.e. spaza shops and street hawkers) from conducting their economic activities liberally and openly (Zondi, 2011). Hence spaza shop (see *spaza shop* in definitions) is referred to as a '*hidden shop'* in township slang. The lack of social and economic amenities caused the continuation of other socioeconomic issues such as the worsened levels of poor infrastructures, education, joblessness and poverty. Hence during apartheid townships became spaces of

impoverishment as a result of the lack of local wealth circulating within these areas of economic deprivation. Even after twenty-two years of living in a free apartheid environment, most townships are still found to experience economic deprivation. This is largely coupled with the slow trajectory of development that is extensively laid-out in government plans and policies, but the contemporary status quo still presents a relatively similar reality to that of the past. As for state tools of high profile that aim to redress and address these challenges such as the currently updated Broad-Based Black Economic Empowerment and the Employment Equity Act (Mtshali, 2015) they are still in the early stages of transformation and overcoming these aforementioned issues.

The contemporary Sub-Saharan Africa is currently experiencing a situation of rapid urbanisation whereby a plethora of this population is being absorbed by the Metropolitan cities and urban areas such as Soweto amongst others. This outcome has provided private and domestic professional entrepreneurs with an opportunity to serve and satisfy most of their economic demands. This is through establishing large shopping centres and giant retail chains to dominate these relatively incompetent township space economies. Private developers and the supporting government of these economic initiatives regard this as a positive and beneficial contribution to Local Economic Development. It is indicated that sceptics have a relentless view against these policies by contesting that they have highly benefitted the elite and political groups and have failed to effect the disadvantaged, as the knock-on effects do not trickledown to these communities as proposed (Earle and Adelman, 2012). Hence some argue that such beneficial transformations are not mutually distributed but rather occur on an ostensible level. It clarifies the fact that most productive assets are still found within the possession of the former polity and beneficiaries. Which is seen through their acts of enriching themselves with government revenues (i.e. high incomes and corruption) as they have some form of control of the state and not economy (Mbeki, 2012).

On the other hand, it should be noted that there are positive knock-on effects that are associated with the operation of large retails within township space economies. Although not every positive externality has similar outputs throughout, but to an extent some also trickledown to local retailers. For example, small retailers who tend to locate their stalls in close proximity to retail centres such as Shoprite, Jumbo and Pick n' Pay as seen in Orlando West and East get the opportunity to take advantage of the high traffic volume around those sites. This allows their businesses to attract more customers by offering mostly complementary goods to those sold in large retail stores. This is clearly a desperate strategy for local traders to generate more income and elude the possibility of faltering and being completely displaced out of that specific local economic industry. Another benefit associated with this economic

agglomeration between formal and informal retail businesses is that this relationship helps curtailing the travelling expenditures and long-durations for micro and small retailers to stock up the required products. Therefore, this avails more disposable income for other business and household necessities. According to Kunene (1988) before the infiltration of large retail developments this was not a cost-or-time-effective exercise for black marginalised households in townships. However, the advent of shopping complexes cannot be yet credited for annihilating the hindering conditions of the past apartheid space economy of townships. But it should be noted that it has to some extent mitigated these conditions and has taken drastic measures to transform the environments of most underdeveloped areas.

1.3. Delineating the Study Area

The Native Urban Areas Act was passed by the South African government to determine possible areas where black people will reside as a relocation strategy to forcefully remove them out of the city. One of the clauses under this act determined that the state is responsible for the provision of alternative housing, which amongst these included dormitories (SAHO, 2011). The township of Soweto is a name coined during 1963 as a referral to the group of dormitory towns situated in the peripheral of Johannesburg, southwest of the city (CoJ, 2011). These towns developed by the apartheid regime were used as dumping grounds for workers of cheap-labour. The name originates from the two terms '*Southwestern Townships'* which is a common moniker used to specify low-income dwellings that were set up by the apartheid government in the area, in which initially was developed on areas that were previously farms of Klipspruit, Doornkop, Vogelstruisfontein and Diepkloof (CoJ, 2011). The first area to be established was Klipspruit which was later followed by Orlando due to the increase in housing demand in Soweto as a result of the industrialisation wanting more black labourers (Central Strategy Unit, 2011). Soweto was previously an area peripheral by location. Hence it was formerly an isolated municipality before the City of Johannesburg included it within its Metropolitan Municipality in 2002 (Jones, 2003).

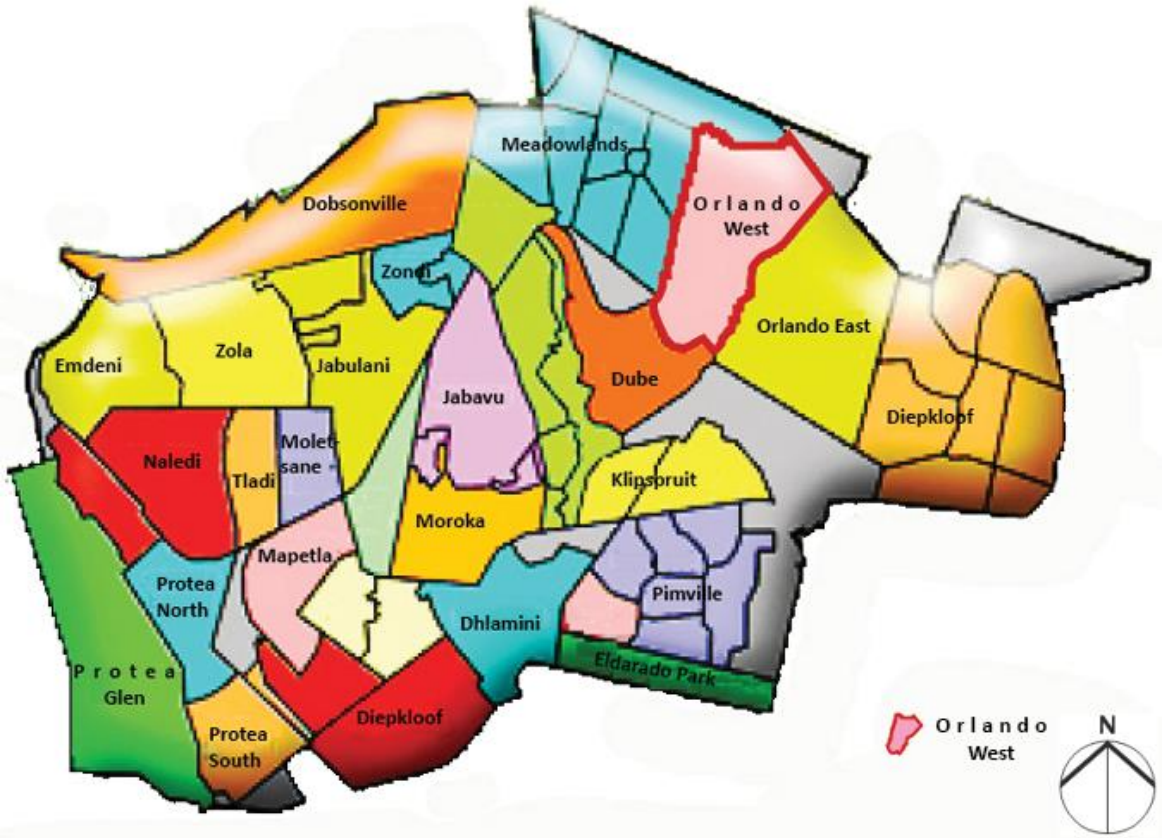

Figure 1: Orlando West in Soweto, Johannesburg.
Source: Thantsha, 2016 - Adopted from http://www.naasoweto.co.za/ (2011).

This map (Figure 1) locates the primary focus area of this research which is Orlando West (situated in Soweto) which was established in 1931, which was named after Mayor Edwin Orlando Leake of Johannesburg from 1925-26 (SAHO, 2016). Before Orlando was divided into two main areas, namely; Orlando West and Orlando East it covered a total area of 10.01km^2 (Frith, 2011), which are currently demarcated by the thoroughfare four lane (Klipspruit Valley Road) that connects most suburbs in Soweto. The focus area covers a distance of 5.54 km^2 on its own with a population density of 40603 people from Stats SA 2011 which is now arguably proclaimed as the largest suburb in Soweto, although there is not much physical development in the area (Frith, 2011). In general, these two townships have a mixture of poorer and wealthier residents. The southwestern areas accommodate most of the higher-incomes while those in southeast have lower-incomes.

In less than a decade ago, an agglomeration of various economic activities along the Vilakazi Street Precinct were developed by different private owners, established as a strategy for conserving its

historical significance and also as a way to improve the economic profile of the entire area. Along with these developments, other businesses emerged within the Orlando West neighbourhood. This is seen through retail stores such as George Nkosi's FreshStop which is a fast growing convenience retail brand in the South African Context (Freshstop, 2013). The establishment of this store in Orlando West 2013 aimed to transform and rejuvenate the fabric of the site and also provide cheaper products and services to the local community (Freshstop, 2013). However, the overall impact of this store on the performance of other local small businesses is not provided in literature, nor is there a provision of the economic profile of the study area. Areas which share similar characteristics with business developments such as the FreshStop retail market in Orlando West include Khayelitsha, Katlehong and Vosloorus.

The witnessed contemporary advent of shopping centres is not an unfamiliar phenomenon in South African townships. The establishment of shopping outlets such as the Maponya Shoprite Centre in Orlando West are a result of the opportunity and attraction second and third spaces have mostly on professional entrepreneurs. This is an effort to redress the shortage of economic developments that were curtailed by the apartheid state in Soweto, which explains the reason behind the limited economic and social infrastructures available in this township. For the basis of this research, the space economy of the study area is currently comprised of both informal and formal businesses operating within the same business environment. These small businesses include spaza shops, general dealers, shisanyamas, cobblers, beauty and hair salons and automobile repairs which tend to surround most of the busy nodes such as taxi stations and shopping centres to take advantage of the high pedestrian volume. This will be further discussed comprehensively in chapter four of this research. It is also necessary to present the nature of the study area not only through the use of content but also by providing photographic illustrations to give a holistic idea of what the current study area and researched objects look like. According to Nordeman (2007) photographs are selected graphic excerpts from an observational experience to illustrate the current reality of an object. The photographs below give a portioned virtual reality of the study area (figure 1.1.1-1.1.5) and its existing types of formal and informal economic activities; which was found that most street traders (figure 1.1.6-1.1.8 - operating from informally built structures) sell fruits and vegetables and a few offer snacks. While spaza shops (figure 1.1.9) are mostly fast-food selling retails offering kota's (bunnychow), pap/rice and chicken/beef, snacks and a few kitchen products (dish washing liquids, sugar, milk, bread etc.). This indicates that local informal retailers offer basic products and services to local residents necessary for daily survival. Figure 1.1.10 shows a view of the Maponya Centre Shoprite which is currently the largest (size) retail enterprise in the Orlando West space economy.

1.1.1



1.1.2



1.1.3



1.1.4



1.1.5



1.1.6





Figure 1.1: Photographic observation – An excursion within the streets of Orlando West

1.4. Problematizing the Presence, Operation and Impact of Large-scale Enterprises on Township MSBs

> "One of the main structural problems of SA economy is the dominance of big monopolies in key sectors of the economy, together with the exclusion of the overwhelming majority of black people from meaningful economic participation" (Makhura, 2014).

The urgent need of economic developments in townships and rural areas has been necessitated by the government as crucial initiatives necessary to rejuvenate economically deprived and marginalised areas. Amongst others, business empowerments from the private sector to local small retailers have also been,

to some extent, one of the premeditated strategies purposed to ameliorate the existing low entrepreneurial spirit of these areas. Although the interests of most private stakeholders are deemed as greed-driven, they have nonetheless contributed to the growth of local retail centres in previously marginalised and other peripheral areas. Mtshali (2015) conveys that 'greed-driven developers' are those who are more committed to making considerable returns on their investments and tend to extract wealth out of townships and circulate it elsewhere but not in those areas they drain financially. From a national development perspective, the objective of such economic endeavours is to enable space economies that are moulded by various competent economic activities, both formal and informal. The aim is to enable the creation of jobs and develop more economic facilities that can ensure the growth of trading in peripheral areas (Mathenjwa, 2007). This research aims to look beyond the manner in which the socioeconomic conditions of the community have been transformed by the presence or development of these retails. It sought to unpack the implications of these shopping retail outlets on small and micro local businesses.

However, the perceived setback of these developments is that they are also deemed as spatial transformative initiatives that are 'profit-driven' (Oranje, 2014). This is through disadvantaging local businesses lacking the necessary resources and skills to effectively compete with these large economic activities in the local market. Hence some of the identified implications in literature indicate that large retails influence and contribute to the way in which local businesses perform. Although they are credited for being key-drivers of underdeveloped local economies in most contexts, South Africa on the other hand has proved to have undergone a different experience. Nevertheless, it differs from place-to-place. For example, most foreign-owned retail developments in areas such as Thulamahashe, Soweto, Vosloorus and Mabopane have rather been perceived as detrimental to the envisaged goal of advancing local traditional economic activities. This includes street hawkers, spaza shops, shabeens, small supermarkets and so forth. It should be considered that their competitive advantages, economies of scale and diversity are not as advanced as retails such as Shoprite, Pick n' Pay and other large retail chains tenanting within shopping centres such as Maponya Mall. This does however pose a threat on the performance of local micro and small businesses. As such, retailers likely to be more susceptible to potential displacement are those located in close proximity to these well-established retail outlets (Tshabalala, 2007). Moreover, this is further exacerbated by the diversion of income spent by local customers on these newly developed retail stores and retracting their support from micro and small local businesses that in most cases barely survive financially.

Even so, acknowledgement cannot be taken away from the crucial role they play and the contributions they make in breathing new life into these previously marginalised environments. But stringent measures are urgently required to halt this widely spreading issue. It can be through the inauguration of economically-oriented strategic interventions that do not only focus on attracting a plethora of new developments into townships. But that will also ensure an integral economic growth formed by both informal and formal economic sectors through alluring foreign and domestic investments to help with this long-awaited process. The basis of this recommendation is to avoid private developers and investors from competitively dominating space economies that contain survivalist businesses that are in urgent need of economic empowerment. Therefore, government policies and plans should be formulated and implemented through participatory processes that involve all the effected stakeholders such as informal traders, professional entrepreneurs, private and public sector, planners and taxi associations. This is to ensure a collaborative economic development crucial for the country's economic improvement. This will also be useful to help avoid the divergence of government plans as set in their frameworks and policy plans which promote and advocate economic inclusivity and not marginality or gentrification. This research seeks to investigate the disadvantaging factors contributing to the deteriorating performance and faltering of local businesses through capturing the perceived experiences and understandings of spaza shop owners and street traders in townships, specifically Orlando West. This is purposed to enable the determination of the extent to which the impacts associated with these large retail activities has influenced the change in the way the former retail structure of local businesses was functioning till currently (Lithely, 2006).

1.5. Rationale for the Study

The purpose of conducting this research is to advance existing knowledge on how local retailers perceive and understand the impacts large enterprises have on their business performance, with special reference to Orlando West. This study seeks to realise this through capturing and narrating the personal trading experiences and changes local retailers undergo in this competitively growing economic industry. The reason behind this interest is to make a positive contribution to this understudied topic currently existing within the confines of Urban and Regional Planning, Geography and Economics literature. As yet, there is still insufficient material in secondary data that directly responds to this topic, specifically for previously marginalised areas (Mathews, 2006:7). The attempt of comprehending the economic transformations small local businesses experience in this new political context is necessitated by this report. It could potentially enhance the inefficiency of government decisions and policy-choices

to secure the growth of township informal economic activities. Deplorably, this growing concern of incompetent local businesses being at the mercy of large enterprises operating in economically deprived communities is a propagation of cryonic capitalism and the culture of consumerism. Above all, disadvantaging street traders and spaza shops through for example redirecting local consumers spending's to large economic franchises contributes to the deconstruction of the local traditional retail structure. This ultimately creates an environment that is only conducive for large retails that can survive under most competitive market forces.

Gaining knowledge on the issues impacting the growth and sustainability of informal economic activities in townships and rural areas is crucial in helping the state re-evaluate their policy frameworks to help in making the necessary adjustments. This could further help guide state interventions in the direction of determining which elements require urgent addressing and which need upgrading as an effort to realising their prospective goal of economic integration. Therefore, finding a coercive connection between policy, implementation and outcome will significantly yield better results necessary for the growth of small local businesses. After all, David Makhura has credited their contributions as 'key' to driving the South African economy. So consolidating their trading capacities through empowerment schemes will improve most township socioeconomic injustices, specifically through their contributions. Nonetheless, privately-driven economic developments are still deemed as a long-awaited response to the government's incapacity to meet the high economic demands in townships and rural areas. Hence most local residents in peripheral areas are still faced with high commuting expenditures to access economic needs. According to Mtshali (2015) this issue is further suppressed by the ineffectiveness of national plans and frameworks such as, amongst others, the National Spatial Development Framework (1995), Spatial Development Initiatives (1997-1999) and the National Development Plan (2011). The full potential of these government initiatives have not been effectively exercised or realised as a result of the existing knowledge-gap in South Africa's current analyses of the space economy.

Although retail developments have become dynamic agencies behind economic and spatial transformations in townships, their impacts on micro and small local businesses need to be mitigated. In this regard, it is imperative that planning practitioners closely supervise these developmental transformations as a way to ensure sustainable and equitable developments from these inexplicable market-forces. The significance behind this is to avoid the marginalisation and displacement of smaller enterprises, as they are an imperative catalyst behind the economic improvement of second space economies (SOPA, 2014).

1.6. Main research question

How do street traders and spaza shop retailers in Orlando West conceptualise and understand the impacts associated with large retail enterprises that influence the performance of their businesses?

1.7. Sub-questions

- What is/has been the impacts of large-scaled retail businesses on the performance of MSBs in Orlando West?
- How have the impacts of large-scale enterprises changed the way MSB owners conduct their business?
- What other existing factors influence or contribute to the performance of MSBs?

1.8. Ethical Consideration and Informed Consent

Informed consent is a crucial step to conducting any research project. As put forward by Lokesh et al (2013), informed consent is described as a legal and ethical prerequisite for a research project that involves human participants. Escobedo et al (2007) argues that the significance of an informed consent to a research study is a reflection of adhering to the basic principle of respecting people. Therefore, it ought to entail a process whereby the concerned participants are exclusively informed about the purpose and importance of the project for the participants to evaluate the content and decide to volunteer or not as confirmation of their willingness to participate in the research task (Lokesh et al, 2013). This process of attaining consent involves the participants being informed about the mandate of the research, their rights, potential benefits and risks of participating, the undertaken procedures, the mileage of anonymity, and the duration of the interviews and research project (Escobedo et al, 2007; Lokesh et al, 2013). As argued by NHG (2015) this process is an imperative moral responsibility.

In a township context, engaging in short conversations with the participants is a norm before involving them in any particular project. This is also for the purpose of making the participants comfortable and open-minded during the interviews. This will however have a major impact on the quality of the research. This goes without saying that attending the Research Design course in the preceding semester was highly valuable in which the facilitator constantly placed emphasis on the

prerequisites of ethics and informed consent. The information equipped the researcher with the necessities of adhering to the research principles, ethics and procedures legally required for conducting a research project. Access was also one of the crucial factors which mainly deals with the type of urban planning research method and techniques, the necessary information required for the research and the procedures of acquiring that information. This is further explained in chapter 3.

1.9. **Chapter Outline**



Figure 1.2: Schematic Diagram of the Study – An outline of the research structure

The chapters structuring this research are outlined as follows: Chapter 1 basically introduced the research topic and also dealt with the background of the study at various scales. This chapter was more of an introductory presentation of the arguments, discussions and relevant debates regarding the

continual trends of large enterprises impacting and influencing the performance of small businesses in townships. It indicates the necessity behind conducting this research, through problematizing the hindering dominance of large retails onto local micro and small businesses which in most cases exacerbates their already high attrition rate. The research peruses this phenomenon by aiming to understand the experiences and perceptions MSB owners have concerning the existing factors hindering their business operations. The aim was to identify a gap in existing documented work.

Chapter 2 discusses the relevant arguments existing in literature relating to the research topic. It acts as a stepping-stone to the main research concepts (Multifaceted Transformations of Local Economic Developments; Masked Cannibalism in Township Retail Markets; and Dynamics in the Shift of Township Space Economies) framing the position and stance of this research (see chapter 2, conceptual framework). This chapter aimed to develop a thick layer through the use of both local and international sources of information. Chapter 3 provides a comprehensive description of the research techniques and methods in urban planning that are extensively compatible and appropriate to help answer the research question and sub-questions. Other questions formulated in the structured interview questions were for the purpose of analysis which helped in answering the research question. Chapter 4 provides an analysis of the qualitative fieldwork results/findings according to the identified methodologies in chapter 3. Lastly, chapter 5 concludes the research study based on the gathered results and provides recommendations indicating strategic approaches MSBs can adopt to withstand these challenges affecting their business performance. It also provides ways they can capitalise on the benefits resulting from large-scale retail enterprises. In addition, perhaps this can also alarm the planning practitioners of this urgent need of effective business skill development programs and interventions to address the decadal injustices of economic exclusion. This is to potentially help in contributing to an integrated economy. The purpose of this statement is to try and bring awareness that stability in the economic market between informal and formal retail activities should be necessitated for the improvement in township economic developments.

2

DECONSTRUCTING THE MULTIFACETED IDEAOLOGIES OF RETAILING IN TOWNSHIP SPACES

2. DECONSTRUCTING THE MULTIFACETED IDEAOLOGIES OF RETAILING IN TOWNSHIP SPACES

2.1. Introducing the Multifaceted Notions about the Nature of Township Retail

This chapter seeks to unpack the existing knowledge in literature to comprehensively supplement the narration of the research findings. This is through perusing the unknown as a way of identifying the knowledge-gap to provide a position for the research within existing literature. This chapter presents the decadal transformations local retails have undergone in township space economies and the overarching outcomes of these economical changes. The adverse impacts associated with these transformations are further explored to gain an understanding of the multifaceted effects overlooked in research studies conducted on this topic. For the basis of this research, this is to identify the manner in which local street traders and spaza shop owners have been experiencing these changes and how they have effected their business operations within their local space economy. Widespread recognition has been given to the supposedly driving mechanics behind township economic growth which are mostly an effort of the private sector. But narrow-mindedly surpassing the occurring or potential consequences this has had on the growth of small local businesses. Hence only very few literature debates and discussions indicate that there are opposing narrated perceptions of the impacts retail establishments have within third spaces. Mitchell and Kirkup (2003) argue that supporters of these transformative economic developments express the idea that their effects have thus far become regenerative stimulators of township economic growth. On the other hand, Ligthelm (2008) sceptically indicates that their presence and proliferation within economically deprived areas have brought about detriment to small informal retailers.

As such, chapter two and four shed light onto this by providing an evaluation of other untouched factors contributing to the rise in the attrition rate of small local businesses that are generally associated with the nature of large retails in townships. To further this review, this chapter briefly examines case studies (i.e. Wal-Mart stores, Jabulani Mall, Central City mall and Pick n' Pay) conducted on large enterprises and their overall impacts, particularly those overlooked. The discussions, debates and believes outlined in this chapter are crucial to enable a comprehensive discussion and analyses of the findings to substantiate the arguments carried by this research.

2.2. Perusing and Understanding Existing Literature

2.2.1. The Changing Dynamics of Township Retail Space Economies

Township space economies in pre-1994 were mainly dominated by very few informal economic activities which were forced to operate in garages, backyards and from their houses to offer a limited choice of basic goods and services to low-incomed communities (Ligthelm, 2007). Their existence were not sanctioned by the apartheid government as they had no control over these activities, hence policy restrictions were heavily placed against them. Dlamini (2009) supports this statement by sharing that during that era the development of retail and industrial activities were outlawed to operate in townships. The limited access to basic necessities for township residents meant that they were forced to 'out-shop' and spend a large proportion of their incomes on travelling and shopping in distant areas (Dlamini, 2012). According to Adatia (2010), this presented a challenge that needed urgent response, of which the retail sector began expanding their retail cartels in these previously marginalised areas. This somewhat created a myriad of conflicts relating to the overlooked impacts associated with their retail establishments. Some of these opposing debates are evidently surfaced in Adatia's research pertaining to the nature of retail establishments in townships. Adatia (2010) criticises these retail-led developments for their adverse effects which have shown to lack the capacity to equally distribute their benefits within a community. She establishes that their supposedly positive transformations have blind-sighted the detriment they have and are still causing to micro, small and medium local businesses. In contrary, these retail centres are credited as key for their 'unwavering' drive and potential to attract investments, other developments, monetary benefits for the local municipality through returns (i.e. taxes and rates) and their provision of ease of access to economic opportunities and basic necessities to local residents.

An extensive exploration of the overall impacts of retail shopping centres in townships is not fully realised, as a result of the lack of a clear-cut position between the counter-arguments from critics, sceptics and optimists. Presumably it depends on numerous aspects such as locality, level of change experienced (i.e. socially, economically and spatially) etc. Nonetheless, recognition cannot be taken away from the transformative improvements they have made of which amongst those, includes according to Kallis and Fast (2004), improving accessibility to basic facilities and services which were previously unavailable in these peripheral and underdeveloped third-spaces. DEMACON (2010) conducted a survey study indicating that local consumers carry positive perceptions regarding the

presence and proliferation of large retail establishments in townships such as Pick n' Pay, Shoprite amongst others. This is based on the benefits of receiving secured employments (both temporary and permanent) and access to cheap quality products and services. On a larger scale, it should be noted that the benefits associated with retail go beyond employment and access to goods. According to GPT (2012) the retail sector is a significant contributor to the Gauteng province Gross Value Added which in 2012 was recorded at 26.5%. This was the largest contribution in the industry.

> "One of the biggest tragedies of retail development in the townships is that it has cannibalised local entrepreneurs"
>
> (Boje – adopted from Kgosientso Ramokgopa, 2015).

Generally, the hostile dominance of foreign entrepreneurs taking over township space economies with their competitively and profit-driven retail developments is highly unexplored in secondary-data. In this report, overlooking this would be inappropriate since most township large retails are led by foreign professional entrepreneurs and they constitute a considerable share of township retail markets. According to Kohler (2010) and Modise (2014), since the year 2005 foreign nationals have been infiltrating township economic markets, of which has posed threats towards small local businesses as a result of offering a large stock variety required by local consumers at cheaper prices. Through this, they have managed to attract a large volume of consumers which has meant a retraction of local supporters from small local businesses. Most of these foreign retail owners still receive credit for their unwavering business expertise which has become a drive for them to go against all odds to make considerable gains. Of which consequentially has been the cause behind the rise in the attrition rate of micro and small local businesses. The hostile economic environment foreign retail owners have created is constantly becoming unconducive for these township small businesses to survive or even grow. As explicated by Waride (2014) who is a foreign small retail owner, "I am also struggling like other people, sometimes I have to charge very low prices without even adding the extra charge for my petrol just to keep customers happy". Presumably, for foreign large retail owners to make sufficient returns on their development investments they ought to express a competitive edge through their economies of scale, discounted sales and so on to gain a robust advantage over their competitors. Unknowingly, even if the consequences of their actions may be unintended as often claimed it is still perpetuating the culture of cryonic capitalism and pure economic cannibalism - this term is used to describe dominant enterprises drowning local businesses that are incompetent in the market (Boje, 2015).

It should be noted that this construed harmful relationship between the formal and informal retail sector within township space economies has the potential to spawn conflicts between the private sector and the local municipality. This is by considering that greed-driven economic initiatives with their unregulated outcomes can potentially compromise the policy-direction and the economic trajectory of the country. The result of opposing interests of the state's economic policies and the objectives of the private sector is a problematic concern that is disintegrating the already weak sectoral co-operation. Of which is further exacerbating the potential of collaborative planning which can be used as a tool to help elude the hostilities of capitalism that continue undermining the significance of small local businesses. Therefore, most township informal economic activities being tax evaders does not necessitate the idea of large retail owners deconstructing the local traditional retail structure by creating competitive market forces that come at the expense of these small local businesses. Although most street traders and spaza shop owners are non-tax payers (Liedeman et al, 2013), their significant contributions are still valued within townships. Hence David Makhura has credited them for being prospective 'game-changers' of South Africa's economy. The National Development Plan also stated that prospectively by 2030 approximately 90 % of job opportunities and economic growth will be generated from micro, small and medium businesses (Thulo, 2015).

Although townships in South Africa have always been a hive for entrepreneurial activities, the challenge still remains in the capacity of unlocking the potential of generating extensive economic benefits for all local communities. As mentioned earlier, these benefits have favoured some while others are left disadvantaged. This is tied with the issue of private investors exploiting township markets, as indicated by Thulo (2015) that most of the generated wealth in townships only very little of it stays in that economy. This is supported by a speech given by Premier David Makhura at the Small Business Development Institute dinner in which he quoted a research that indicated only 25% of the entire generated wealth in townships was only used up there (SBDI, 2014). This deprives townships of the potential opportunity to flourish by enhancing the current dilapidated quality of their economy and environments. Even after 22 years of democracy, these deprivations are still worsened by township economic challenges such as the lack of access to funds, low level of skills development, monopoly domination, change of market behaviour (e.g. from in-shopping to out-shopping) and more. On the other hand, Adatia (2010) argues that the growth of retail activities in urban areas has somewhat contributed to the alleviation of poverty standards, low unemployment rates and economic exclusion and inequality. This has also paved way for the increase of small enterprises as key sources of job

creation, economic growth and innovation (BER, 2016). Hence in "2014 the South African government established a new Ministry of Small Business Development" as recognition of the crucial role played by the informal business sector. The aim of this intervention is to facilitate the development and promotion of small businesses (BER, 2014). This initiative was also established on the basis that South Africa is faced with an alarming high unemployment rate of 25% which is aggravated by the lack of skilled labour (BER, 2014). Even so, micro and small businesses are still regarded as crucial panaceas in the improvement of living standards in societies and the stabilisation of the country (Tustin, 2015).

Robbins (2012) describes the efforts of greed-driven local economic developers and investors as being utterly an unorthodox. Their initiatives are criticised for being purely incapacitated to yield transformative results that conform to the organic tradition of township normalities. Presumably, this is considering that their unnoticed intentions are rooted on advancing their hostile economic domination that has shown to discard and deprive the chance of township communities to grow. This includes the necessity of creating a consolidated local economic space that avails opportunities of entrepreneurship, amongst others, to improve the communities already low employment rates. This will allow a feed into the synergy of ensuring integrated development, but the outcomes of profit-led developers have become destructive towards these realisations. This is for the reason that one of the prominent failures of the economic efforts led by profit-driven private entrepreneurs is their incapacity to tie redistributive development with lucrative growth (Boje, 2015). This is realised through the failure of these privately driven economic retails in expanding, supporting or retaining mostly local informal economic activities in previously marginalised areas. A typical example drawn from this can be that of a large retail outlet established in a remotely segregated area without intentions of investing in social infrastructure or local businesses. As mentioned before, such development initiatives result in an outflow of township generated wealth whilst very little of the money is retained within the township economy. Bond (2002) deduces this as an utterly 'unorthodox Local Economic Development' that is dominated by greedy corporates. Deducing from such trends also seen in townships such as Orlando, Tsakane and Vosloorus one can notice that there is a superficial element of partnership between different stakeholders. This is specifically that of the private sector and local municipality. Such outcomes make me question what form of relationship exists between these two stakeholders and what hidden agendas lay behind their concords. Therefore, this outcome exacerbates the possibility of eluding a unilateral dominance of large enterprises over small businesses in the local economic market.

2.2.2. Impacts faced by Local Retail Traders: The Case of Wal-Mart stores in Townships

The point of departure in providing an understanding of the impacts generally associated with Wal-Mart begins with its business operating model. Firstly, a brief overview has to be provided indicating the outcomes of its successful model. As put forward by Wal-Marts (2016) official website, its 11500 retail outlets serves approximately 260 million customers on a weekly basis in the 28 countries and e-commerce locations in 11 countries. Wal-Marts commitment is to bring value to communities and customers worldwide through the creation of opportunities (Wal-Mart, 2016). The strategic model employed by Wal-Marts retail outlets is based on selling a wide range of products to its customers at lower-prices than all its contenders. Hence its operations are reinforced by an aggressive reduction-of-costs and a very effective distribution system. Generally, Wal-Mart aims to target areas where there are already well-established existing operators that are predominately the leading players in that market, as seen in the case of South Africa (Rankow, 2005:1). Hence Wal-Mart has established a well-calibrated business model to bring a robust competitive edge within markets that are highly competitive – in which most large retails are thriving and a relatively few small businesses are stable. It is noted that the superiority gained by Wal-Mart was supplemented through using their purchasing power and dominance in logistical distribution to negotiate with suppliers for better pricing; offer lower priced products particularly in townships and rural areas; and reduction-costs to gain dominance (Dlamini, 2012). As a result, Wal-Marts rivals in such situations lack the stringent capacity to withstand its competitive-drive in which its lower-prices undermine and place pressure on the operational stability of other retail outlets. This includes the challenge of maintaining their customer-base and sustaining their general profit-margins.

Wal-Mart's retail stores such as Shoprite, Pick n' Pay and Woolworths Food have been encroaching the turf of second and third space economies that are mostly dominated by informal retail trades. These previously untapped markets have substantially presented the opportunity of the need of developing economic establishments that can uplift their underdeveloped economies (Ligthelm, 2008). This allowed Wal-Marts private retailers to assert their dominance through offering similar products to those sold by small township traders at a cheaper price and higher quality. This undoubtedly raised competition stakes within local retail markets along with market forces sieving the small incompetent retailers from the trading industry. The hostile dominance of Wal-Mart stores in South African townships has not only led to the displacement of small local retail activities which fail to compete with its competitive trading strategies. It has also led to the obliteration of retail jobs and lower wages (Mtshali 2016 – adopted from

Neumark, Zhang, and Ciccarella, 2008:406). Hanekom et al (2012) argue that the entry of Wal-Mart in second and third spaces can be expected to deepen competition and as a result it will put more force on the already existing average profit-margins. Nevertheless, there are substantial benefits associated with the existence of large enterprises for consumers. This is in the form of lower prices; although this occurs at the detriment of small businesses affecting their chances of sustainability due to the loss of customers.

The aforementioned was a precise indication that the philosophy followed by Wal-Mart through using a lower price operating model has proved to be the drive behind its remarkable expansion and growth within townships. As argued by Wilbert (2006) this has ultimately given rise to Wal-Mart having the power to shape the industry and also influence the labour market. In a similar study conducted out in India by Choithani (2009:6), increased concerns were raised regarding the impacts associated with organized retail outlets (particularly large-scale enterprises) on the performance of hawkers and small businesses. The main concerns were based around micro and small enterprises simply faltering as a result of their incompetency. This was followed by the dire consequence in the deterioration of employment level in the economic sector (Choithani, 2009) due to these retailers losing their businesses. Succeeding this trend was another study which reflected that the impacts of large-scale enterprises indicated a hindrance towards small businesses and hawkers in Mumbai (Dlamini, 2012). This study indicated a deterioration of small retail outlets located within a 1km radius from these large businesses which was directly witnessed after their establishment and inception. During this observation, 50% of the small retails were reported threatened for closure. However Kalhan (2007) puts forward that there is a probability of only 15% of small retailers surviving under such competitive market pressures.

2.3. A Different Outlook on Other Factors at Play: A Complex Dynamic

The debates circulating literature and most of the case studies conducted on the impacts hindering the performance of small businesses have proved to be relatively weak, not only in townships and rural areas but also on a national scale. Hence it must be considered that there are other existing underlying factors that contribute largely to the faltering and deterioration of local small businesses and hawkers which we need to be cognizant of when dealing with such a topic. This section aims to provide a different outlook on other existing elements that have effect and influence on the nature of retailing in township space economies as they are currently undergoing constant transformations.

2.3.1. Perceptions on Other Existing Factors Impacting Small Businesses

Evidently, literature has indicated that there are vast discussions, debates and arguments around the effects and the extent to which large enterprises cause a decline in the pool of local entrepreneurs in urban areas. This is partly a resultant of other existing factors that contribute to the fluctuating unsustainability and lack of resilience of small businesses, such as the low level of skills to operate and maintain a business under general dire economic conditions. SACN (2011) argue that retail traders lacking trading skills, business management and knowledge to start, grow and sustain a business also contributes to their limited survival. It is often exacerbated by the instability of the economy resulting in the traders losing customers due to their high priced products. In such situations, retailers falter due to their incapacity to employ other existing business strategies to withstand such challenges their businesses are highly susceptible to. SACN (2011) puts forward that only very few entrepreneurs gain resilience after experiencing a decline in business performance. This is for example by relocating to operate in a different location and selling complementary goods to those offered by large enterprises. Some find means to provide a different service as a strategy to sustain the viability of their business operations. It is also important to understand that the effects associated with large retails will be context-specific and influenced by the manner in which they operate and the business strategies they employ.

2.3.2. Local Entrepreneurs' Insights on the Effects Contributing to the Decline of Local Retail Enterprises

The survey study conducted by DEMACON on local enterprises regarding hawkers was based within a 2km radius and between a 2km-5km range from the Thula Plaza in Thulamahashe rural area, Central City in Mabopane, and Jabulani Mall in Soweto (DEMACON, 2010). Some of the surveyed entrepreneurs perceived a decrease in the number of local businesses since the inception of these retail centres, and some predicted that there will be a slight increase while others perceived that the will be no change (DEMACON, 2010). The respondents who perceived a decline in the number of local traders based their views on general consequences attributed with the establishment of retail centres. Those who perceived a slight increase formed their understanding on the basis that the emergence of new large retail centres will increase trading opportunities for local residents (SACN, 2011). The few remaining respondents whom perceived no change in the number of local traders had no or a limited understanding of the impacts attributed with the establishment of new retail centres in a township and rural context (SACN, 2011). The perceived positive impacts by the respondents in the DEMACON survey

on Central City and Jabulani Mall indicated that local businesses continued to thrive under the conditions that arose with the establishment of these aforementioned centres (DEMACON, 2010). Some local businesses relocated closer to the centres while some remained operating in the same location but opted to provide different products and services to avoid the possibilities of closing-down. The survey indicated that the benefits associated with relocating in close proximity to these centres for local retailers included:

- An increased visibility of their business for pedestrian traffic;
- A rise in the consumer level along the roads leading to the centres;
- An enhanced supplier linkage(s);
- Opportunities for some local enterprises to base their retail stores inside the centre;
- An increased proximity to public transport amenities; and
- An increase in security levels in-and-around the centres.

The ability of street traders to relocate in close proximity to retail centres enhances their visibility around these large retail facilities. This becomes advantageous by attracting a large volume of pedestrians, which ultimately increases their business consumer level. It gives local street hawkers located within a 2km radius a comparative advantage of enhancing their supplier linkage over other local businesses located 2-5km away from these retail centres. The opportunity of being in close proximity to public transport facilities enables street traders to easily move and access a variety of goods and services provided in the shopping centres, thus reducing their travelling expenditures and duration to avail more income for other business essentialities. This allows the traders to opt for more goods and other services for pedestrian consumption as a way of improving their marketing profile and competitiveness. Through this endeavor local traders are able to gain a higher standard of trading abilities which in some situations avails opportunities to base their businesses within the retail centres. Trading within the centre increases the level of security for the traders' merchandises and properties. It also ensures the avoidance of packing and unpacking their stocks daily and having to transport it back home or elsewhere. This seems to indicate a greater flexibility that can enable the local traders to gain more trading experience and the opportunity to refurbish and grow their businesses.

According to DEMACON's survey, some of the entrepreneurs responded that informal traders have an advantage to relocate to different areas to take leverage of the above-mentioned benefits (SACN, 2011). Ultimately, the result of this is new work zones or trading spaces being created, which in due course

expands the variety of products for pedestrians to choose from. As a result this enhances the diversity, vibrancy and standards of local trading around the location of these shopping centres. It also allows some businesses to adapt to the conditions and fill in the demand gaps in the local market. This stimulates local traders to improve the provision of their goods and services. During the course of the survey, some of the respondents stressed that, "we just could not compete with the prices at the centre" (SACN, 2011), which can be related back to the Wal-Mart case study whereby large enterprises employ business models of product reduction-costs to impose a more advanced competitive edge onto their contenders. In relation to these abovementioned cases, Prof. Andre Ligthelm who is under the UNISA's Bureau for Market Research conducted a study on 350 small businesses around Jabulani Mall. The findings were that 60% of the small businesses closed-down during the initial phase of the mall's inception and also throughout its period of operation (Ligthelm, 2006). It also appeared that competition was not the only factor resulting to the displacement of small businesses. The findings also indicated that those traders lacked individual business skills and resilience to bounce back into trading and sustaining their business's after faltering.

Figure 2: Perceived Impacts on Small Businesses Performance after the Development of Pick n' Pay (located within 600m radius)

	Stock size		Profits		Customers	
	Number of shops/ shopkeepers	%	Number of shops/ shopkeepers	%	Number of shops/ shopkeepers	%
Increased in large amount	0	0	0	0	0	0
Increased in small amount	0	0	0	0	0	0
The same	1	10	1	10	1	10
Decreased in small amount	2	20	2	20	2	20
Decreased in large amount	7	70	7	70	7	70
Total	**10**	**100**	**10**	**100**	**10**	**100**

Source: Madlala, (2015). Do large retailers displace small informal retailers? The case of a Pick n' Pay in Kwamashu, Durban, South Africa.

Madlala's (2015) statistical presentation on this table (figure 2 above) are crucial to this study and therefore support the research focus by indicating that generally large retail stores have more negative

outputs than positive inputs on the immediate small retail shops. According to the table above, a large proportion of the local businesses in close-proximity to the Pick n' Pay store indicate an intense deterioration in business performance in comparison to businesses operating more than 600m away from the store. The main aspects contributing to this decline is indicated by a decrease in profitability, stock movement and consumer volumes since the inception of the store (Madlala 2015). However, it cannot be assumed that the business performance of these small enterprises was affected prior to the emergence of the Pick n' Pay store. This is in a sense that Madlala did not provide data or statistical evidence proving the argument his making. Their performance could have been mediocre before this incident – meaning that one cannot be entirely certain about the findings. This table is a mere representation of the normative perceptions people have when there is a new retail-led development in a township area and also economic transformations in the business market of that area. With consideration of all the above, this goes to indicate that 'distance matters'. In which local entrepreneurs trading in close-proximity to the shopping centres experience a higher severity of displacement in comparison to local trader located further away from the retail outlets.

2.4. An Analytical Evaluation of Key Concepts, Theory and Arguments

Along with the literature analysis provided in the previous sections, this segment of the chapter uses the aforementioned as a backbone to support and advance the arguments and theoretical conceptions to give the research a sense of direction. This is to allow the formulation of a concrete analysis and discussion of the findings. The purpose of this segment is to clarify the key concepts driving the research based on the discussions and arguments found within literature about the research problem. This is in order to find a knowledge-gap to occupy with the fieldwork findings and outcomes. The main conceptions (below) will be further assessed and authenticated in succeeding sections as did in the literature review. The purpose of the section is to also help in answering the questions outlined in the previous chapter. This can be supported by Vaughan (2008) and Maxwell (2013) by affirming that this is an imperative aspect of the research design that also helps in framing a conceptual framework entailing preceding theories, debates, assumptions and beliefs that inform the research. As put forward by Vaughan (2008) a conceptual framework may either be in a graphic or narrative format. Therefore, in this research the representation of the conceptual framework employs both styles of format. The section discusses three main ideas which are:

- Multifaceted Transformations of Local Economic Developments
- Masked Cannibalism in Township Retail Markets

- Dynamics in the Shift of Township Space Economies

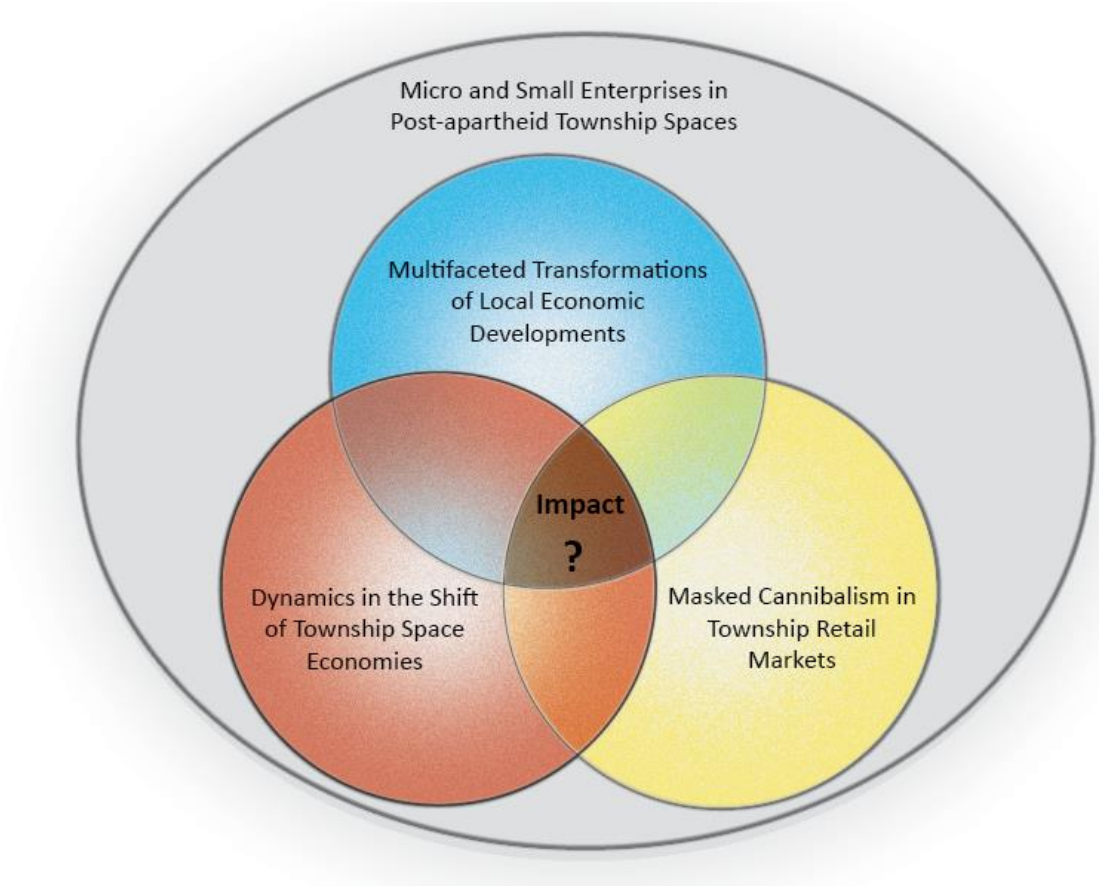

Figure 3: Conceptual Framework Model

2.4.1. Multifaceted Transformations of Local Economic Developments

The three components (Transformation, Economic and Development) forming this concept are widely credited for their significance as seen in South African policies and developmental frameworks. The purpose of these components being employed by policy-makers is to try address or reverse the decadal economic impacts of oppression and exploitation created by the apartheid system. This is designed to also oppose the exclusive disposition of economic domination within the market. Moreover, responding to the contemporary issues and challenges such as unemployment, economic exclusion, poverty in townships and rural areas. An example of such an economic initiative is the Black Economic Empowerment that is broad-based. Principally this economic policy intervention is concerned with addressing the alarming poverty level, unemployment rate, and the needs of most of the impoverished and working black-class groups in this country (Maseti, 2005). This policy seeks to realise these

objectives through the provision of job opportunities and access to basic services such as transports, housing, sanitation, telecommunication and electricity.

Unfortunately, the Transformative Economic Development concept is predominately driven by the private sector in which majority of the large enterprises are dominated by capitalists in this growing economic market. The market forces determine the pace and direction of these transformative socioeconomic developments. Needless to say, the outcomes of this economic policy are conspicuously identified by the devastating conditions they have produced over a period of time (Maseti, 2005). The concern is that it has only done little in empowering black local entrepreneurs operating micro and small businesses. It also includes improving the socioeconomic conditions through its transformations from the time of their establishment. Undoubtedly it has succeeded in empowering the small number of elites, which has ultimately advanced the 'bourgeoisie black realm of capitalists' who tend to ignore the issues and challenges hampering the growth of townships. This is such as the lack of skills development which has exacerbated the exploitation and market domination by these large retail businesses (Mangcu, 2009). This is further argued by the former President Thabo Mbeki (2015) who utterly refers to the BEE as a model that is awfully internalised through its continuation in tipping the scale of remunerations towards the government stakeholders who belong to the higher-class of the strata.

As a result of the aforementioned townships still continue to face socioeconomic issues, hence they remain at the lower ranks. These challenges slowing-down the potential of township developments include the growing income disparities, deteriorating levels of small businesses (spaza shops and street traders) and a highly alarming level of unemployment. Although this is the case, it is crucial to bear in mind that the informal economic sector is predicted to be the future remedy to the high levels of unemployment in South Africa (SBDI, 2014). Therefore, the displacement of small business as a result of the conditional impacts associated with large retail enterprises is an issue that needs to be urgently challenged and addressed. This is in order to improve the current state of the socioeconomic ailments as a way to enable townships to move up the strata. The DEMACON (2010) report indicated that the economic growth interventions in townships have benefits that are far below expectations, however, other individuals are still hopeful that the national economic policy is still developing or improving as it is repeatedly being revised and polished. As argued by Thornley et al (2011), expecting the reversal of injustices (i.e. economic and social disparities, racial disintegration, and spatial segregation) produced over three centuries by white supremacy, colonialism, and apartheid in a few decades is nothing more than a hopeless expectation. The post-apartheid township economic landscape is far from being user-

defined (Maile, 2015), in a sense that in the recent years mostly those with the means of production defined it according to their knowledge. Hence most township economic establishments are driven by profit-driven middle class capitalist to whom as argued by Sihlongonyane (2009), are reluctant to community participation, grassroots development, or transformative local economic development. Considering the above-mentioned, the South African government should formulate a newly developmental and transformational national economic policy that will be people-driven. This is in order to make effective contributions to both the informal and formal economy in townships. This will however help the avoidance of large dominating retail enterprises causing the negligence of smaller businesses in the economic trading industry.

2.4.2. Masked Cannibalism in Township Retail Markets

According to Southall (2006) the so called 'strategic objective of well-established entrepreneurs' claiming to transform townships and empower small black-owned enterprises (spaza shops, street vendors etc.) and stimulate local economic development is to 'a large extent flawed'. This is evidently indicated by the fact that to this point it has managed to empower the few wealthy elites and politically connected groups who hoard the township economic benefits for their own interests from lower income societies. The mere simplicity of both local and foreign capitalists establishing large retail centres in townships and asserting to bring about economic transformations have to a great level failed to make the benefits trickle-down to these lower income societies (Adelman and Earle, 2012). At some point within this phenomenon, small-time-business owners find themselves at the mercy of these 'positively claimed but destructive transformations' which have created a trend of displacement and closure of small township businesses. Mtshali (2015) highlighted that the above-mentioned is more of a global phenomenon rather than a small-scale township incident, in a sense that cities are still moving to-and-fro between exploitative and extractive developmental models. He further argues that these economic transformations both in the global South and global North are extensively experienced by the already established and well-connected groups who further perpetuate the cryonic capitalism, neopatrimonialism and clientelism culture (Mtshali, 2015). In South Africa this may appear as an inadvertent contribution to a vicious economic strategy which tends to support and exaggerate the importance of those in the higher and middle-class strata of the economic status hierarchy.

Undeniably, South African township areas for the last twenty-two years have transformed into 'targeted objects' for retail moguls in the trading market. Surrealists loosely defined this concept - as an object

that is well endowed and value-laden (Ellapen, 2006). When one thoroughly considers and appraises this it comes across as townships being 'objects' that are easily exploitative. This indicates that townships have developed from being secluded spaces to targeted spaces for potential investment and economic developments as it can be seen through the rapid proliferation of well-advanced retail outlets in the CoJ and EMM and also in the southern region. Substantiating on this statement, Mohlaka's (2015) statistics indicate that from the year 2000 the occupied retail space both in townships and rural areas has been estimated to be 1800000m^2. In translation this is approximately an average of 120000m^2 retail built-up space between the year 2000 and 2015. As a long-term outcome of these economic interventions - growth in development, service and infrastructure provision are the 'supposed' expectations. However, to a large extent this is not what is represented on the ground. In realistic terms this is primarily a strategy to make reasonable returns for the investors and developers (Adatia, 2010). Overall, this comes to question if these economic establishments driven by capitalists and middle-class groups serving the lower-income classes are really aiming to improve the economic landscape and the socio-economic challenges in townships or if they have ulterior motives of exploiting these communities and extracting wealth out of these areas as attested in section 2.2.1 above.

2.4.3. Dynamics in the Shift of Township Space Economies

It can be argued that the continuous shifting dynamics of township retail environments has to a certain extent transformed and shaped the former operational nature of the economic industry. The change of the retail-scape is prompted as a developmental strategy seeking to improve the exorbitant socioeconomic challenges acting as stringent obstructions to realising an integrative and coercive future-growth for previously marginalised areas. These perpetual transformations in the nature of the post-apartheid township economic landscape is a product of the effort made by both public and private actors as a supposed strategy seeking to provide benefits, opportunities and add-value to communities. According to OECD (2012) and Parnell and Crankshaw (2013) the identified components of this change in nature includes amongst others a change in the labour market, increased distribution of commercial and industrial nodes, alteration in settlement patterns and other infrastructural developments to ameliorate the challenging conditions experienced by township societies. As put forward by the South African Cities Network, this is admittedly a crucial spatial development transformation in the national context (SACN, 2013). However, it is found that as a result of the unstable macro-economic occurrences, the retail industry has since then been experiencing a fluctuation in business performance provided there are other existing factors that contribute to this economic conundrum (Provincial Treasury, 2012). As a

result, this has led South Africa to having a very dynamic retail industry whereby survival mostly becomes a way of means for retailers (Provincial Treasury, 2012).

As retailing competition laws continuously become consolidated and tougher, the ease of acquisition of profit-margins becomes difficult ultimately putting pressure on large retailers to focus on a three-point growth strategy. It comprises of: a continual organic growth; an expansion into different potential localities; and an urge to control costs through greater efficiencies (Hanekom et al, 2012-2016). This is seen through the proliferation of new retail stores in less competitive environments which in most cases results in majority of the sales being squeezed out of the already existing informal convenience retails (i.e. spaza shops and street traders). This also serves as a potential opportunity for large retailers to dominate and make adequate returns for their investments that will essentially help in enabling future expansions into different localities in need of economic restructuring and enhancement. Seemingly, for most small and micro township retailers these supposedly 'positively economic transformations' figuratively appear blurred to a great extent. This is whereby these micro and small retailers do not overly benefit as compared to other local retailers and consumers. Instead they suffer from these economic developmental initiatives instigated to provide an equal distribution of opportunities amongst societies. These development initiatives should be distilling the retailing spirit of local businesses through empowerment strategies as a way to improve their business knowledge-base, skills and competitiveness within this competitively growing retail industry. Instead, it has in-fact resulted in disturbing the nature of performance for majority of these micro and small businesses, particularly those operating in close proximity to large competitive retail centres. These consequences are identified through the loss of profit-margins and a decrease in the number of customers. This has been a result of the cost-effective goods, services and shopping experiences local residents receive from large retails that places street traders and spaza shops at a high risk of collapsing. Among other factors contributing to the deterioration in the performance of small retail stores and street hawkers, the most challenging according to Thomas White (2011) include stifled competition from formal retail stores, access to funding, high transportation expenses and theft (due to lack of safety and security) which are further discussed in chapter four.

The development of large retail stores in peripheral areas is nonetheless deemed as a good initiative to restructure and improve their weak economic status. According to Wakefield and Cushman (2014) this idea is usually linked to the view that shopping centres have overtime played a significant role in revitalising the quality of life for societies based in cities and towns on a world scale. Although, retail

developments within townships are still perceived by some to have inadvertently colonised the current informal sector, which has brought discussions and arguments questioning whether these economic developments are realistically purposed to 'improve or make worse'. Hence Croote and Goodman (2007) argued that retail development should adhere to the principles of sustainability from their initial phase of planning to the beginning and ending of the implementation phase. This will therefore require a consideration of the implications the establishment will have on social, economic, spatial and environmental aspects within that particular township. However, it should be noted that adopting this regulatory code for strategic urban policy does not ensure the prevention nor will it lead to the diminution of all the other probable negative consequences that may have an impact on these above-mentioned factors.

2.5. Position of the Study in Relation to Secondary data

As a fundamental necessity to the analysis of the nature in retailing and the change in retail operations as an outcome of various factors in South African townships, this chapter has outlined a broader outlook and understanding of the retail economic sector. This research report is narrowed down to evaluating the operation of micro and small retail businesses under the tough conditions and influences of the country's competitively growing economic industry and other underlying factors that contribute to the functionality. This allows for an intensive and effective analysis for the research as opposed to conducting a national or provincial survey which is mostly undertaken by DEMACON at different scales and contexts. As a result, this research seeks to provide an in-depth analysis of the perceptions micro and small retailers in Orlando West have regarding the actual factors contributing to their business performance, as opposed to having reliance on general views or information existing in literature relating to this topic. It is crucial to always comprehend the nature and level of effect these perceived factors have, particularly for disciplines that deal with aspects concerning the change in retailing and economic conditions of a township space economy. As argued by Underhill (2004) and relevant to this research, transformation does not always have a positive and effective outcome especially those driven by profit-makers claiming to bring nuanced economic developments which in reality occurs at the expense of others.

A credible component in precedent literature is a national sampling of key areas, however, the general findings of the perceived factors that have an impact on the nature of micro and small business performances cannot be used to deduce that all MSBs in different localities have similar experiences under such retail conditions. Purposively, this research would be thought-provoking to look beyond

precedent work and peruse the authentic experiences that micro and small retailers have and their outlook on this particular matter. Synthesising local retailer's narratives of the perpetual changes in the nature of township retail structures will hopefully stimulate other scholar's to further conduct investigations to bring this phenomenon to light, as capitalism has indicated to be the main driver of many developments in our developing country and mostly placing a shadow over small businesses, which has become a true manifestation of 'Survival of The Fittest' as Charles Darwin puts it.

The role played by local and international capitalists in previously marginalised and poverty stricken areas is an 'unnoticeable shade of grey' that has a white (positive) approach to redressing past injustices, addressing issues of socio-economic development and service provision through retail-led developments in townships and rural areas. Optimistically the findings in this research will be eye-opening to most in understanding the implications behind private economic developments that are highly profit-driven with no intention of impacting the local areas space economy. Therefore, this should be a lesson that there is more of a reward in empowering local economies and facilitating learning experiences rather than disempowerment. In regards to the current state of retailing in the South African township economic sector, this research study is not by any means attempting to enclose all the indicated research gaps by trying to find plausible solutions to all the challenges and issues raised. Moreover, the research has selectively undertaken a study that examines specific aspects of the retailing market. Therefore, this report has taken the liberty of focusing on the perceived factors contributing to the unbalanced and worrisome nature of retail performances in Orlando West Soweto as a result of the conditions associated with the advent of well-advanced large-scale enterprises. Through that focus, this research seeks to uncover the level of accuracy and relation between what is re-or-presented in literature archives and what appears on the ground in actuality.



A SEARCH FOR RESEARCH TECHNIQUES AND METHODS

3. A SEARCH FOR RESEARCH TECHNIQUES AND METHODS

The preceding chapter has outlined key concepts, debates and arguments pertaining to the research study as a firm basis and theoretical stand for this dissertation. The significance of the aforementioned chapter was to help in identifying a gap in knowledge. The importance of this chapter is to explore, find and sync the different research techniques and methods necessary to answer the key research question. The identified methods also seek to answer the sub-questions that have been formulated as additional layers to supporting the research.

3.1. Choice of Research Methods and Techniques

Ratcliffe and Krawczyk (2005) put forward that urban areas have always been undergoing transformations characterised by complex effects of change, disruptions, breakups and instability. However, Healey (in Ratcliffe and Krawczyk, 2005) reported that this becomes a challenge for planning to adapt and ultimately cope with these adverse challenges. With the aforementioned, this research seeks to investigate the retail transformations in the context of Orlando West by employing a set of research methods and techniques as indicated in the introductory section of this chapter. This investigative task is purposed to comprehend the perceived understandings of MSB owners regarding the factors influencing the changes in their business performances. It specifically focuses on those factors associated with large-scale enterprises in township space economies as explicated in the literature review section. This chapter highlights a portion of the procedures followed to collect data from key respondents which will be further discussed below in this chapter.

The structure of this chapter is arranged as follows:

- Required Research: The Search for More than One Storyline
- Required Information/data and Interview Structures
- Techniques of Acquiring Information and Key Sources
- Interview Themes and Sample Questions

3.2. Required Research: The Search for More than One Storyline

To employ the adequate techniques and methods of analysis is indispensable in determining the plausible findings and outcomes. The main research question allows this study to keep the method simple and systematic, whilst enabling the acquisition of sufficient information to respond to the main

question. Furthermore this allows the research to use one method of input to give an insightful understanding of the research problems. Hence a qualitative research method is employed in view of searching for more than one storyline through investigating the understandings perceived by MSB owners on the influences that impact their business performance over a period of time, particularly in Orlando West. Philip (1997) asserts that a qualitative research is a thorough but small scale non-numeric and humanistic method of approach to exploring intricacies of human experience, which seeks to search for more than one storyline.

Opting for a qualitative method does not limit the potential of this research but rather opens up probabilities of acquiring other undocumented insightful information in great detail. A qualitative research method entails a variety of techniques necessary for acquiring the desired information through impromptu/group/structured interviews, the use of audio-visual media (photography and voice recording), discussions, case studies and discourse analysis. The use of audio-visual media in this research is for the purpose of capturing all the respondent's responses. For example in the case of voice recordings this will be in a situation whereby the interviewee speaks fast or utter certain words in a manner that the researcher cannot transcribe quick enough. Therefore the recording will act as an additional backup supporter for the interviewer to refer back to for additional important information that was not written down. This will also be crucial in a situation whereby the respondent has humongous information to share. However the respondent needs to give permission for such an activity as it is unethical to record someone without their concern. Photographing will also be essential during site visits to indicate the texture of their space economy and the type of enterprise they run. This is provided through a biographical illustration (figure 4.1) in chapter four.

3.3. Required data and Interview Structures - Primary Information: Interviews

The primary information significant for this research study has been conducted and collected through structured interviews with key respondents (MSB owners). This method of acquiring information was predominantly crucial in answering the main research question through allowing interviewees to respond to the listed questions formulated in the interview questions. During the course of the interviews respondents were interrogated in which the researcher transcribed their responses to allow the interviewees to thoroughly think about their answers and to be free when responding instead of them writing down their own responses. This helped avoid respondents in giving short answers which ultimately would have limited the findings for analysis. It enabled respondents to express their insightful views and provide more information on how their overall business performance has changed from

before to now in Orlando West. This avoided single-handedly relying on secondary sources (archival data, web-based search and other existing information concerning the matter at hand such as; in magazines and newspapers) to support the research arguments as a result of the respondents giving short responses.

Undeniably, personal information provided by key respondents was more beneficial in unveiling more than one storyline and it also opened a platform to substantially explore other existing information that is mis-or-under-represented by secondary sources. This is because in most cases what is revealed in documents does not represent what is on the ground. Therefore, this augmented the level of reliability of information since the interviewees are the ones who experience the economic changes occurring in their daily business experiences. The information obtained was useful in understanding the nature of retails (both formal and informal) in a township space economy. In addition, it contributed to the knowledge gap in the urban planning literature by the report asserting a more profound awareness regarding the challenges influencing the manner in which local micro and small businesses function. Through this, a meaningful data analysis was provided and gave awareness that urgent strategic interventions are required from planning professionals to mitigate and regulate economic dominance, exploitation and cryonic capitalisms currently exacerbating the attrition rate of street traders and spaza shops in townships.

3.4. Techniques of Acquiring Information and Key Sources

3.4.1. Capture, Analyse and Understand the Experiences of Respondents through a Qualitative Method of Approach

The necessary information for this report was collected through the researcher conducting structured interviews with key respondents who operate micro and small retails within the space economy of Orlando West. Since there was no particular setting or location for these in-depth interviews, they were arranged according to different dates and venues the respondents were most comfortable with to avoid interrupting their work schedules. The nature of the interviews allowed the respondents to choose a place appropriate for them. For example, informal traders preferred being interviewed while operating their business so that they do not lose out on the opportunity of generating profit. On the other hand, some spaza retailers preferred being interviewed outside their retail stores and having to let their employee(s), family members or friends operate their business even though it came across to the

researcher as a cause of inconvenience. Others chose to give responses while they were inside their stores due to them having to serve many customers. The main aim of using an in-depth interview method was not only for the purpose of getting respondents to answer the questions but as a way to also acquire deeper information from the interviewees.

3.4.2. Exploring the Unknown

A random scan through the streets of a locale can result in discovering other unanticipated information. According to Kawulich (2005) this form of observation is referred to as 'qualitative observation' which entails capturing the nature of change in certain activities of a particular object or subject. This signifies that research methods give a realisation that other unexpected information may arise when conducting fieldwork research. Although this method is time-consuming it does however enable the researcher to be more aware and attentive to the research object (economic landscape of Orlando West in this case), which ultimately boosts the level of quality and accuracy of the information collected. Undeniably, this improves the potential of the researcher being more familiar with the surrounding, but, the shortcoming may be the researcher becoming pressured to do further inquiries. Presumably this can result in more questions arising during this observatory process which can also demand a lot of time. This will further be discussed in the following chapter on the findings.

3.4.3. Submerging into Existing Information

As argued by Atkinson et al (2004) and Bowen (2009) institutional and organisational documents which are also referred to as 'social-facts' are purposively crucial for keeping up-to-date with periodic transformations. Since this research is focused on impact - it is necessary to conduct a comparative analysis of what used to be and what currently is as a way of differentiating and determining the overall changes which was realised through the use of different responses and existing documents that were produced in different times concerning this topic. Even though most of those documents had generic information about South African townships they were however helpful in providing an understanding of the normative nature of retails in local townships. In addition, they were also used as verification to see whether there is a link between the objectives of private retail developers and their supposed claims of seeking to bring about socioeconomic transformation in destitute communities. In addition, more qualitative documents were used as a way of validating the reliability of existing information regarding

township retailing during the phase of conducting the desktop study because not all literature found from the internet is correct.

3.5. Interview Themes and Sample Questions

This segment of the chapter outlines a breakdown of the themes (subheadings) and the categorisation of sample questions used to ask the respondents during the interviews. All the themes below have a specific area of focus that helps to guide the sample questions.

3.5.1. Introduction: History of working experience

Tracking the history of respondents is necessary for understanding local retailers overall business working experience and retailing within a context undergoing economic transformation. The research requires a broader understanding of the periodic changes of their business performance in the Orlando West setting in order to determine the influences behind their retail state by asking questions such as:

- How long have you been in business?
- Why did you decide to go into business?
- From when you started your business have you changed location or your business services, and why?

3.5.2. Source of goods

This theme sought to get an understanding of how effective the relationship between local MSB owners/managers and their providers of goods and services. In certain literatures it is argued that small retail owners find themselves purchasing stock from their competitors such as Shoprite due to that it offers products at lower prices making it convenient for availing more disposable income by curtailing customers shopping and travelling expenditures. Although that may be the case, some argue that the way in which such large retailers function is unsustainable for a township economy. The purpose of asking some of these questions is to find out whether these major stakeholders are cognisant of the kind of impacts their stores have on local businesses.

- Where do you buy your goods and services?

- What influences your choice of sourcing your goods at that/those grocery retail store(s)?

3.5.3. Competition

Gaining knowledge on the competitive nature of a township space economy will help reveal the hidden dynamics driving such local economic transformations. This is to expose the overlooked impacts associated with the processes of large enterprises in becoming competitively dominant in second space economies mostly dominated by small and micro retails. Uncovering this will help determine whether the effects of such competitiveness from large retails, as claimed, are aimed to empower and raise the low entrepreneurial spirit of local informal retailers or to monopolise the local retail market as a way to make considerable gains driven by greed. Hence the research asks questions such as:

- Do you have competition with other traders?
  - ☐ Yes
  - ☐ No
- What relationship does your business have with medium and large-scale enterprises in the Orlando West neighbourhood?

  - ☐ None
  - ☐ They are a threat to my business
  - ☐ Just Competition
  - ☐ They are my suppliers
  - ☐ They help in bringing more customers around

3.5.4. A Basket of Goods Assessment

The system of goods analysis is basically a method used to determine the impact large enterprises have on people in Orlando West and other immediate surroundings through the business models they adopt to operate their businesses. Initially the choice of this method was informed by the interviews conducted as some of the respondents tended to mention that the kind of services customers receive from different grocery stores determines where they will mostly shop which is the place with the most benefits. Although this theme does not hold much relevance to the research in comparison to other themes outlined in the report, it is purposed to acknowledge that a retails business performance is not only determined by the quality, price or marketing of the products and services provided by the retailer. But it is also determined by the customer market it has and serves. This goes without saying that ‘a business is nothing without its customers which can relatively be compared to a vehicle without an

engine'. Hence customers are a vital fuel to a business's drive. However, the existence and establishment of new large enterprises in township economic markets has brought severe competition through the use of their advanced strategic business models. This includes price-reductions, advertisements and quality products, amongst others, to attract the low-income groups they service. This has been the result of spaza owners and street traders losing support from their customers. Therefore asking these questions below is to explore and understand other existing factors influencing the change in the nature of business performance in Orlando West. This is to avoid being narrow-minded and only focusing on impacts associated with large competitive enterprises.

- Who are your main customers?
- As a business owner do you lose markets for your goods as a result of the entry of large retailers?
- How has that grocery retail store increased economic opportunities for local small and micro enterprises?

3.5.5. Perceptions

The mandate of this theme is to acquire narrated perceptions of micro and small retailers on their general trading experiences and the transformation their businesses have undergone throughout their retailing lifespan. Obtaining such empirical findings allows the provision of reliable information as it is based on their daily experiences, instead of depending on secondary data. To realise this it required formulating open-minded interview questions that will enable the participants to openly express their thoughts and feelings. This is for the basis of bringing awareness to their attention of existing plausible strategies they could employ to use as a way to overcome the fear of displacement.

- How do you think doing business in this location is beneficial?
- What are the positive and negative outcomes that come with this relationship?
- What advantages do you think your business has over large enterprises?

3.5.6. Approaches to Competitiveness and Knowledge of Other Existing Business Strategies

This theme sought to get an understanding of the extent of business knowledge-gap the respondents have. This is considering the availability of existing business strategies they can potentially employ to improve their business competitiveness, and if whether they have resources to access such information.

To avoid incompetency, large retailers adopt and master several trading economic models that ensure successful returns on their retail development investments. However this requires access to resources of which most informal retailers presumably do not possess to allow their businesses to survive market forces that are constantly disempowering local entrepreneurs.

- With that being said, how do you then respond to competition in a nutshell?
- What business strategies do you use to avoid falling out of business?
- What other business strategies are you aware of?

3.5.7. Skills Development Opportunities

From a planning perspective, most local transformative economic developments are deemed as responses to socioeconomic issues with capacities to attract investments and other developments (i.e. institutional, office, economic, etc.) and empower local retailers. However, the advents of large retail establishments within second space economies have shown to create transformations that have varied impacts in different communities. This theme sought to peruse this phenomenon and find out whether large retail developments are lucrative strategies for township economic growth that avails opportunities of skills developments or if they are simply initiatives perpetuating the culture of capitalism. The basis of this is to urge the state to necessitate implementations of responsive tools that address the lack skills development opportunities. This is to ensure a creation of a competitive local labour pool in townships. Hence this research asks:

- Do you think your business would have performed differently if you knew more about other business strategies?
    - ☐ Yes
    - ☐ No
- If possible, would you like to see more entrepreneurship programs that teach the youth and local residents of how they can start their own business and how they can survive?
    - ☐ Yes
    - ☐ No
    - ☐ If maybe, please state why?

3.6. Difficulties Experienced in the Research Study, and Summing up

Several hitches were encountered during conducting fieldwork. Sometimes the owners were never around and they had left their newly recruited employee(s) to manage the store on their behalf, particularly spaza shop owners. Some of these employees had lack of knowledge or information about the nature of the business performance of that store before they began working there. This meant making regular visits just to catch the owners on time to get the necessary information, but few always had errands to run. So I had to look for other potential participants just to avoid limiting the findings. Of all the approached retailers, three Pakistani spaza shop retailers refused to be interviewed and were reluctant to discuss if whether their business was declining, stagnant or improving prior to the development of Maponya's Shoprite Centre. It seemed exposing sensitive details about their retail stores to a stranger (the researcher) would compromise their business or they were sceptical of my motives with the information, so I had to look elsewhere. The hassle of striving to get sufficient respondents resulted in the research taking approximately three to four months of occasional fieldwork visits which eventually got down to 11 participants. This overall process of obtaining information was lengthy, dreary and costly especially on numerous occasions where I did not get anything out of the visits. Of the 11 respondents acquired, three expected some form of reward (i.e. money) for their participation in the research study which is unethical for any researcher to even consider, but after convincing them of the importance of this research for an Honours qualification they then understood and felt willing to help. Another setback for the research was not finding information about the three out of the four spaza shops that closed-down regarding the main reasons behind their businesses collapsing or even relocating and maybe how they dealt with the issues if this was a result of competition from Maponya Shoprite Centre. So this meant relying on the information obtained about the other one spaza shop of which was provided by an informal trader operating in close proximity to that shut-down spaza shop.



AN EXPEDITION OF FINDING THE FACTS IN THE STREETS OF ORLANDO WEST

4. The Exodus Point from a Desktop Study to Fieldwork Research

This chapter presents the qualitative findings acquired from conducting fieldwork according to the identified research tools to enable a deconstruction of the results through a presentation, analysis and discussion format. The first segment of this chapter provides an overview of the information collected from the site visit through interviews and empirical observations. Consequently, the second segment is a presentation of the collective analysis of the findings gathered from the respondents that are supplemented with relevant in-depth discussions and debates from existing secondary data. The last section presents the final finding obtained later during the interviews and a summation of the vocal narratives.

4.1. Vocal Narratives of a Multifaceted-Story: Fieldwork Findings

In this research, the multifaceted responses to the main research question were captured in the form of voice recordings, fieldwork notes and empirical observations. The basis of employing these technical research methods was to enable a thorough discussion of the vocal narratives in order to provide a more holistic analysis of the findings. However, to ensure a reflexive discussion a detailed narrative needs to be presented to support this process (Charlton & Shapurjee, 2013:6). For this chapter of the report, the vocal narratives of the small sample size of the interviewed local retailers have been supplemented with relative secondary data to provide a more critical analysis. Before dissecting the findings it is of paramount significance to provide a biographical representation (figure 4.1.) of the respondents (where consent was granted), occupation, their retail typologies, duration of operating/trading and a description of the type of products they sell. This visual aid is purposed to allow the readers to get a general idea of the research objects this research dealt with in the study area as a way to give breath to the perceived narratives of the respondents.



Name & Surname	Jory Rahija
Gender	Male
Occupation	Retail manager
Retail typology	Spaza shop
Duration of trading	8 years
Products sold	Milk, eggs, cold drinks, bread, snacks, sugar, rice, fruits & vegetables, etc.



Name & Surname	Andrew Masokameng
Gender	Male
Occupation	Retail manager
Retail typology	Spaza shop
Duration of trading	4 months
Products sold	Kota's (bunny-chows) cold drinks, snacks, fruits & vegetables



Name & Surname	Lebogang Mogekwane
Gender	Female
Occupation	Retail owner
Retail typology	Street trader
Duration of trading	5-7 years
Products sold	Fruits and Vegetables



Name & Surname	Eujenia Mphanya
Gender	Female
Occupation	Retail owner
Retail typology	Street trader
Duration of trading	15 years
Products sold	Fruits & vegetables, snacks



Name & Surname	Rovunda Mzizi
Gender	Male
Occupation	Retail owner
Retail typology	Spaza shop
Duration of trading	18 years
Products sold	Kota's (bunny-chows), snacks, cold drinks, airtime



Name & Surname	Titas Valoi
Gender	Male
Occupation	Employee
Retail typology	Spaza shop
Duration of trading	17-18 years
Products sold	Kota's (bunny-chows), snacks, cold drinks

Figure 4.1: Presenting a series of respondents biographies and descriptions of the type of business they operate and the goods and services they sell.



Name & Surname	Jabulani Eustice Xaba
Gender	Male
Occupation	Retail owner (professional chef)
Retail typology	Spaza shop
Duration of trading	2-3 months
Products sold	Pap, rice, beef stew, steak, chicken, chicken livers, soft drinks, Kota's (bunny-chows)



Name & Surname	Daniel Moloro
Gender	Male
Occupation	Retail partner
Retail typology	Street trader
Duration of trading	1 year and 6 months
Products sold	Arts and crafts (wrist bands, da-shiki's, wooded animal action figures, bangles etc.)



Name & Surname	Pitsi Mokgalaka
Gender	Male
Occupation	Retail partner
Retail typology	Spaza shop
Duration of trading	3 years
Products sold	Maize meal, bread, tin products, snacks, Milk, cold drinks, fruits, etc.



Name & Surname	Thato Nong
Gender	Male
Occupation	Retail owner
Retail typology	Spaza shop
Duration of trading	1 month and 2 weeks
Products sold	Cereal, snacks, milk, cooking oil, cigarettes, bread, coffee, fruits and vegetables, etc.



Name & Surname	Kabelo Mashabela
Gender	Male
Occupation	Retail manager
Retail typology	Spaza shop
Duration of trading	6 years
Products sold	Kota's (bunny-chows), snacks, cold drinks

Figure 4.1: Presenting a series of respondents biographies and descriptions of the type of business they operate and the goods and services they sell.

The main focus of this research study was to investigate how street traders and spaza shop owners conceptualise and understand the impacts associated with the proliferation, presence and operation of large retails in townships. The basis of this was to comprehend how they impact, influence or contribute to the way their nature of business performance has changed, specifically examining the Orlando West space economy. Through perusing those findings which will be subsequently discussed in detail, it was noted that a bulk of the perceived responses obtained from the participants were relatively similar to the information provided in the literature section. The existing link found with this similarity is identified by the fact that there is nothing uncommon about large enterprises impacting local businesses, whether economic or institutional in previously marginalised areas. Normality indicates they dualistic nature to being either detrimental or beneficial. In most situations, it is argued that these economic establishments are nothing more than profit-based interventions led by middle-class and elite capitalists. Their motives are criticised for taking advantage of these currently growing wealth generating opportunities presented by disadvantaged communities in need of improvements in local economic development, employment, poverty alleviation and social growth. Hence, when a good and service or amenity is highly in demand and not easily accessible for local residents - the 'abled individuals' tend to take the liberty of providing these services. For the main stakeholders, this however comes with a commitment of generating returns on their investments instead of highly prioritising the improvement of current severe states of socio-economic challenges hindrance to these areas growth and development.

Even so, this form of business initiatives seldom puts other entrepreneurs at high risk by incapacitating their ability to grow their business ventures. This is due to the crippling conditions they are pressured to operate under, as a result of the emergence of these highly competitive businesses in townships such as Wal-Mart's retail chains (e.g. Shoprite, Pick n' Pay). The findings indicate that these dire retailing conditions are more likely to stifle small and micro retails as large enterprises offer quality products and use cost-reductions (amongst others) to attract a plethora of local low-income consumers. This is further discussed in the subsequent sections. As a consequence, the loss of financial support from local customers ultimately restricts local retailers from generating and reaching their standard profit-margins. However, the severities of the impacts differ from retailer-to-retailer depending on each ones level of susceptibility, resilience, adaptability and business knowledge-base. Hence these aspects are regarded as crucial survival mechanisms that help in sustaining the lifespan of a business, since the attrition rate of small local entrepreneurs is high in this competitively growing trading industry.

Some of the extracts acquired from the conducted interviews indicate that besides competition, other existing factors such as the lack of access to loans, location, low infrastructural security (secured trading facilities), crime, low levelled business knowledge, weak marketing skills and experience contribute to the under-performance of certain local businesses. In addition, due to the vast deterioration in financial gains and support market, most street traders have co-located their businesses with Shoprite as a strategy to revive the normal state of their retails (see figure 4.3). According to this interviewed traders, the aim was to take advantage of the high volume of pedestrian and vehicular traffic around the Shoprite's business site (see figure 4.2). However, this necessitated the investigation and understanding of the 'past and present' transformations experienced by the interviewed local retailers. This was to measure and determine the extent to which large retail stores influence the current performance state of local retails. Although this was not the main research focus for this study, it enabled the researcher to find a missing link between the existing information and perceived narratives. Therefore, this report necessitates further research being conducted by other scholars interested in exploring this focus to increase the lack of knowledge and understanding on this matter. This would help in filling in the widespread gap on the periodic changes micro and small retails experience 'before and after' the establishment of a competitively advanced large enterprise, particularly in townships. This extrapolated finding is further discussed in section 4.2.1 for the purpose of assessing and drawing conclusions on the extensive transformations caused by Maponya's Shoprite Centre on the traditional retail structure of Orlando West.



Figure 4.2: Maponya's Shoprite Centre - the investigated large retail centre percieved as the main influence behind the underperformance of some local street traders and spaza shops, particularly those in close proximity that have not adopted other meausres to avoid being displaced because of competition.



Figure 4.3: Street traders who co-located in close proximity to Maponya's Shoprite Centre - as a strategy to take advantage of the high volume of pedestrian and vehicular traffic in that surrounding.

4.1.1. The Nature of Micro and Small Business Performance: 'Before and After' the Establishment of Maponya Shoprite Centre

In spite of the current state of Orlando West's economic retail-scape, there are no available documentations or provisions of information perusing the overall retail performance of local businesses 'before and after' the development of MSC (Maponya Shoprite Centre). Although this is not a primary focus for this research, it is however crucial to investigate other existing dynamics that have influenced the state of transition in the business performance of local retails. For the purpose of this research, tracing the periodic changes of micro and small businesses is essential to understand how they previously performed and how much transformation (either detrimental or beneficial) they have undergone after the development and operation of MSC. Although this information is based on a small sample size of interviewed local retailers, gaining this certainty helps the report in assuring the accuracy of the overall impact most large shopping centres have on small local businesses in township space economies. However, the general consensus gathered from the respondents demonstrated that the space economy of the study area was previously not this sophisticated or competitively-driven. So this indicates the level of effect Maponya's Shoprite Centre has had on the area's economic environment.

Although the area is not extensively overtraded, constant infiltrations of privately-driven large shopping centres in this township are perceived as main catalysts behind the area's growing economic conundrum. This issue is derived from the continual displacement of small and micro retails out of the local economic industry as large enterprises enter and dominate the local market. This reality is demonstrated by four spaza shops which closed-down when Shoprite began operation as a result of its high competitiveness. Three of these spaza shops where discovered through conducting spatial observations during the site visits and one was brought forward by Daniel Moloro (interviewed retailer). Even so, these fuelled economic initiatives occurring in previously marginalised areas do not show signs of coming to a halt, or even mitigating their competitive statures to reduce their effects on local businesses. Therefore, these actions prospectively affirm that the realisation of informal economic activities being the main key-game-changers of the South African economy and alleviating the exorbitant unemployment rate is engraved in a broken vision, if this endures. Hence government officials, economists and planning practitioners need to curb this issue that originates from the unstable alignment between development objectives of professional entrepreneurs and state economic development frameworks. This will help in ensuring sustainable developments that yield beneficial results and not those that comprise the 'Other'. In this research - Other is appropriated for

disadvantaged (e.g. financially bankrupt, incompetent, lacking effective trading skills) micro and small business owners. So delaying the process of redressing and addressing this intensifying problem will overtime pounder the potential growth of small and micro local businesses. This is due to that such outcomes mostly make street traders vulnerable and susceptible to faltering and displacement as a result of their incompetency. Furthermore, it blurs the realities of achieving placed-based developments that are fuelled by both the informal and formal economic sector.

According to the respondents, the most formidable factor that largely contributed to the fluctuation or collapse of most local retails performance was the lack of access to capital, which is primarily a great challenge in developing countries. Whilst majority of the large retailers have high financial stabilities which enable them to pursue most mandatory business operations, such as expanding their business ventures, cartels and improving the quality of their marketing and trading. However, this issue of credit is still a continuous conundrum. This is indicated by statistics put forward by the World Bank that approximately 50 percent of SMME's lack access to loans or capital even though they are a crucial contributing sector in most economies of developing countries (World Bank, 2015). Moreover, when taken into account the gap of financing is particularly extensive for micro and small businesses. This is due to their weak and instable financial backgrounds, and presumably the systematic structure of the loan banks or lack of education disadvantaging their chances of receiving sufficient loans to sustain their businesses. As put across by Gbandi and Amissah (2014), gaining access to external funding is still a huge challenge for micro and small businesses as a result of their failure to give collateral assurance or security that money lenders necessitate. For majority of the small and micro traders this perpetually acts as a barrier to realising their goals of business growth (financial returns) and retail expansions. This includes asserting a more vibrant and competitive stature that will eventually place their business in an improved standard within the commercial industry strata.

As put forward by Mphanya (2016) the issue of lack of capital has lured her business into different undesired streams which in most cases nearly led to the verge of losing her retail. This is due to having financial instabilities which is a huge contributing aspect that helps in determining where your business will end-up. In addition, the entry of the Maponya Shoprite Centre has not dramatically affected the performance of her business when compared to the latter. But it has slightly helped in reducing the costs of commuting to Cash and Carry to purchase stock for her business, although there has been a decrease in the consumer volume for her business. Therefore, reducing costs has availed more disposable income for other business necessities. On the other hand, Masokameng (2016) explained

that due to retailers facing experiences of continuous difficulties in lack of finance and often support from locals, it is not alarming to witness some retailers desperately resorting to illegal means of acquiring additional funds as their beacon of hope to sustain their business operations. This indicates that stiff competition from large enterprises seldom forces small retailers to act maliciously for their means of survival.

As opposed to the difficult financial experiences Mphanya faces, Mogekwane's business had a different turn of events. According to Mogekwane (2016) the performance of her business was often slumping with no optimism of growth after 5-7 years of trading in the south-east location of Orlando West. This was due to the lack of customer support and the issue of offering goods and services similar to those offered in other nearby spaza shops and informal traders who have been operating in that same location for over a decade and a half (average of 14-20 years). To bear in mind this was before the establishment of Maponya Shoprite Centre. In addition, she further expanded that retailers lacking a rich business knowledge background is a huge disadvantage that confines their options of strategies to employ when most necessary. She also commented that during the beginning of last year, a few promoters came by to give awareness of a new developing entrepreneurial program initiated in Dobsonville that aimed to educate local street traders and spaza shop owners about the fundamentals of starting-up, growing and sustaining a retail business. According to Mogekwane (2016), this program was seeking to help improve the low-level of business skills local retailers have and those interested in starting an informal retail. However, this promising opportunity was shuttered due to the program being a failure. Mogekwane (2016) also explained that, "the entry of Shoprite Centre presented an opportunity of transforming the previous relatively poor state of her business performance". This was through relocating her stall to the West part of Orlando West where Shoprite is developed as a strategy to take advantage of the vibrant pedestrianly environment created around that business site. Moreover, to withstand the competition she has with Shoprite she had to change and sell complementary products. This became a soughing learning experience as a strategy to use for generating an improved profit-margin to help augment the nature of her business performance. This is further explained in section 4.3.1.

4.1.2. Perceived Understandings of the Impacts on 'Street Trading and Spaza Shops'

Despite the current efforts of the South African government necessitating the formalisation of small and micro businesses in townships, they have only been widespread in literature but dormant in

implementation. Existing data indicates government plans overhauling their significance through implementing strategic business policies that will give recognition to their abundant contributions within the country's economy. However, issues of trading restrictions still prevail within most privately-owned spaces, which reflect some of the relenting economic heirlooms of apartheid. These policy restrictions were the primary contributing factors behind townships and rural areas having weak and unstable economies. This further led to the creation of some of the exorbitant injustices exacerbating the livelihoods of many impoverished communities. After this dejected period of confinement to being acknowledged on a broader spectrum and credited by the government as one of the prospective drivers of economic opportunities and poverty alleviation, small businesses have managed to paint their blueprint throughout developed and developing countries as a crucial economic sector.

However, this credible acknowledgement emerged at a time when the private sector had already viewed townships and rural areas as underdeveloped spaces that need serious spatial improvement. Hence they began ceasing the opportunity to mark their own blueprints in township territories through developing large economic activities as 'supposed' improvement planning initiatives purposed to curb some of the challenges experienced in previously marginalised areas. However, the setback of these economic endeavours has been the result of a constant decline in the volume of local economic activities and entrepreneurs, due to high challenges of competition for customers and profit. For example, Orlando West has experienced the close-down and displacement of 4 (sample) spaza shops after the completion and operation process of Shoprite began. Nonetheless, the objectives of the main stakeholders behind the development of Shoprite specifically in Orlando West were not clear-cut. The assumption is that it is merely a privately driven establishment that is profit-oriented due to incidences of several small economic activities shutting down their doors due to its high competition. As a result, this brings to question whether the development of Maponya's Shoprite Centre is really a precarious or lucrative initiative for the Orlando West's space economy.

According to the debates in literature and the findings concerning such matters, it is noticeable that such economic establishments have a nature of showing dualistic externalities (both positive and negative). This is due to that most local residents deem such establishments as crucial for uplifting the livelihoods of disadvantaged communities. Through, for example, attracting domestic and foreign investments to help rejuvenate and ameliorate the socioeconomic injustices impeding the growth and development of townships. For instance, this is seen through infrastructural developments that employ local residents to undertake construction jobs, thus contributing to the alleviation of unemployment.

While on the other hand, several local retailers are found at the expense of such economic developments. This is whereby competitive conditions in their economic environments often result in the loss of their jobs, thus indicating that few benefit from economic developments whilst others are side-lined or hindered. As argued by Madlala (2015), it is highly undeniable that commercial developments have, to some extent, altered second space economies in South Africa through restructuring their former economic geographies. Seemingly, such transformative economic developments still show an unequal distribution of benefits in most societies. Some have been more biased than fair. The already mentioned situation in Orlando West relates to this phenomenon whereby local residents are said to have benefitted more now. This is from avoiding unnecessary expenditures of out-shopping to changing their travelling patterns and consumer behaviours by conducting in-shopping. This has been the effect of Shoprite being in ease of access and offering low-priced quality products to the areas low-middle income community. While few spaza shop retailers and street traders lose their local market supporters, thus impacting their financial growth and a few running out of business. This goes without being contested that the nature of the retail industry in Orlando West is constantly transforming, but in favour of the well-established retailers. Even so, the eThekwini Municipality continue arguing that developing corridors and formal nodes are mandated to create economic opportunities not only for local communities, but for all the effected individuals as indicated in their municipal documentations. In essence they have shown to have different effects.

Mphanya (2016) has put forward that she has recognised the periodic changes in travelling patterns of most local residents. For her as a street trader, opting to be a regular consumer of Shoprite's goods and services has not only helped curtail her long commutes and non-cost-effective expenditures of transporting her stock. It has also availed sufficient disposable income for other business necessities such as purchasing a larger amount of stock at a lucrative rate. This has been beneficial for Mphanya, considering that previous processes of conducting weekly-to-monthly shopping elsewhere were not conducive for maintaining the financial stability of her business. Contrarily, the alteration in shopping patterns for some spaza shop owners has been overly different. The findings indicated that some still choose to support their old trusted retail centres in the inner city of Johannesburg and in other immediate vicinities, instead of Maponya's Shoprite. These responses were derived from the understanding that the Orlando West Shoprite Centre does not offer a surplus of goods these traders highly prefer to trade in their stores. According to Mashabela, Rahija, Nong, Mokgalaka and Xaba (2016), their preference is exceedingly different to most of the street traders who have altered their shopping patterns and resorted to in-shopping in Shoprite Centre, Royal Hyper and other Pakistani supermarkets

which do not provide the products required for their businesses to have a comparative and competitive advantage. Therefore, it can be deduced that competition for a high volume of consumers and profit-making is attained by offering different goods and products that set your business apart.

It is clear that the influence of Shoprite has had various effects on different local businesses. As indicated by Mokgalaka (2016), there will always be different shortcomings at various intensities bewildering different retailers at unequal rates, because in this competitively growing retail economic market it is all about "who can survive from the biggest sharks, since we all swim in the same pool". Therefore, it must be noted that the lack of knowledge-based capacity limits some retailers from the probabilities of survival, although this differs from business-to-business. Hence few retailers become displaced due to their incapacity to withstand the pressure of competition and other factors that highly contribute to such an outcome. Hence Moloro (2016) stipulated that the general causal behind the closing-down of anonymous 1's spaza shop (figure 4.4.) was the dramatic deterioration in stock movement, consumer levels and profitability ever since the operation of MSC in Orlando West. Generally, the overarching result in relation to this finding was the indication that only a larger volume of the spaza shops far from this store experienced a slightly severe impact (see figure 4.5). This supports the extensive studies, arguments and discussions found in secondary-data. By suggesting that although these economic developments have produced positive transformations within second economic environments, negative effects have shown to be more hostile towards small and micro businesses in close proximity to these retail stores.

> "The retail business environment is becoming increasingly hostile and unforgiving, with intense competition from both domestic and foreign competitions" (Madlala, 2015).







Figure 4.4: *Closed down spaza shops in Orlando West* – This photographic illustration shows few of the currently non-operational small retail businesses in the study area's space economy due to their incompetitiveness and incapacity to withstand competition from Maponya Shoprite Centre.



Figure 4.5: These photographs show spaza shops (sample) that are located at a much further distance from Maponya's Shoprite Centre. Hence they have experienced the least severe impacts of competition. However, they also face issues of having lack of customers in comparison to the street traders and few spaza shops that co-located with Shoprite to take advantage of the high pedestrian volume passing-by.

Although it is highly impossible for small local traders to compete with large enterprises on many levels, Xaba (2016) brought forward that the only insurance of survival for small local businesses in such conditions is adopting and using effective business strategies. For his business, he employed the conduction of quarterly assessments of his business's strengths, opportunities and weaknesses. With this, he committed to a strategy of providing a mixture of merchandises which his competitors do not offer since the standards of competitiveness have levitated. This relates back to what was discussed above, of some retailers opting to offer different products that are in demand but not offered by their competitors to gain a comparative and competitive advantage. Most of the respondents seemed to not perform such an assessment to help adjust and augment the slacking aspects of their businesses, which is obviously disadvantageous for future retailing purposes. This is indicated by street traders such as Mogekwane, Moloro and Mphanya who casually experience financial challenges which prevent them from making mandatory changes to the goods and services they offer. As a result of the issue in affording and maintaining such a transformative business endeavour.

Even though it is not predictable, the performance of micro and small retail businesses may improve and increase their chances of survival in the future. This is if they become more aware of clear business strategies to use in this growing competitive industry. Through acquiring the dynamic learning aptitude of various existing business strategies, this will enable them to change, coalesce and apply their newly absorbed knowledge in their business operations to ameliorate the performance of their business. The

capacity for small and micro retailers to absorb knowledge-based information on the necessary structuration and usage of business strategies needs to be necessitated and facilitated through government programs formulated to help improve the operation of small business retailers. Nevertheless, these anecdotal statements need further investigation and assessing in future studies to determine the extent of impact the knock-on effects of these strategic interventions have had. This is due to the incremental improvements currently being made in some government programs that seek to redress the hampering issues small and micro businesses in developing countries face. This is rooted on the issue of most state policy programs being a failure in implementation, so this action is one of the responses to ensuring a success of their supposedly transformative economic strategies.

4.1.3. In Business 'Money Talks and the Poor Walks' – It's Called 'Survival of the Fittest'

It is undeniable that the proliferating development of large commercial activities in most urban areas has, to a large extent, contributed to the transformation and improvement of many of these areas economic geographies. However, it has to be highly noted that these forms of spatial and a-spatial changes emanating from the mushrooming of economic establishments are very much context-specific. Hence studies have shown that since post-1994 their impact in certain space economies has been the influence behind the improvement in the number and capacity of some local businesses in being competitive (Madlala, 2015). Whilst in certain areas it has evidently been a cannibalism turnout, in regards to the capitalistic exploitations resulting in the displacement of other incompetent local small businesses throughout the South Africa economic industry. Such outcomes are highly undocumented or reported in literature. Hence further research should be necessitated for the purpose of finding solutions to these continual conundrums. Nonetheless, this issue has to an extent sparked some attention and debates amongst politicians, city-officials, local citizens and academics which has prompted a few initiatives, but progress is still trailing behind. This is seen through a recent introduction of the radical economic transformation concept incepted by David Makhura that aims to curb this growing issue and facilitate the necessary assistance to small and micro businesses (Makhura, 2014). The uncertainty with this endeavour is whether its implementation will reap the desired outcomes.

In light of the above, Xaba, Mashabela, and Mzizi (2016) had argumentative perceptions against the impactful blueprint that is being painted across Orlando West's economic landscape. Their overarching argument was that credit cannot be withdrawn from what these large retail enterprises (e.g. supermarkets) have achieved, particularly for the local residents. However, the setback is that their

dominating competitiveness is somewhat recycling the apartheid economic heirloom of informal retail activities being demoralised and extorted, since most (unregistered businesses) are known to not contribute to the country's GDP because they fall under a non-tax-paying sector. Even so this does not blind-sight the reality of both foreign and national private entrepreneurs threatening small and micro businesses and presenting a hostile takeover of townships space economies through their vertical ownerships, collusions and competitive cartels (GDED, 2014). So the realities of praising their business acumen and significant contributions to the townships retail market while black-owned informal economic activities barely make considerable gains in this local harsh competitive industry is perplexing.

Amongst other reasons, Onyeani (2000) puts forward that a vast majority of entrepreneurs running large enterprises have acquired the economic mentality of the spider-web that has allowed them to competitively operate their businesses in most space economies. This business model is known to be very effective. Hence it has become easy to attract the local market and gain a higher consumer rate due to, for instance, selling their goods and services at a low price without incurring a big loss. This model has capacitated them to survive even in the most economically deprived environments with harsh economic climates. Unfortunately, this is entirely different when coming to local street traders and spaza shop owners. According to Rahija (2016), "sometimes I have to cut down my product costs because whatever I sell is probably sold by Shoprite at a lower-price, so I have to do this just to keep my customers satisfied although it makes me lose a lot of money". The understanding derived from assessing these statements is that those with affluent financial means are leveraged to advance their business operations. Whilst those with economically disadvantaged backgrounds find themselves restrained from taking advantage of most resources and opportunities such us paying to be facilitated with business knowledge.

According to the Topco Media (2015:7) publisher of the 'top-500' magazine which conducted an interview with Christo Wiese (business-man); extrapolated that the country of South Africa offers an opportunity for being a "value for money terminus" to the global business market. Amongst these areas include economically depressed areas such as rural areas and townships. As seen through these underdeveloped, supposedly 'fetish-objects', that present development opportunities to most entrepreneurial capitalists. Although this is a factual statement it must also be noted that another contribution to these rapid growth of retail establishments is a result of the urbanising population from rural areas and other remote areas to settle in township settlements for better social and economic opportunities. Therefore, the rise in populace stimulates the growing demand for more accessible

township retail centres that are mostly available in the City of Johannesburg. Ultimately it presents a perfectly opportunistic platform for these retailers to explore and dominate new markets in different economic grounds. And as seen, dominance forcefully reveals the weakness in others as indicated by the Orlando West's Shoprite impacting four incompetent spaza shops that resulted in shutting-down. According to Mr. Xaba (2016) when asked, even though your business has competition with Shoprite do you still plan to grow your business? He replied that "of course but Orlando West's trading industry is not as it used to be - now spaza retailers and street traders are constantly experiencing a constant growth in retail competitiveness". Meaning that, some of these local retailers live in fear of losing their only source of income.

As argued by both Pellissier and Nenzhelele (2013), this rapidly trending phenomenon of retails infiltrating townships and rural areas is deemed as a business strategy retail investors and developers use to dominate economically deprived local markets through mobilising on unique available opportunities. Such an endeavour is often referred to as 'masked cannibalism', whereby large shopping centres flock in for other reasons than financially supporting micro and small local business, or empowering them. Masked cannibalism in this report is appropriated for 'hidden intentions'. Unfortunately for most small and micro retailers in Orlando West who experience these harsh contingencies, figuratively feel like they are 'pushed into a deep pool of water knowing they are crippled and cannot swim'. Crippled in this report is used to describe small local retailers (i.e. spaza owners, street traders) who are financially unstable and lack a character of business resilience when put under pressurising market forces, such as competition. This is to denote that a few retailers will drown (shut-down) and others will find plausible solutions to survive, which will be discussed in section 4.3.1.

4.1.4. A Change in Shopping Behaviour and Patterns: Past and Present Experiences of Local Retailers as Consumers

A change of the modern restrictive development policies enacted by the then apartheid regime has surely presented a new political dispensation for the private sector. This has enabled them to purchase and develop land, which has instigated the spirit of economic developments to mushroom in townships and rural areas where it was previously prohibited. Land control and development regulation acts are crucial urban planning tools necessary for ensuring the achievement of current sustainable environments that will not comprise future developments. Planning practitioners have necessitated and fostered these development regulatory systems on the establishment of economic initiatives in both

developed and developing cities, townships and rural areas. This has been the result of various impacts having an influence on different aspects whether aspatial or spatial. The growth of economic developments in Orlando West has had a relatively huge knock-on effect on the shopping behaviours and patterns of some small and micro local retailers, and not only on local residents (Masokameng, 2016) as discussions in chapter two have indicated. A uniform finding procured in this research is that the former long distances commuted by most of the respondents have changed into shorter shopping trips for buying their weekly and monthly stocks. This is seen through their travelling patterns being changed from out-shopping to in-shopping in their local convenient stores, mainly the Maponya Shoprite Centre.

The experience of convenience for some of these spaza shop owners and street traders has turned into a one-stop shopping journey in terms of purchasing products that are now easily accessible in one location as opposed to their past experiences - before the establishment of Shoprite. For example, Mphanya and Valoi (2016) who are informal street traders stated that they have relatively benefitted from the presence of MSC being around their location. It has curtailed their travelling expenditures and allowed them to avail more disposable income for other necessities as the store is located in close proximity, as discussed earlier. According to Masokameng (2016), such economic developments need to be regularly implemented in such destitute environments of social and economic infrastructural need. The benefits associated with large retail establishments such as Shoprite have proven to have the capacity to improve the livelihood of most communities. For him it's because the emergence of Shoprite has saved him from incurring high costs of hiring delivery vehicles (Mini truck/Van) due to the stock load. Previously he had to transport his stock from the Jumbo Cash and Carry store in Johannesburg to his spaza shop which is a distance of approximately 18.1 kilometres. He gracefully put forward that Shoprite has immensely eluded his business from underperforming and potentially collapsing. This is due to the occasional fluctuations his business performance was experiencing in the past in which his financial instabilities were a prominent issue that consistently affected his income generations. But now it has offered his business the possibility of growth, although it is sluggish because MSC is still the main competitor in the Orlando West retail market. On the other hand, the experience for some of the spaza shop traders such as Mzizi (2016) has not been similar to the respondents mentioned above. This is in a sense that she still purchases certain goods and services from conducting both in-shopping and out-shopping due to a small fraction of her normal stock only being available in Shoprite because she operates a business that sells cooked food (with special recipes). This outcome relates back to the

critique outlined in chapter two arguing that the benefits offered by large retail enterprises are not equally distributed amongst society, hence these bias turnouts.

Considering the above-statements, the research findings regarding this section of the chapter indicate that Rahija, Nong, Mokgalaka and Xaba are among those retailers whose preferences of product consumption are not serviced by Shoprite. Apparently their business ideas of expansion and growth are restrained by what Shoprite offers. Hence they are disadvantaged to equally benefit compared to other local retailers, particularly street traders. To realise retail expansion as put forward by Mokgalaka (2016) he explains that, "I want to serve a broader customer-base, so I had to clearly identify and specify the local target market and also go around to see what other spaza shops, informal traders and also Shoprite offer and see what is lacking in their stores that I can incorporate in my stock". This can be closely related to a statement uttered by Renier Van Royen (founder of PEP) who stated that "to ensure our objectives are a success, we had to articulate our values, or our philosophies very clearly so that everybody would know the kind of drumbeat to which we march" (Topco Media, 2015).

Hence, for retailers to grow and expand their horizons within the business realm - it is extremely crucial to thoroughly explore the business environment they operate in. This is to enable them to set their goals and objectives straight in contrary to other retailers as a way to gain a business comparative advantage. This will also allow their businesses to exalt their capacity in meeting the consumers/customer's demands. Mokgalaka (2016) further expanded that this is the way to beat the system from playing the game from outside-within; hence his current business behaviour has improved and set his enterprise apart. This has also allowed him to gain resilience to withstand the pressure of competition from Maponya's Shoprite Centre. Besides not being a consumer of Shoprite's goods and services, for him the process of building a relationship with the store would have taken a while. So jeopardising the solid connection he already has with Jumbo Cash and Carry store in Girton Road, Johannesburg 2193 was never a considerable option. This is due to the benefit of getting discounted sales, particularly because he purchases his stock in bulk. He added that, although 'change is better than no change' building a mutual relationship with Jumbo Cash and Carry for Mokgalaka has been cost-effective and more beneficial. So starting a new rapport with another retail store would have been a lengthy process, and presumably with no or fewer benefits.

4.1.5. Impacts on the Socioeconomic Issue of Unemployment

During the course of conducting fieldwork, it was realised that certain socioeconomic components that are crucial remain widely unexplored and undocumented in many researches investigating and focusing on relevant and common ideas discussed throughout this report. The issue of unemployment in the context of Orlando West and Soweto on a broader scale has actually proved that this concerning factor is still not highly prioritised amongst other common objectives new developers and investors entering the township retail market aim to change and have a mammoth impact on. In addition, because of Soweto initially being established as a residential area for transitory migrant workers, this is deemed as one of the factors that have contributed to its weak and underdeveloped local economy. The Central Strategy Unit (2011) produced statistics indicating that approximately 70% of the local residents travel to the inner city of Johannesburg and its other well-established outskirt areas for job opportunities on a daily basis. This insightful awareness was brought to the researcher's attention by Xaba (2016) who postulated that 'normally it is found that a high percentage of local residents who work outside of Soweto contribute more to those space economies than in their own local economy which is very worrisome in ever unlocking and realising the potential of townships'. Which brings to question – what is the percentage of local residents recruited for employment by the growing private sector investing in Orlando West by developing retail, small-scale manufacturing, office, transport and residential activities? Although the aspect of unemployment is not a main focus for this research, it was however noted that the displacement of several local entrepreneurs caused by Shoprite has somewhat contributed to the rise in local unemployment. This is through some micro and small retailers running out of business as a result of Shoprite bringing high competition within Orlando West's space economy.

Presumably this socioeconomic issue is also exacerbated by the criteria of recruitment the retail market uses. Mtshali (2015) states that, in general entrepreneurs seeking to advance their retail footprint, market share and be highly competitive in the retail sector of townships and rural areas usually opt for a specific recruiting criterion. To ensure an effective staff they select employees based on their scarce [special] skills that are commonly unavailable in townships to reap higher economic profits. This is disadvantageous to the large unemployed pool of people with basic or mediocre skill sets struggling to meet most advanced market criteria's. Hence employment should be a prime obligation to economic investors in townships as way to improve the knowledge-skills of local residents to enable them to secure permanent jobs instead of temporary and secondary jobs. McCormick (2015) supports this by arguing that for each and every retail establishment in a township locality, approximately 80% of those

private firms staff/employees have to be sourced from that specific local community. This is necessitated by the government as a requirement to bridge the gap between skilled and unskilled people. It is also a strategic response towards the impeding challenge of the lack of required experience and qualification in townships. Even so, retail stores such as Woolworths that are based inside shopping centres established in a township worsen the potential of this strategy. This is by not availing new job opportunities for local residents but rather import their own staff with working experience, skills and knowledge from other areas. Securing permanent employment for the large pool of unemployed residents in townships and rural areas is necessary to ensure that they also enjoy the same benefits residents in urban areas are receiving. Actions to realise this are seen in rural areas enacted by the Department of Rural Development and Land Reform according to the guaranteed basic dignity and human rights in the Constitution of the Republic of South Africa of 1996 (GCIS, 2014/15).

4.1.6. Safety and Security

Apart from the all the outlined factors significant to answering the core question, it is crucial to be cognisant of other highly untouched aspects that contribute to the underperformance of local businesses. Although the issue of safety and security is not a cause or result of the impact large enterprises have on micro and small businesses, it still has relevance to the manner in which local businesses perform. This aspect was brought forward by Rahija during the interview, as an additional finding. This brought an understanding that a non-free crime environment is not suitable for the stability or growth of any small or micro business. Nonetheless, street traders and spaza shops still find themselves being the most susceptible targets of crime. This is because the probable causes of a hostile and crime infested business environment is due to the lack of adequate and secure facilities spaza shops and street traders operate with. It includes stalls, carts, garages, shipping containers which make the act of crime easier. These materials they operate from exposes the lack of protection of their products, equipment and money which makes their businesses vulnerable to theft. In addition, Rahija (2016) put forward that the location of a business also determines the likelihood of being robbed. Presumably, this would for example be trading nearby a taxi station, tavern or an unsecured and dodgy area. Hence few local businesses collapse from being robbed, and not necessarily as a result of bankruptcy or competition. The basis of including this aspect under this section is that, when certain micro and small businesses collapse it might likely lead to the retailer being unemployed in which this may have been their only reliable source-of-income. With the lack of basic-skilled economic opportunities in townships

to accommodate the fair number of uneducated people, the loss of employment simply exacerbates the high unemployment rate of the country.

The infographic illustration (figure 4.6 below) demonstrates a graphic representation of the various existing factors that have been discussed above which contribute to the nature in which MSBs operate in the context of Orlando West. These findings were discovered during conducting fieldwork interviews and observations of the area's retail-scape. This study only focused on two types of local economic activities (i.e. spaza shops and street trading); hence the researcher divided this section into five parts. The first four parts indicated on the diagram were discussed in detail in previous sections according to the specified responses obtained from the interviews with regards to the two different businesses the research focused on. The purpose of this infographic illustration was to try and find a connection between the fieldwork results in this chapter and the key discussions, arguments and principles provided in chapter two under the literature review. This was crucial to briefly discuss so as to link the main objectives of large retail owners operating stores in township space economies along with their impacts. This was also to respond to the central question at hand – of whether these advanced retail centres are established by entrepreneurs seeking to improve the current nature of the economic landscape and socioeconomic conditions of the township or perhaps they are developed by middle-class capitalists with the aim of extracting money out of Orlando West. The subsequent section is a presentation of the last finding obtained during conducting empirical observations which is not a primary focus for this study. However it stands as a prerequisite finding indicating some of the transformations that resulted due to the impact of Shoprite's competitive character in the study area.

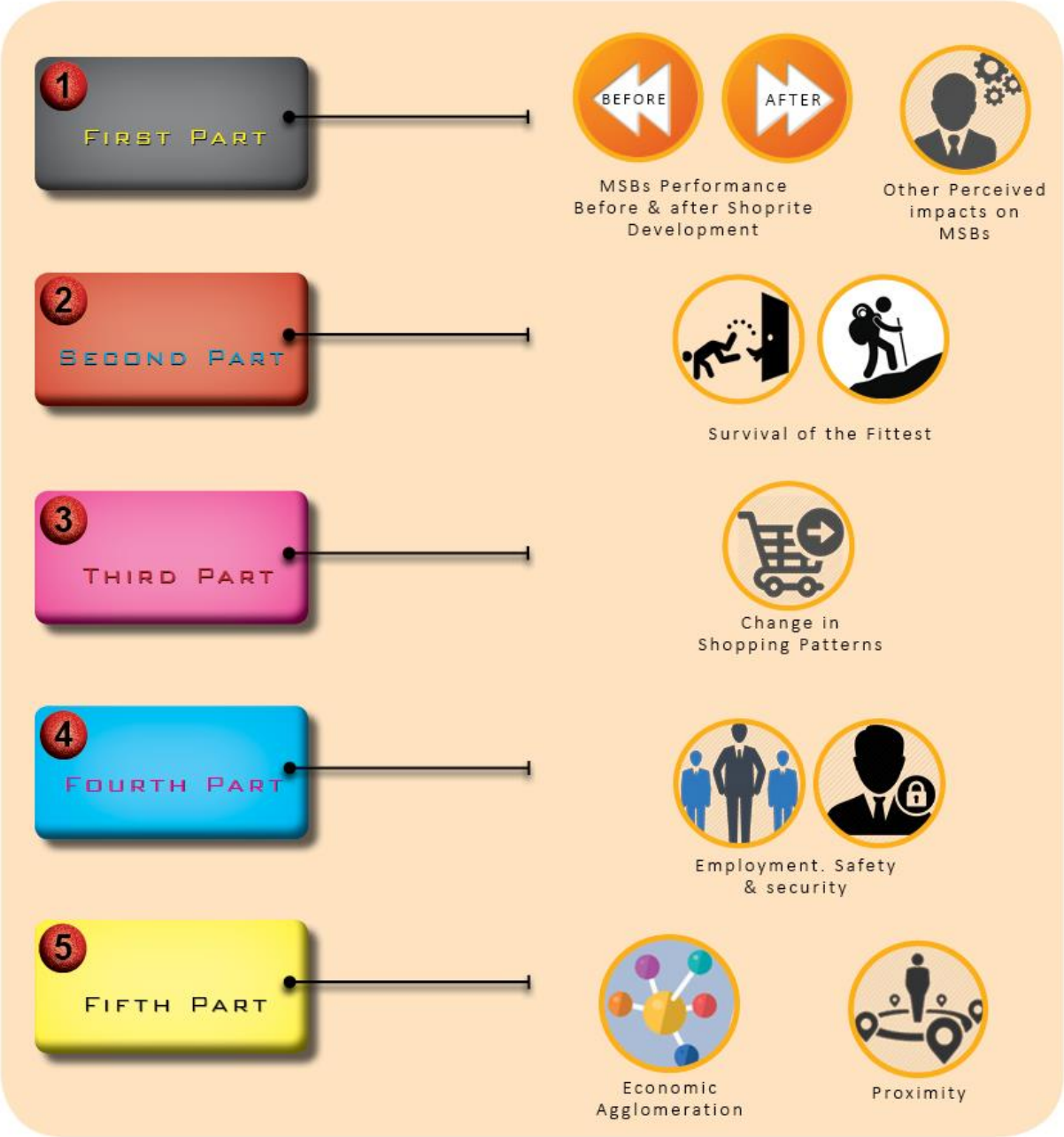

Figure 4.6: Factors contributing to the performance of MSBs - This infographic illustration of the study is a representation of the gathered findings indicating the current aspects associated with the functional nature of MSBs in Orlando West.

4.1.7. Newly Established Economic Agglomeration Model: A Developmental Force of Attraction and Integration

This section discusses other business mitigations that have emerged as a result of the effects associated with Maponya Shoprite Centre in the study area. Based on the findings gathered from conducting

empirical observations of the current space economy of Orlando West, it was found that the operation of this retail store has created a relatively integrated and vibrant economic powerhouse around its perimeter (see figure 4.6 firth part above). By slightly overlooking the negative attributes and stigmas attached to this retail centre (Shoprite), it has however altered the bitter emotions of detestation and undesirability that were held by some of the street traders about this store. This is through Shoprite attracting a high volume of local consumers around their business location, which has further enabled and helped these local street traders (figures 4.7.1-3) to take advantage of the high pedestrian traffic by locating their stalls in close proximity to Shoprite (figure 4.7.4). It should be acknowledged that Shoprite did not only manage to attract the local community by mostly satisfying their grocery shopping preferences through the provision of quality goods and services at lower prices. But it has also managed to become an economic magnet by pulling small local traders (mostly informal traders and very few spaza shops) around its location. As put forward by Madlala (2015), South African large retail centres have overtime become magnets or rather forces of attraction which has enabled their successive thriving business models of operation to impact different places with mostly positive knock-on effects.



Figure 4.7.1: ***Co-located with Shoprite*** *(right opposite)* – Numerous street traders have relocated their stalls in close proximity to Shoprite to take advantage of the high pedestrian volume.



Figure 4.7.2: ***Co-located with Shoprite*** *(around the corner)* – This informal business was relocated late when the retailer realised there was more opportunities of attracting more customers around Shoprite.



Figure 4.7.3: ***Co-located with Shoprite*** *(right opposite)* - This retailer purchases his products from Shoprite and sells them for a cheaper-price to increase his consumer-base to avoid being displaced by the competition from Shoprite and other retails.



Figure 4.7.4: ***Main catalytic attractor of informal economic activities around its location.*** Besides it being the dominant competitor in Orlando West, it has enabled an economic agglomeration amid formal and informal businesses.

As explicated earlier, the spatial development of Shoprite has 'to a short extent' transformed Orlando West's old economic structure. This structure began existing from the end of the apartheid era since harsh restrictive measures, such as excessive payment penalties and impounding of goods (Skinner, 2008b: 236) were placed against the operation of spaza shops and street traders in urban areas. However, the emergence of a democratic regime has enabled most entrepreneurs in townships to establish a form of sectoral integration between formal and informal businesses. For example, this is also evidently indicated by certain shopping centres such as the Blue Haze Mall in Hazyview Mpumalanga and Pan Africa in Alexandra Johannesburg, amongst others, that have developed a heterogeneous tenant mix model of incorporating various businesses under a single trading roof. Undeniably, such business initiatives are beneficial as they help curb and improve the economic and social conditions of township societies. This is through the knock-on effects that are a resultant of retailers committing to the national government goal of working towards the realisation of an 'integrated economy between formal and informal traders'. These knock-on impacts include the augmentation of business and employment opportunities in townships as a strategy to improving some of the economic injustices created under the apartheid regime. The adoption of this business model in the context of Orlando West could not be possible due to the lack of space to provide tenancy to the local micro and small retailers within the Shoprite store. This is due to Shoprite not being a large shopping mall or complex with sufficient space to accommodate other traders. Nonetheless, it has contributed to Orlando West's previous non-vibrant economic integration.

Even so, it was noted that street traders currently located around Shoprite were initially faced with a predicament. They were stuck between either changing the similar products they were previously offering which were of a lesser quality and slightly higher price rate as opposed to the ones offered by Shoprite or being forced to relocate or even shut-down. This is due to the stifling competition they would have had to face and operate under throughout their retailing existence. As a result, a few did relocate to other 'hotspot areas' (meaning areas with a high pedestrian volume) while those who remained in that geographic location opted to offer certain complementary goods to those offered in Shoprite Centre. According to Mzizi (2016), "fifteen to twenty years back this form of business relationship or linkage between formal and informal retail traders in this township would have never existed". Hence it really makes it special because it shows that the impact spaza owners and street traders have is now being widely acknowledged. In addition David Makhura has also effusively supported this statement provided above based on that small retailers especially street traders (both formal and informal) are now becoming 'key game changers' (SBDI, 2014). Therefore deserve credit for their impact and contribution to the rise in the South African labour pool. On the other hand as stated by few of the interviewed street traders such as Mphanya and Moloro, witnessing, being-part and having an integral form of connection with Maponya's Shoprite centre has undoubtedly injected a positive energy into the areas space economy. It has created a platform that enables micro retailers to envisage beyond current possibilities of potentially expanding their businesses. Presumably through working incrementally towards short-term prospects in order to reach their long-term key goal, hence for these small and micro retailers it is predominately important to take advantage of every opportunity and not take the small things in the retail business industry for granted.

This outcome of a sectoral economic integration was highly unanticipated in this research during the course of conducting fieldwork. Initially the objective was to avoid having reliance on existing literature and try gathering as much new information that is value-laden to fill the missing gaps in the existing academic archives. In return, the researcher became aware that certain findings correlated to some of the information found in secondary data such as that; the establishment of large retail centres in townships are often recognised for their 'unintended objectives' to act as magnetic absorbers and catalysts that stimulate and encourage the injection of other retail activities in and around their business location. The agglomeration of economic activities in the same location is regarded as a ubiquitous addition to the retailing character of an environment (see figure 4.8). This form of business cluster in Orlando West is seemingly based on the law of 'retail compatibility' whereby different retailers offer goods and services that are complementary to each other's businesses. Hence the co-location of these

different retail businesses can be deemed as being more mutual than affective to the business performance of the other, which can be referred to as ‘mutual symbiosis’ in science terms.

This dynamic model of business clustering has uncontestably transformed the former retail structure of many townships practising this method of economic integration between various economic activities. Although it might not have been an extensive transformation it definitely differs from place-to-place. In addition, it can be argued to an extent that this type of developmental transformation does supplement the previous land-use character of the area. It also produces cumulative attraction impacts which have resulted in this current economic agglomeration constituted by various complementary retail activities. Spaces that reek of vibrant energy and ambience present the possibility of attracting new opportunities, such as investments and other developments (e.g. office, industrial and institutional). These are necessary in helping to curtail employment issues and offer relocation alternatives for the working class who struggle with daily transportation to-and-from work in cities. In addition, this can also contribute to the Local Economic Development of the area. This sort of outcomes can be beneficial for local residents from Orlando West and presumably other immediate surrounding areas. For example, through the development of Shoprite they are now able to easily access different products within one business location without having to experience the dire challenges of out-shopping. The close proximity offered to local consumers has indeed helped in curtailing their travelling expenses and time as discussed. From an urban planning perspective, another benefit that should be acknowledged which emerges from this economic agglomeration is its ability to create a vibrant environmental space that encourages and caters for social interaction which is crucial for the renaissance of Orlando West.

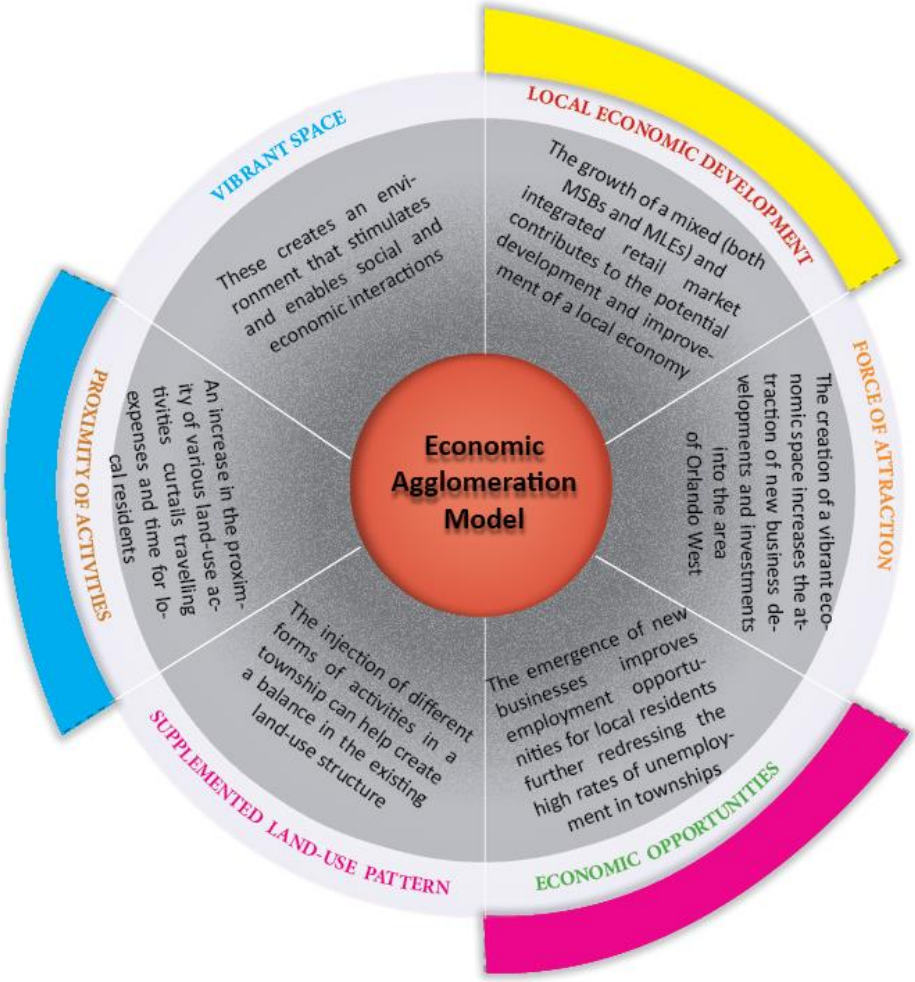

Figure 4.8: Economic Agglomeration Model – This infographic illustration demonstrates the current and prospective knock-on effects the development of the Maponya Shoprite Centre has produced through its presence in the Orlando West space economy. This retail has been the main catalyst behind attracting street traders and a few spaza shops around its business location. Thus far, it has not potentially attracted investments that will help improve the relatively weak economy of the township. However, this model shows the opportunities created by the economic agglomeration between both the formal and informal economic sectors (Shoprite and street traders) that co-located in the same business site of the study area, which has never been experienced before.

4.2. Understanding the Various Vocal Narratives

This section is a presentation of a brief discussion of the findings outlined in the preceding sections of this chapter and the assessment of the key ideas assembled and discussed with relevance to answering the main research question.

4.2.1. The Black and White Shades of Transformation

Incontestably, the fieldwork results obtained from the interviews were helpful in enabling this research in finding adequate answers for the main research question as presented in the above sections. According to the results obtained, the existence and operation of large-scale enterprises in the retail space economy of Orlando West did not only produce drastic retailing conditions for MSBs but also had positive externalities. This is indicated by the benefits incurred by some retailers and local residents in the area and other immediate surrounding localities. Although as previously mentioned, benefits are hardly equally distributed amongst a community. The setback with this unbalanced distribution of benefits has resulted in dire conditions (a competitive environment) being created for some micro and small businesses. Amongst other already mentioned outcomes of Shoprite's competitiveness is the shift in support and preference of local residents who were regular consumers of local businesses products. For some businesses this has caused a deterioration or fluctuation in their business performance which has affected their profit-making. According to the responses of these retailers who are affected by this transformation utter that they are always pressured to stand on their toes and be innovative. This entails the inclusion of strategies such as branding (see figure 4.9), price-regulations and delivery of quality products to win their customers back as this is their only tactic of survival in the contemporary Orlando West's space economy.







Figure 4.9: ***Branding as one of the responses to competition*** – These photographs show locally-owned businesses that have adopted branding (prints on the wall) in different ways as a strategically stringent measure to promote their products and services as a way to attract more local residents and secure their customer-base as a response to the heightened competition from, for example, Shoprite and other large enterprises in Orlando West's space economy.

As argued in the literature review, the development of large shopping retails and other forms of businesses in townships and rural areas has for several years now become a trending phenomenon. This is since middle-class and elites began ceasing the opportunity of generating more wealth in previously marginalised areas since competition in these contextual settings is subtle and not that well-advanced as compared to cities. In addition, the advent of new businesses such as malls, supermarkets, community projects led by the private sector and some by the government have produced spatial, economic and social impacts on the space economy. According to a study conducted by Mtshali (2015) in a township called Vosloorus the establishment of the new mall (Chris Hani Crossing) has added value to the spatial and a-spatial aspects of that area. The improvements made to the spatial aspects included roads, water, electricity, sewage, properties and industries (Mtshali, 2015). On the other hand, the findings regarding the a-spatial aspects, amongst others, indicated that the close proximity of the mall to local consumers residing within a 5km radius has helped reduce their time and distance of commuting which in result allowed them to save more money, time and energy on other essentialities (Mtshali, 2015). This kind of transformation should be credited as life-changing as most townships are faced with glaring challenges produced under the apartheid regime. This includes, for example, large portions of income from most township dwellers was spent on travelling from home to places of work, recreation and other social and economic opportunities. This truly demonstrates that the positive transformations and value of large

retail outlets in townships and rural areas must not be overlooked for having success that to some extent overshadows and affects the performance of micro and small local retails such as spaza shops and street traders. Although there is a growth in the establishment of advanced and competitive retails in townships which is undeniably a lucrative initiative, it should not however occur at the expense of other businesses. By so doing, this will help avoid 'reverse development' and instead enable a vibrant economic environment constituted by a variety of businesses. This is if ever South Africa hopes to achieve the national goal of creating an integrated and sustainable economy and overcome the issue of unemployment and economic deprivation, particularly in townships and rural areas. As pointed out in the literature review, most studies indicate that these new developers or rather capitalists have no obligation to invest in the township, but instead they propagate cryonic capitalism and the culture of consumerism as a way to extract wealth out of the townships. Further investigative studies should be conducted on this exploitative nature of capitalists frequently entering untapped retail markets in townships as a way to answer some of the emerging questions in this research which were not broadly answered.

5

PLAUSIBLE FUTURES FOR SMALL AND MICRO LOCAL BUSINESSES OPERATING IN TOWNSHIPS, AND CONCLUDING REMARKS

IN ALL, THE POINT WAS...

5.1. The Synopsis of it All

The preceding chapter provided an incorporation of the findings in a form of presentation, analysis and discussion. The results gathered from conducting both empirical research, observations and literature analysis were multifaceted, which often resulted in more inquiries. The basis of this chapter is to provide a summation of the results and recommendations for additional evaluations, as a directory for private and public stakeholders involved in transformative economic developments in townships. This is purposed to enable effective future decision makings regarding township retail developments. In consideration of the desktop results in chapter two and the fieldwork findings in chapter four, this chapter seeks to outline the critical arguments discussed in the preceding chapters as a way to link the narrative of the findings. However, the aim of this study was not to examine the entire current nature of the Orlando West's retail space economy. It was rather specific in selecting an approach that will investigate the various factors contributing to the business performance of micro and small businesses that are associated with large retail centres. Even so it would have not been, to an extent, impossible but maybe difficult to investigate the entire business realm of the study area due to the issue of access to information and time. Nevertheless, the use of a comparative analysis approach between the past and present changes in the business performance of street traders and spaza shops has been helpful. This is in terms of grasping a broader idea of the extent to which competition from Shoprite has contributed to the manner in which these studied local businesses have transformed and how they are currently operating.

5.2. The Statements of Inquiry were Requisitely Engaged with and Responded To

The information obtained from the respondents in this research have been found to be intricately interrelated which have been used to provide a thorough and consolidated narrative as presented in the preceding chapter. Arguably, the main strands driving the key ideas behind each sub-question of this research may possibly be used in designing a feasible research topic. Backsliding to the beginning of this study, the researcher had a gargantuan duty of investigating three statements of query. In response to the first statement of inquiry, Maponya's Shoprite Centre has evidently shown to pose negative and positive externalities towards the performance of micro and small businesses. Performance is a crucial determinant of a business's success or failure in surviving competitiveness within the economic industry. The research has indicated that the constant proliferation of advanced shopping centres in local space economies are known to create both detrimental and opportunistic conditions that have varied impacts on different local retailers. The narrated perceptions of the participants brought an understanding that

Maponya Shoprite's economic model of ensuring and enriching its competitiveness amongst other imperatives includes price-reductions, provision of quality products and services and billboard advertisements/branding. These strategies have been the main enablers behind Shoprite's aptitude to attract a large volume of local and far-off consumers, which has been the result of street traders and spaza shop traders witnessing their local consumers spending's being redirected to this Shoprite centre. A reduction in their profit-making has levitated the attrition rate of spaza shops and street traders. The gloomy reality presented in the findings was that street traders are found to be the most susceptible to collapsing as a result of these competitive casualties in contrary to spaza shop retailers. It is due to most of these retailers having limited business knowledge-gap that disadvantages their chances of survival. In addition, the lack of township resources and business empowerment programs exacerbates their capacities of adaptability to harsh economic climates. This is due to their confined reliance on personal experiences and few ineffective strategies of surviving market forces. On the other hand, the desperate need of some street traders to sustain their only source of income have been indicated in the research through their optimisation of the competition from Shoprite and transforming it into a rewarding opportunity. This was seen through these local traders relocating their stalls in close proximity to Shoprite to take advantage of the high volume of vehicles and pedestrians around Shoprite's location. For most, this has manged to breathe life into their businesses and remedy their financial challenges.

Secondly, the employed research method of inquiry for this study has indicated that the presence of Shoprite has been the causal behind the changes in the way local street traders and few spaza shops currently conduct their businesses in Orlando West. A change in travelling patterns and shopping behaviours has been eminent from most street traders. After their relocation to trade in close proximity to Shoprite and began purchasing their products from there due to its lower-prices and quality goods, this has enabled their out-shopping expenditures to be curtailed. As an outcome the availability of their disposable income has slightly risen which has so far helped some retailers in being able to purchase more stock, while others changed their regular stock to selling complementary products, redecorating and improving their trading facilities. However, the broader impact Shoprite has had in this space economy is attracting informal economic activities around its location which has been the reason behind the enablement of an economic integration between formal and informal retail businesses. This unpremeditated economic co-location in this research is deemed as a response to the states failure of fulfilling their pledge of realising vibrant and resilient economic integrations within the country's retail-

scape. Hence their plans are still widespread in their development frameworks and policies, but do not resonate on the ground.

As noted, the presence, proliferation and transformations of various retail developments within township space economies have not been the only underlying contributors to the way in which small and micro local businesses perform. Although they are not a resultant of Shoprite's impact, other crucial factors have also been identified during fieldwork as key player that also influence their state of performance. This includes access to funding, safety and security, travelling expenditures and the lack of resources and familiarity with adequate and effective business strategies. Most importantly, the lack of substantial and stable capital to sustain a business is a common norm in the informal sector that limits their probabilities to access efficient financial assistance to make the necessary business transitions and transformations. Financial growth and stability according to this research is a predominant enabler of constructing better secured trading facilities, accessing necessary business information and pursuing other business mandatories. In-fact, the setback of such challenges gradually robs their credited label of becoming 'key game changers' of the South African economy. Hence this research is suggestive of other contributing factors at hand to be further investigated along with market exploitations that also limit growth opportunities for street traders and spaza shop traders. For such transformations to occur, things like the connection between large retail developers/owners and local small retailers have to be coherent. This will help foster strategic investment and enhance urban planning in townships. Therefore, establishing this relationship is not only crucial but also beneficial for township developments. Most importantly, to local traders as it will ensure a reduction and limitation of market exploitation from the retail property industry and other economic developers and investors.

5.3. Benefits of the Study and its Implications for Planning

The interest of this study is uprooted from the conception of capitalist-driven economic developments causing a decline in the number of informal economic retailers. Their nature of advanced competitiveness in most township spaces that are economically deprived and marginalised has created survival of the fittest market conditions that leverage the most affluent businesses. For local street traders and spaza shop retailers this has turned into a cannibalistic trade industry that is constantly perpetuating their high attrition rate. As a result, this led to the main research question seeking to investigate the perceptions small retailers have regarding the impacts and influences associated with the emergence and presence of large retail outlets in the Orlando West space economy. This was purposed to help gain an understanding of the extent to which these large enterprises have and are still

impacting the performance of these local businesses as indicated in urban planning literature. The objective behind this endeavour was to minimally supplement the widespread gap-of-knowledge and responses to this topic, and possibly provide a backdrop for planning practitioners to find a coercive link between research, analysis of the issue, strategic planning and implementation. This is beneficial for future decision-making processes, to avoid the collision of the states and private sectors objectives and plans, of which should all adhere to the principles of the country's most successful development frameworks and policies. It will help elude implementation failures and ensure the alignment and realisation of national, provincial and municipal future goals of sustainable development that does not compromise the 'Other'. This form of action can help urban planners, public and private sectors in finding stringent measures of realising economic collaboration in order to improve and create an integrated space economy in townships. In addition, it is also key for developers to inquire about the probable impacts of their developments (Prinsloo, 2014) through an Environmental Impact Assessment process to determine the effects it will have on both spatial and aspatial aspects. The factors identified from this process and those discussed in the findings and analysis (chapter 4) of which play significant roles in the way micro and small businesses perform should then be further evaluated. Extensive research of such results can serve as potential studies that can be pursued in the near future for the benefit of urban planning and other concerned disciplines.

During the course of conducting fieldwork it was realised that there is a particular subject that also needs deep investigation, although it is not related to the main research focus. The casualty behind the deconstruction of township retail space economies as a resultant of the effects from the informal market sector are generally overlooked, unidentified and unrecorded. Hence in the case of most researchers they remain in the blind side till new possibilities open to conduct studies of such areas instead of focusing on topics that are already over-investigated. In so doing, this will enable future developers, investors and professionals from different disciplines to better understand the fine-grains of this understudied issue. In the ongoing process it will help in finding better interventions and strategies of collaborative planning which is a step towards assuring integration between the public and private sector for future developments in South Africa. Therefore, in order to move forward and avoid reverting to recycled modern traditions of economic exclusions whereby townships are targeted by moguls and middle class capitalists to extract wealth out of these townships, urgent response is required. This is to halt the possible destruction of townships from realising their growth potential. Hence specialists from different disciplines such as urban planners, geographers, retail management professions and municipals need to learn from some of the ideas provided in this report. Learning from this research will

be beneficial to future practitioners by alerting them to find effective solutions to issues such as pure economic cannibalism in order to embark on this mammoth task of improving future economic planning. This is to avoid the private sector from dictating the economic future of Africa. Hence collaborative and consensus planning between the public and private sector is highly necessary to ensure synchronicity of all their development objectives and goals.

"Nothing is more dangerous than an idea, when you only have an idea"

(Borich, 2007 - adopted from Chartier, 1868-1951).

5.4. The Way Forward

Through presenting the interpretations of the results and understanding the core factors contributing to the underperformance and rise of the attrition rate of informal economic activities it is necessary to suggest what needs to be appropriated. This report culminates by providing recommendations that serve as few responses necessary to mitigate unfair market dominance, cryonic capitalism, exploitation, and retail displacement in township space economies. Amongst others, this section necessitates the undertaking of collaborative and advocative stringent measures by the private sector, state and urban planners to implement coercive strategic planning tools that will ensure the addressing and evasion of the main issues driving this research study. To realise a consolidated, integrated and highly competitive South African economy constituted by both the informal and formal retail sectors - problem identification, analysis, planning and implementation processes should be coherent and in sync. This will breed an effective mechanism designed to mitigate or reverse these hindrance conundrums.

5.4.1. Contemporary Nature of Township Retail Developments and the Role of Urban Planning

It has been proven that the proliferation of retail developments within townships shows no probable signs of losing its momentum. According to Prinsloo (2014), it is estimated that a total of 1500000 – 2 000 000m^2 additional space for retail developments could probably be issued in the imminent 5-9 years. This is a result of the direct urbanisation processes spreading throughout urban areas particularly in the form of economic, institutional and residential land uses. The rapid infiltration of large retail centres in townships is presently uncontainable as seen through private developers acquiring large plots of land in previously marginalised areas in need of economic, social and spatial development. This influx of retail developments is argued to improve socioeconomic opportunities and also known to contribute to the exacerbation of apartheid created injustices as indicated in literature studies. Therefore, this issue needs

serious attention and attendance from planning professionals as it is still currently growing (Coote and Goodman, 2007). This is crucial due to the fact that the market itself cannot fully address all the issues identified in chapter two and four, therefore involving professional planners in this matter is mandatory. To realise this proposed idea would entail adopting a more pro-active role in regards to township developments, instead of only taking a responsive role towards approving land-use plans and (re)zoning applications. As indicated by Mtshali (2015), in such situations planners are only overvalued as administrators of these retail developments than as main leading stakeholders of these developments. In the case of the establishment of Maponya Shoprite Centre in the context of Orlando West, it is undocumented as to whether the role of the urban planners associated with these developments were just approvers of land-use developments or identifiers of adequate focus areas for these establishments because of the areas physical location and qualities. As put forward by Guy (1994: 201), in countries like Britain the planning profession handled this differently. This is in a sense that during the period of the 1970's the interests of the state backed-up the idea that urban planners are ought to determine the exact site and the kind of development that should occur. Furthermore, this was for the purpose of securing the interests of local residents and also safe-guarding the already existing amenities that are generally unplanned. This was a way to ensure the provision of adequate economic developments that will benefit the local population and future sustainable developments. However, this took a different route during the 1980's by leaving the retail experts and private sector to be the impetus behind retail developments, transformations and growth (Guy, 1994). As a result, this uncalculated endeavour later led to the influx of retail plans and implementations.

By considering the above-mentioned, professional planners partaking in such plans ought to ensure that the significance of sustainable development is upheld. This is to avoid the dictatorship of the market in ordering the structure and nature of townships space economies that seem to only be conducive for dominating retails. So, adhering to the principle of maintaining the value of the urban planning profession and the ethos of sustainability would be amongst others a positive result that will ensure the deterrence of unorthodox economic planning and development. This is for the reason that it can potentially deter the possibility of realising the envisaged goal of aligned and integrated developments as proposed in the National Development Plan. As indicted in the research findings, it is suggestive that substantial consideration is paid before and after the development phases (identification, evaluation, planning and implementation) of any proposed retail outlet. This is to ensure a periodic regulation of their impacts on economic, social and spatial aspects throughout these phases. Another requirement that is necessary is the thought and deliberation put into the criteria of sustainability. As such, the

principles of sustainability should at all times be deeply embedded within the thoughts of those responsible for planning and developing an economic activity in underdeveloped peripheral areas (Coote and Goodman, 2007). Ensuring this will help decrease the gargantuan impacts large economic activities have on micro and small businesses, therefore enabling their potential growth to be realised successively. As for the development of retail activities, it is deemed that they can only contribute to future growth and development and also be sustainable only if there is a commitment from the local government. This is by seriously taking accountability for their provision of public facilities that support retail developments such as Maponya Shoprite Centre in Orlando West, and other townships. This would include the provision and improvement of infrastructures such as roads and dilapidated buildings for other land-uses to have an agglomeration of different activities on the same strip, as indicated in the findings of the newly economic agglomeration of Shoprite and informal retail activities in the study area. Moreover the local government should also commit to maintaining this newly formed relationship between the formal and informal retailers in Orlando West. This should also be accompanied by an Environmental Impact Assessment, (re)zoning and agreements on land availability to ensure that the growth of this unlegislated development as a result of its impacts on street traders and spaza shops is sustainable.

This is due to that current developmental laws regulating the establishment of economic activities specifically in townships are not very direct or highly effective. Although, they have relatively assisted in ensuring the alignment of retail developments with the goals of municipals rejuvenating second space economies. These development regulators, for example, include the Local Spatial Development Framework, Metro Spatial Development and the Regional Spatial Development Framework. From a planning perspective, this will assist in aligning the planning of both rural and urban territories and retail developments in local municipalities. In townships, development processes and decisions are administratively managed by the municipal and are yet to play a more crucial role in the imminent future. With this, it is hoped that the manner in which planning has and is still developing to become more accommodating and less modernist, new professional planners are being bred who will potentially specialise in the field of retail establishments specifically focused on townships. Amongst these specialities should include analysts of retail impacts, benefits and transformations. In regards to the development of the Maponya Shoprite Centre the knock-on effects it has had on the local residents and retail environment of Orlando West have been, to an extent, organic. This is in a sense that it has increased ease of access for shopping and has curtailed their former long travelling patterns and expenses. Moreover, the presence of MSC has attracted a plethora of street traders around its business

location which has created a vibrant form of economic integration between formal and informal retail activities. This newly established relationship can be expected to be augmented and supported by the Soweto Retail Strategy that is still in the process of being devised by the City of Johannesburg. It is basically a township economic development framework initiative. The purpose behind this strategy being formulated was based on research that identified Soweto as an area that is underdeveloped in terms of its provision of retail facilities and requires backing and supervision for retail establishments (CoJ, 2015).

The spread of retail establishments within township contexts have been doing so without an adequately guiding framework that is up-to-date. Hence their impacts on the ground are not regulated, which in some cases have occurred at the expense of small and micro local retail businesses. Nevertheless, the booming of retail establishments has been trending for approximately two decades granted they were only steered by Land Use Policies. This includes for example, Local Spatial Development Framework and Regional Spatial Development Framework amongst others. The effective role played by these policies has been crucial for aligning municipal policies and future developments with contemporary developments as a strategy to ensure the realisation of sustainable developments that correlate. This for instance includes densification (urban infill) and Transit Oriented Development. Furthermore, these policies also ensure that the principles and objectives documented in the IDP and DFA are inherently linked with those of development. By this research explicating the aforementioned is actually a way to indicate that strategies for sustainable retail developments in township municipalities need to be necessitated and put forward. Perhaps the reason behind the deferral of these wanting strategies in townships could possibly be a result of the state hesitating to intercede in the economic market, largely driven by the private-sector of which some are greed-driven. According to Robison (2015) these initiatives are necessary as they have the aptitude to improve and take advantage of the potential both formal and informal retails have in urban areas and also in the city. This could eventually improve the socioeconomic conditions that will derive more unbiased benefits for communities. Presumably this could also empower street traders and spaza shop owners which can help improve their entrepreneurial spirit instead of living in fear of the effects of competition. All the above-mentioned outcomes could possibly help with the creation of a coercively interlinked economic agglomeration of various retail activities in a mono space economy. This will avoid the formal sector being dominant while the informal remain dormant and inferior.

5.4.2. How to Secure the Interests of Small and Micro Local Retailers in a Competitive Market Largely Dominated by the Private Sector

It is undeniably conspicuous that most township municipalities follow development that is in most cases instigated by the private-sector in which their objectives lean towards the economic side rather than the social. This is mostly due to the primary aim of an investor or developer being largely driven by the objective to accumulate revenues for their investments on development. Therefore, to ensure an optimum accumulation on their returns would normally entail employing and mastering effective strategies such as 'Onyeani's economic spider-web' that enables their competitiveness to stand-out. In townships this may become more of a burden for micro and small retailers than for local consumers, as the interests of the locals are safeguarded by the cost-effective services and goods they receive.

As argued by Madlala (2015) with the gradual growth of competitive township economic environments, the retail industry is increasingly becoming unsympathetic and unforgiving towards small retail businesses. The hostilities associated with a competitive space economy are created on conditions that favour large retailers and disadvantages small and micro retailers due to their lack of comparative and competitive advantages. This is basically deemed as an effort and by-product of both foreign and domestic capitalists. Although one of the private sectors efforts may be to contribute to transformative economic development and improve the socioeconomic status of previously marginalised and destitute areas; it is still necessary for the municipal to protect the interests of small and micro local traders. This is through playing an advocative role that will ensure that better socioeconomic benefits both in the short-and-long-term derive from these economic developments.

According to Guy (1994) strategic regulations over retail establishments in Western economies was commenced through the usage of the land-use planning system in which the upshots and benefits were more acquiescent to the interests of the communities. With Maponya Shoprite Centre this is not clear-cut as to what the accordance between the private developers and the Soweto municipal department was as to what impact the development of this shopping store should have or bring into the area. Presumably this could have been to attract potential investments, serve as a catalyst for future infrastructure development, or improve the current state of the area's socioeconomic conditions. However, contemporarily it is construed that most retail developments tend to suit the interests of the developers or investors as seen through their accumulation of wealth that is hardly circulated within these local communities. Which could perhaps been used to improve the current conditions of the existing infrastructures such as roads, public services (e.g. community libraries and halls, schools, parks,

recreation areas, and etc.), water and electricity provisions or even to produce more economic opportunities for the public.

Although certain decisions regarding retail developments are grounded on vested interests, it should be a professional planner's responsibility to safeguard local communities from such monocentric interests. This is through representing and supporting the interests of the underprivileged who still experience economic and political marginalisation and exploitation (Chaowarat, 2010). To ensure that this is achieved the municipality also have to find a neutral-balance through participative and communicative planning and between the local community and the profit-driven developers. This is to find consensus on their objectives, goals and roles before and after the development of the retail enterprise. Hence this should not limit other relevant participants, stakeholders such as large business owners or entrepreneurs, informal traders (i.e. spaza shop and street traders), taxi associations and local residents. To capitalise on the involvement of these stakeholders it should be ensured that they also partake in the planning and design process. The purpose of this is to open-up new possibilities that will allow more ideas that are different but also innovative for the greater good of future retail developments. In the case of the development of Maponya Shoprite Mall in Orlando West certain amenities were not included during their process of being planned, designed and implemented. For example, stands or stalls to accommodate street traders around Shoprite's business location to further stimulate the growth of an integrated economic market between formal and informal retails.

This is suggested through the understanding that informal retailers such as street traders conduct their businesses in makeshift structures that are informally constructed which also makes their businesses susceptible to crime. In addition, the conditions of the material have a negative externality on the aesthetic character of and around Shoprite which in some cases affects its customer base. Hence the quality of a retail store is a crucial element to a developer. So introducing participatory and collaborative planning between the locals, public and private sector to plan this throughout will allow the collection of ideas, arguments, discussions and decisions from the grassroots to give locals and especially micro and small retailers an opportunity to learn from such infrequent experiences in townships. These initiatives can only be more meaningful if the municipal looks beyond their role of being administrators of development plans. They should also assess the impact and value of the retail development on the environment, economy and the local community. This can for example be done through undertaking an Environmental Impact Assessment which should adhere to the protocols of the National Environmental Management Act 107 of 1998. This is to identify whether it falls under a Government Notice R983 or

R984 as a way of determining the severity the development will prospectively have. According to Chaowarat (2010) by also undertaking a pluralistic consensus-building process increases the chances of improving the quality of developmental plans. It allows the different interests to be met and to also help mitigate the already existing venality in local planning processes.

5.4.3. The Lack of Resources and Business Programs in Townships to Help Improve the Business Performance of MSBs

The challenge in the shortage of government business initiatives such as business skills development programs in townships extensively drives a negative energy towards the momentum of retailing. It is due to that, in most cases if not often, this derails the process of townships incurring more potential retail developments that are context-specific. This can potentially have an impact on the municipality from pursuing their responsibilities sufficiently, adequately and effectively of improving the current injustices that need to be addressed. This includes spatial segregation, underdevelopment, unemployment and lack of social and economic opportunities. Therefore, it would also be ideal if most retail developments were an effort of local entrepreneurs instead of having this exorbitant reliance on foreign and local private developers to instigate economic developments and transform township space economies according to their visions and objectives.

To be clear, this report is not suggesting that private developments driven by foreign and local elites should be eluded and halted. It is rather necessitating the practice of more 'place-based developments' in previously marginalised areas as a way to ensure diversity and growth in local economic developments. This will help contribute to the increase of developments that capitalise on existing spatial and a-spatial potentials and improving the development of local skills, such as those of micro and small retailers. It will give a positive effect on the current economic, social and environmental conditions experienced in these disadvantaged areas. Moreover, one of the other benefits that can be incurred from this normative principle is that it is a people-oriented development approach. It opens up and enables a process of participation and engagement of all the effected stakeholders as a way to expose and give the local residents a learning experience. This for example helps strengthen the engagement of human capital in certain places (Todes and Turok, 2015). Hence planning practitioners and the government should note that successful developmental plans, frameworks, policies and programs are mostly reliant on open and democratic debates involving all the concerned stakeholders to ensure consensus-building-and-planning.

It is argued that some government policies are not as effective as 'claimed' to adequately respond to economic, social and spatial issues due to not have been made context-specific (Chaowarat, 2010). Hence collaborative planning should be earmarked and prioritised by the municipality through exploring and learning more about this planning tool in regards to large retail developments that have an impact on small and micro retail businesses, local residents and their environments. Introducing business inductions in townships will also help contribute to ensuring collaboration between private and public economic sectors. This can be realised through the market professionals volunteering to pass-on their market knowledge to micro and small retailers and those interested in starting-up a business in this local retail industry. This can potentially open-up opportunities of sectoral partnership. According to anonymous 2 (2016), this sort of economic sectoral integration between a large enterprise and small businesses is currently transpiring in Orlando East. It is seen through a business initiative recently instigated by the Pick n' Pay company in that area to form a partnership with local spaza shop owners that will offer goods and services from Pick n' Pay. It was further discovered that spaza retailers are being recruited and placed in a training program to help develop their marketing knowledge and trading skills. This is Pick n' Pay's premeditated survival strategy to give these retailers a competitive advantage, since this growing competitive industry disadvantages their businesses. Anonymous 2 (2016) further shared that these retailers are also to be operating in spaza shops that are designed with Pick n' Pay's branding logo, colours and designs after completing their training and getting a trading certificate to formalise their businesses. This is so that they also help in contributing to the economic growth of their own township area.

The above-statements go back to what this research outlined before, that there is currently an issue of wealth generated in townships by retail moguls not circulating within these underdeveloped areas. As argued by (Badenhorst-Weiss & Cilliers, 2014) small retailers can only be able to identify and improve their competitive advantage if they have a developed sense of market-knowledge about the local economic industry in which they operate. Scarborough (2011: 99) also put forward that identifying the market segment is effective but clearly not enough. Hence it is a real challenge for some micro and small entrepreneurs to sustain the performance of their business as an issue of finance and competition, amongst other challenges. Therefore, they should thoroughly understand the way their competitors operate, find the gap in demand not provided by their competitors and identify the preferable customers to serve. In this study it was indicated that a very few of the respondents take such measures to improve their business operations such as Masokameng who regularly monitors and analyses his competitors to elude faltering and shutting-down. Amongst other measures, Masokameng (2016) also

stated that “when you have competition always go and check what your competitors are doing different to your business to avoid falling off-track, which is why I employed branding and the price-reduction business strategies to attract more customers and increase the chances of realising the potential success for my business because I want to branch out into the bigger retail economic realm”.

Scarborough (2011: 249) stated that marketing experts make an uncontested argument that the biggest mistake small and micro retailers make is failing to identify the market segment that should be served. Therefore, the better suited method to employ as suggested by this report is the customer-driven strategy. It is a powerful business tool to highly consider especially by micro and small businesses experiencing a shortage of fiscal and physical resources that large enterprises such as supermarkets, Pick n’ Pay and Maponya Shoprite Centre have access to sort of easily operate their enterprises. To realise the success of this strategy, street traders and spaza shop retailers should try mirroring and making an appeal to their target market in numerous ways that should for example include the location, décor and layout of the stock, branding of the business and the merchandise sold (Badenhorst-Weiss & Cilliers, 2014). By necessitating this, micro and small retailers will have a better chance in survival as compared to the current actuality occurring within the township retail economy of smaller businesses being displaced.

As thoroughly indicated in the literature review and the analysis of the findings, another crucial strategy to employ as a way to become competitive with formal retail chains in shopping malls is the cost-regulation of products sold. The reason behind large retail companies such as Maponya’s Shoprite being a great success in the trading market is, amongst other strategies, employing cost-reduction as an effective tool to attract a plethora of local and far-off low income customers. As a lesson street traders and spaza shop owners can benefit from acquiring such effective trading tools that can ultimately give them a competitive advantage. In addition, this will differentiate them through their own creation of an exclusive value-package that works best for their business to withstand competitive pressures and influences in the economic industry. As put forward by Badenhorst-Weiss and Cilliers (2014) this value-package can for example include product leadership, cost reduction and relationships with customers. Although these strategies are limited in this report, it is crucial to have the ability to attain such knowledge and implement it as a way to vary out the options and see what best-fits for the growth of their business. Therefore to ensure that these proposals are achieved the public sector and local entrepreneurs need to develop and implement more business support programmes for local street

traders and spaza shop retailers. And also conduct regular township outreach workshops and campaigns that will help update and enrich their awareness of existing and improving business strategies.

> *"Increasingly, plans are being written with the goal of fostering change. In order to do so, plans must be written in a manner that allows a locality to measure the impact the plan is having in the life of a community,"* Chandler (2000:3).

5.4.4. A Step Towards Transforming the Local Informal Retail Structure

The research culminates by bringing forward that the idea of developing large retail facilities for townships that are already available in cities and well-off suburban communities is not entirely the best initiative. Although these local retail economic developments may be deemed as positive transformative strategies for previously marginalised areas, it should be noted that what works in other areas may not yield the same results or effect in other areas. This is considering that they have different contextual settings. Therefore, the public and private developers should implement plans that well-suit township spaces. Suggestively this would be ideal through the help of the private and public sector providing investments and also pioneering local spatial and socioeconomic developmental models. This should be purposed for providing responses that are directed to the needs and issues experienced in townships. However, there has been an ongoing fear of interfering with the formal retail market to secure the interests of micro and small retail traders. It is because reliance has now been placed on the private sector to redress and address the socioeconomic issues hampering previously marginalised areas due to the state having financial difficulties to account for such an endeavour. However, this challenge and need of assistance by the public sector from the private sector should not detour the government's responsibility of regulating the impacts of private economic developments.

However, this needs response through professional urban planning practitioners being largely involved in the before-and-after processes of retail developments in townships. It is not a necessity for townships to experience this enduring infiltration of large retail developments as strategies for economic growth and development. Instead they require something different that is more endemic or grass-root grounded (i.e. place-based development) and not exotic. This can serve as one of the ways to overcome the dire need of clear-cut strategic initiatives that prioritise micro and small retails such as spaza shops and street traders. According to the Gauteng Premier David Makhura (2014) such local businesses are

centrally imperative to local economic empowerment, economic opportunities and actual growth. So, formulating an organic urban design framework based on the economic clustering model between the formal (i.e. Shoprite) and informal (i.e. street traders and spaza shops) economic activities as identified in chapter four can be a potential response to the high attrition rate of black-owned retail businesses. Discovering this economic integration around Orlando West's Shoprite shows that micro and small retails are progressively being prioritised. So this economic agglomeration should include legal procedures such as necessitating the issuing of land-use permits for allocating these street traders and few spaza retailers around Maponya's Shoprite Gross Leasable Area. This is since there are currently trading there informally without designated spots to operate their small and micro businesses. However this should happen at a rational cost to avoid hindering the financial growth and stability of already existing street traders and spaza shops in Orlando West.

The implementation of unbiased funding schemes is also a necessity to help the growth of township small and micro retailers and those without employment who wish to start being entrepreneurs. Stringent measures have to be taken with establishing financial institutions in previously marginalised areas with weak economic backgrounds. This is by ensuring there is trust and reliability that these institutions will not resort to any forms of corruption like exploiting the society to extract money out of their communities. These financial aids can also serve as support systems through introducing inventive and viable incubation approaches and funding models that will present new economic opportunities for micro and small businesses. This report necessitates this intervention as a result of the respondents arguing that the public sector is not providing sufficient financial and learning opportunities that will help alleviate the challenging conditions of competitiveness they operate in on a daily basis. It should be noted that there are other services street vendors and spaza owners require which are not only financial but also non-financial services that are rarely provided which include aspects such as: Business development Services, electricity, water, storage facilities and sanitary services (Mitullah, 2003). Although there is limited availability of financial services that are centred on informal retailers, such as the Micro Financial Institutions, the interest rates they charge amount to more than twenty percent (Mitullah, 2003) which are high for retailers with financial instabilities. This report suggests the inception of a Micro Entrepreneurs Bank that will give micro and small businesses access to loans at an interest rate that is reasonably fair. Establishing such an institution can help local entrepreneurs to effectively and efficiently operate their businesses, which can also be made possible by placing them under the authority and supervision of the MSE Ministry. Therefore, to further improve the profit-making of these

local businesses there should be an investment in local business development programs and skills development.

Alternatively, Masutha and Rogerson (2014) suggest that the South African government should adopt small business incubators which are found across developed and developing countries. The US previously used these instruments for community developments and urban renewal, and in countries such as Chile focused on business developments to improve job-creations and the conditions of their economy. They are highly identified as strategic tools that have the potential to help the countries growth of its entrepreneurial status while it also helps mitigate the high attrition rate of SMMEs. Therefore, adopting such as a business tool can help to foster pioneering projects regarding job creation, entrepreneurial infrastructure and economic development (Al-Mubaraki et al, 2013). Small business incubators also offer a range of technical and business support services which include; financial assistance with access to government support systems or loans, shared business services, networking relationships between various businesses and community (Masutha & Rogerson, 2014). In addition, expertise network supports that help in boosting the growth and survival of small business enterprises through transforming them into operationally and financially independent businesses (Masutha & Rogerson, 2014).

5.5. Summing Up

This research aimed to illustrate how the organic growth cycle of informal economic activities (i.e. street traders and spaza shops) within South African townships is constantly being disturbed and deconstructed by current competitive market forces. Considering the increase of densification in Sub-Saharan Cities and the high rise demands to access retail economic developments in economically deprived areas (i.e. townships and rural areas) this has somewhat presented entrepreneurs with a gargantuan opportunity. Due to the economic incompetency of townships and rural areas, public and mostly private developers have necessitated the responsibility of serving these local economic needs through building their advanced and competitive economic developments. It is perceived that this is their way of avoiding the already high growth of competition within cities, and taking advantage of the opportunity to generate more wealth from townships. Although they are deemed as local transformative initiatives responding to the states failure in improving the apartheid socioeconomic challenges of previously marginalised areas, they are still critiqued for their hostility towards informal economic activities. The basis of this report was to investigate this wide-spreading issue through

perusing Orlando Wests space economy to gain an understanding of the impacts associated with large retail establishments that influence the way in which street traders and spaza shops perform. This understudied topic in literature has provided limited knowledge and response to this issue, hence this research was purposed to fill in a small portion of the widespread gap that specifically responds to this topic. In an attempt to find a broader understanding of this growing phenomenon, a theoretical framework comprised of three concepts was formulated to help obtain and narrate the findings necessary for this report. These concepts include; multifaceted transformations of Local Economic Developments; Masked Cannibalism in Township Retail Markets; and Dynamics in the Shift of Township Space Economies as discussed in section 2.4. The findings of this report were used to find a link with the existing information in secondary data as affirmation of this worrisome issue that needs diligent and effective state responses.

The information captured from the respondents indicated that, in the case of Orlando West, prior to the development and operation of Maponya's Shoprite centre the local traditional retail structure was not heavily fixated on high standards of competitiveness. The area's space economy was formerly comprised of informal economic activities and formal businesses that did not have an enormous counter-impact on each other. Hence their attrition rate was moderate. However, the establishment of Shoprite has transformed this traditional setting. The advancement of Shoprite through mastering and adopting economic trading models such as Onyeani's economic spider-web, cost-reduction of products and services and branding amongst others has enabled the franchise to gain a competitive dominance in the areas space economy. Such strategies are argued to help ensure that professional entrepreneurs get an optimum accumulation on their investments through attracting a large volume of local and far-off consumers. This outcome has shown to disadvantage street traders and spaza shop traders through their local regular supporters retracting their spending's and redirecting them towards Shoprite. In addition, their nature of having weak economies of scale, competitive advantages, adaptive-capacity, diversity and a high business knowledge-gap exacerbated their already low survival rate. Operating in such economic conundrums has shown to disempower the already low entrepreneurial spirit certain micro and small retailers have, which has made them more susceptible to displacement and shutting-down. Such outcomes explain most of the economic spinoffs single-handedly benefitting large enterprises through their masked monopolisations that disadvantage the 'Other'.

Through assessing and critiquing the pros and cons of the impacts associated with township transformative economic establishments the research has shown that the positive spinoffs are unfairly

distributed. Particularly to the disadvantaged informal economic retailers who lack high trading competency to take advantage of the opportunities and benefits local residents/consumers have and are still receiving from Shoprite. These benefits include, amongst others, having consummate access to basic needs and wants, availability of low-priced quality products and services, shopping and long commuting expenditures being curtailed which has availed more disposable income for household necessities. Essentially, the research has argued against cryonic capitalism and masked economic cannibalism and propagates the fostering of regulating privately-owned economic establishments impacting the growth of township street trading and spaza shop ownerships. For example, the dominance of Maponya's Shoprite has shown to overshadow micro and small local retail businesses, whilst the state are blind-sighted by the remunerations from such large enterprises and overlook the potential harm of their competitiveness on informal economic activities. What comes to question is how will the public and private sector curb the issue of unemployment if the undesirable impacts from these unregulated large economic activities continue wide-spreading township space economies and gradually eradicating the entrepreneurial spirit of street trading and spaza shop businesses? The failure of existing state interventions in empowering incompetent township businesses has in Orlando West forced most street traders to informally co-locate with Shoprite. According to the respondents, this was a mere desperate measure to survive the possibility of closing-down due to losing customers to Shoprite. Co-locating their businesses has enabled them to accumulate more revenue through taking advantage of the high volume of pedestrians and vehicles around Shoprite's location.

The issue of the lack of government resources and capacity to incept township business empowerment programs, as indicated, needs urgent addressing. This could serve as one of the potential solutions to local retailers gaining an enriched knowledge-base to be competitive and withstand market forces within their local economic environment. Therefore to ensure the realisation of all these recommendations outlined in this chapter, the help of municipalities can also come as a benefit through implementing a database of these effective existing economic practices which should however be updated on an annual basis. In addition, coherence must be sustained with the changes being made in business frameworks and development plans at different spheres of the government. The value of an integrated support structure from pertinent stakeholders is necessitated by this report. This is for the realisation of a sustainable economic agglomeration between formal and informal economic activities as discussed in section 4.2.6. This can be useful to transform and revitalise the social, economic and spatial impairments experienced in disadvantaged communities and help bring desirable outcomes.

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Appendices A: Consent Form

[redacted]

FORMAL (SIGNED) CONSENT FORM

SCHOOL OF ARCHITECTURE PLANNING

I hereby as a participant of this research report confirm that I have been informed by the student researcher about the purpose, procedures and my rights of participating in this interview. I have received, read and understood the Participant Information Sheet. I have also been informed of:

- ☐ The nature of my participation in the form of an interview;
- ☐ The place and duration of the interview, and the study;
- ☐ The reasons for why I was selected to be a participant in the study;
- ☐ The voluntary nature, refusal to respond and withdrawal from the research study;
- ☐ No payments or rewards for my participation
- ☐ No benefits, risks or loss
- ☐ Anonymity
- ☐ Confidentiality
- ☐ How the research results and findings will be used

I therefore agree to participate in this study by completing the interview for this research study.

I AGREE / DISAGREE to the student researcher audio-recording my responses during the interview.

PARTICIPANT:

_____
Printed name

_____ _____
Signature Date

Appendices B: Clearance Certificate

SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESERCH ETHICS COMMITTEE

SCHOOL OF ARCHITECTURE PLANNING

CLEARANCE CERTIFICATE
PROTOCOL NUMBER: SOAP101/24/06/2016

PROJECT TITLE:	The Perceived Impacts of Medium and Large Enterprises on the Performance of Small and Micro Enterprises. The Case of Orlando West
INVESTIGATOR/S:	Seremi Thantsha (Student No. 721032)
SCHOOL:	Architecture and Planning
DEGREE PROGRAMME:	BSc Honours Urban and Regional Planning
DATE CONSIDERED:	26 July 2016
DECISION OF THE COMMITTEE:	APPROVED
EXPIRY DATE:	26 July 2017

CHAIRPERSON
(Professor Daniel Irurah)

DATE:

cc: Supervisor/s: Alexandra Appelbaum

DECLARATION OF INVESTIGATORS
I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to endure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

Signature **Date**

School of Architecture & Planning
University of the Witwatersrand
Private Bag 3 Wits 2050
Johannesburg South Africa
www.wits.ac.za

T + 27 11 717 7623
F + 27 11 717 7649

APPENDICES C: Interview Questions



Questionnaire (Small and Micro Enterprise owner and/manager)

SCHOOL OF ARCHITECTURE & PLANNING

1. How long have you been in business?
2. How long have you worked in or around this location, and why?
3. How many employees work at/for this business?
4. Why did you decide to go into business?
5. Who are your main customers?
6. Where do you buy your goods and services?
7. What influences your choice of sourcing your goods at that grocery retail store?
8. If any, how would you describe the impact this has on your business?
9. How has that grocery retail store improved economic opportunities for local SMEs?
10. From when you started your business have you changed location or your business services, and why?
11. How do you think doing business in this location is beneficial?
12. Do you have competition with other traders?
    - ☐ Yes
    - ☐ No
13. If any, who are your competitors?
14. If there is competition, do you still plan to grow your business?



15. What relationship does your business have with Medium and Large Enterprises in the Orlando West neighbourhood?

    - ☐ None
    - ☐ They are a threat to my business
    - ☐ Just Competition
    - ☐ They are my suppliers
    - ☐ They help in bringing more customers around

16. What are the positive and negative outcomes that come with this relationship?

17. As a business owner do you lose markets for your goods as a result of the entry of large retailers?

18. What actions do you take to avoid losing your customers to large enterprises?

19. With that being said, how do you then respond to competition in a nutshell?

20. What advantages or benefits do you think your business has over large enterprises?

21. Are you satisfied (happy) with the performance of your business?
    - ☐ Yes
    - ☐ No

22. How has the performance of your business changed from when you began trading to now?

23. What other factors have influenced the performance of your business?

24. What business strategies do you use to avoid falling out of business?

25. How have those business strategies worked?
    - ☐ They have never worked
    - ☐ Only worked for a while
    - ☐ They have worked very well

26. What other business strategies are you aware of?



27. Do you think your business would have performed differently/better if you knew more about other business strategies?

    □ Yes
    □ No

28. If possible, would you like to see more entrepreneurship programs that teach the youth and local residents of how they can start their own business and how they can survive?

    □ Yes
    □ No
    □ If maybe, please state why?

_____
_____
_____
_____