

Evaluation of Limpopo Enterprise Development Programme

Final Report 25 October 2018

Authors:

Dr. Mthanti Thanti (Lead Investigator)

Mr. Khotso Tsotsotso (Senior Evaluator)

Ms. Tebogo Fish (Evaluator)

Mr. Siyabonga Sibiya (Evaluator)



The report has been independently prepared by an Evaluation Team from Wits Enterprise consisting of sector experts from Wits Business School (WBS) and Evaluation Specialists from the Centre for Learning on Evaluation and Results – Anglophone Africa (CLEAR-AA). The Evaluation Steering Committee comprises of the Limpopo Office of the Premier and Limpopo Economic Development, Environment and Tourism. The steering Committee oversaw the operation of the evaluation, commented and approved the report. The members include...

Submitted by:

Dr. Mthanti Thanti (Lead Investigator)

Wits Enterprise

92 Empire Rd,

Parktown, Johannesburg,

2193

Submitted to:

The HoD (Enterprise Development)

20 Hans Van Rensburg St,

Polokwane Central, Polokwane,

0700

Table of Contents

Table of Contents	i
1 EXECUTIVE SUMMARY.....	5
1.1 Introduction and Background	5
1.2 Overview of the Intervention.....	6
1.3 Brief Background of the Evaluation	6
1.4 Methodology.....	7
1.5 Key findings Evaluation Findings.....	7
1.6 Recommendations	9
2 INTRODUCTION	10
2.1 Background to the Intervention	10
2.2 Key Evaluation Questions	12
2.3 Evaluation Approach.....	12
2.3.1 Utilisation-Based Evaluation	13
2.3.2 Evaluation Design.....	13
3 LITERATURE REVIEW.....	15
3.1 Literature Review.....	15
3.1.1 NDP intervention	15
3.1.2 NDP Results Logic.....	16
3.1.3 Limpopo SMME development plan and its alignment to the NDP	19
3.1.4 The Integrated Strategy on the Promotion of Entrepreneurship and Small Business..	22
3.2 Benchmarking Studies.....	24
3.2.1 The entrepreneurship ecosystem	24
3.2.2 The Role and Structure of DFIs	28
3.2.3 Evaluating the Success of Business Development Interventions.....	30
4 METHODOLOGY.....	33
4.1 Data Collection and Analytical Methods.....	33
4.1.1 Data collection Methods	33
4.1.2 Analytical Methods.....	34
5 THEORY OF CHANGE.....	42
5.1 Problem Mapping	42
5.2 Stakeholder Mapping.....	44

5.3	Theory of Change Statement.....	46
5.4	The Result Chain.....	47
6	KEY EVALUATION FINDINGS	49
6.1	Findings from Key informant Interviews	49
6.1.1	Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives?	49
6.1.2	Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?	62
6.1.3	Evaluation Question 3: Are enterprises benefitting from the intervention?	65
6.1.4	Evaluation Question 4: Are resources being allocated/used optimally?.....	70
6.2	Findings from the survey.....	72
6.2.1	Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives.....	72
6.2.2	Evaluation Question 4: Are enterprises benefitting from the EDP intervention?	80
6.3	Findings from focus group discussions.....	96
6.3.1	Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives?	96
6.3.2	Evaluation Question 3: Are enterprises benefitting from the intervention?	110
6.3.3	Evaluation Question 4: Are resources being allocated/used optimally?	113
6.4	Findings from Case Study 1: El-Shadai Vegetables Primary Co-operative Limited:	115
6.4.1	Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?	117
6.4.2	Evaluation Question 3: Are enterprises benefitting from the EDP intervention?	118
6.4.3	Evaluation Question 4: Are resources being allocated/used optimally?.....	119
	Finding from Case 2 – Parks Med	119
6.4.4	Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?	120
6.4.5	Evaluation Question 3: Are enterprises benefitting from the EDP intervention?	121
	Findings from Case 3 – Mora Technologies	123
6.4.6	Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?	125
6.4.7	Evaluation Question 3: Are enterprises benefitting from the EDP intervention?	125
6.5	Findings from Case 4 – Rostock Engineering.....	126
6.5.1	Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?	127
6.5.2	Evaluation Question 3: Are enterprises benefitting from the EDP intervention?	129

7	CONCLUSION.....	132
8	RECOMMENDATIONS.....	141
9	REFERENCES	143
10	Annex 1: Data Collection Instruments	150

LIST OF FIGURES

Figure 1: logic Model of the National Development Plan.....	18
Figure 2: A model of gap identification for strategic DFI Intervention.....	29
Figure 3: Summary of Methods for Empirical Data.....	33
Figure 4: Enterprises by District (n=431)	73
Figure 5: Sectorial Profile.....	74
Figure 6: Enterprise Size by Employment	75
Figure 7: Women Employment	76
Figure 8: Female-Entrepreneurs	77
Figure 9: Age Distribution of Entrepreneurs	78
Figure 10: Formal Education of Entrepreneurs.....	79
Figure 11: Credit Stringency by Agency	89
Figure 12: Capacity by Agency.....	90
Figure 13: Professionalism by Agency.....	90
Figure 14: Accessibility by Agency	91
Figure 15: Effectiveness of Non-Financial Service.....	92
Figure 16: Perceived Impact on Enterprises.....	92
Figure 17: ED Agency and Growth.....	93

LIST OF TABLES

Table 1: South Africa's relative SMME performance vis-à-vis the global entrepreneurship.....	12
Table 2: Nine attributes of a successful start-up community.....	25
Table 3: Seven Intangibles	26
Table 4: Problem Mapping.....	44
Table 5: Stakeholder Mapping	45
Table 6: Top 5 Sectors Hosting Women Entrepreneurs	77
Table 7: Depiction of the Likert Scale Applied.....	81
Table 8: Scores for the Capacity of ED Agency	81
Table 9: Scores for Accessibility of information & Support	82
Table 10: Scores for the Professionalism	83
Table 11: Scores for non-financial Services	85
Table 12: Scores for Perceived Business performance.....	85
Table 13: Goodness of Fit Parametres Estimates.....	87
Table 14: Covariance Matrix of the ED Constructs	87
Table 15: Programme Performance by District	94

1 EXECUTIVE SUMMARY

1.1 Introduction and Background

This report is a result of an Evaluation commissioned by the Limpopo Economic Development, Environment and Tourism (LEDET), which is intended to assess the quality of implementation and effectiveness of institutional arrangements, to deliver Limpopo Enterprise Development Programme. The Evaluation was granted to an Evaluation team from Wits Enterprise, consisting of sector experts from Wits Business School (WBS) and M&E technical Specialists from the Centre for Learning on Evaluation and Results – Anglophone Africa (CLEAR-AA).

The NDP recognises that in order to reduce poverty and inequality, the country needs to achieve, at a minimum, an annual average economic growth of about 5.4% per annum and produce 11 million new jobs over the 2012-2030 period (NPC, 2012). The NDP has identified entrepreneurship as a critical input in achieving these goals; recognising that small, medium and micro enterprises (SMME) development is a critical policy tool for creating employment opportunities, achieving sustainable economic growth, and alleviating poverty (Ladzani & Netswera, 2009; Ramunkumba, 2014).

However, entrepreneurship literature has highlighted some shortcomings in developing enterprises, particularly in the global south. Masutha and Rogerson (2014) note that SMMEs—many of them informal sector enterprises in rural areas—face a number of challenges, including:

- ✓ A lack of access to finance/credit
- ✓ A lack of access to market opportunities
- ✓ A lack of knowledge on where and how to access finance
- ✓ Service delivery failures in the support environment, e.g. poor roads and transport infrastructure.
- ✓ And, inadequate support from both provincial and local levels of government.

Moreover, rural provinces such as Limpopo face additional constraints. In addition to institutional and infrastructure constraints, Limpopo also faces human capital challenges—a large number of the province’s young professionals are migrating to cities such as Cape Town, Johannesburg and Pretoria, seeking better job opportunities, depriving Limpopo of the skills and talent that could help develop the province.

In light of these debilitating challenges, and following national imperatives, the Limpopo government has prioritised SMME development in the province (Ladzani & Netswera, 2009). The SMME sector is meant to play a critical role in fostering economic development, thereby encouraging the province’s brightest to

stay and contribute their skills and talent towards creating employment opportunities, achieving sustainable economic growth and alleviating poverty.

1.2 Overview of the Intervention

To this end, a comprehensive enterprise development programme (EDP) that enables SMMEs to exploit the areas of competitive advantages of Limpopo has been developed. The EDP seeks to promote the development and transformation of the provincial economy by promoting the SMME sector; ensuring that SMMEs in the province are able to contribute to, and benefit from, sustained economic growth. In other words, the EDP seeks to develop SMMEs that are competitive and profitable, and therefore, in a position to create sustainable employment opportunities (Ladzani & Netswera, 2009).

The targeted sectors are:

- ✓ Horticulture,
- ✓ Meat production,
- ✓ Forestry,
- ✓ Coal, Energy and Petrochemicals,
- ✓ Platinum, other Mining and Beneficiation,
- ✓ Tourism
- ✓ ICT.

SMMEs are meant to integrate themselves with local supply chains, and exploit opportunities, in both capital and operational expenditure, offered by large firms operating in these sectors (Mbedzi, 2011).

1.3 Brief Background of the Evaluation

The purpose of the evaluation is to evaluate institutional arrangements as well as the effectiveness of the implementation of the Limpopo Enterprise Development Programme. In particular, the evaluation seeks, firstly, to understand if the Programme was implemented as envisaged, both in terms of the policy alignment, co-ordination mechanisms and the activities of the implementing partners, and secondly, to consider whether this SMME/co-operative support programme has met its development objectives of economic growth, poverty alleviation, and black economic empowerment. In this enquiry, the following explicit questions are addressed:

- ✓ Are enterprises benefiting from the EDP intervention?
- ✓ Are institutional arrangements supportive for the programme to reach its objectives?

- ✓ Do institutional arrangements foster integration, collaboration and cohesion?
- ✓ Are resources being allocated/used optimally?

The evaluation covers activities and programmes by the following departments/agencies:

- ✓ Limpopo Department of Economic Development, Environment and Tourism (LEDET)
- ✓ Limpopo Economic Development Agency (LEDA),
- ✓ Small Enterprise Development Agency (SEDA),
- ✓ National Youth Development Agency (NYDA),
- ✓ Small Enterprise Finance Agency (SEFA),
- ✓ Industrial Development Corporation (IDC),
- ✓ National Empowerment Fund (NEF),
- ✓ Limpopo Department of Agriculture and Rural Development,
- ✓ Limpopo Department of Co-operative Governance,
- ✓ Human Settlement and Traditional Affairs (CoGHSTA),
- ✓ Limpopo Department of Social Development,
- ✓ The Office of the Premier (OTP)

1.4 **Methodology**

In order to interrogate the underlying assumptions of the programme design and structure across the DFIs and departments, including respective partnerships; this evaluation follows a two layered approach, namely, a utilisation-focused evaluation – which determines methods on the basis of what the evaluation is to be used for and by different audiences (Patton 1986), and a theory based evaluation – which puts an emphasis on detailing the assumptions on which a programme is based (intervention logic) and following those steps to see if they occur (Birckmayer & Weiss 2000). With this approach, mixed methods are applied to both the collection and analysis of data. The methods include document review, key informant interviews, focus groups discussions, case studies, and a survey.

1.5 **Key findings Evaluation Findings**

- ✓ **Are institutional arrangements supportive to the programme reaching its objectives?**
 - LEDET, due to capacity constraints, does not monitor/regulate how the grant for ED is spent by LEDA.
 - LEDA is largely using funds allocated by the ED directorate to subsidise money losing programmes in transport, housing and mining, etc.

- SEDA, SEFA, NEF and IDC seem to be largely following their mandates; however, they are mainly based in Polokwane, so SMMEs/Co-operatives in rural districts struggle to access their services.
- ✓ **Do institutional arrangements foster integration, collaboration and cohesion?**
 - The OTP lacks the capacity to effectively carry out the suggested monitoring and co-ordination role in ED.
 - The planning and monitoring and evaluation functions in the OTP work in silos with limited communication between them.
 - LEDET suffers from capacity issues and seems to be abandoning its policy role; instead, it is competing with implementers.
 - The OTP has limited authority especially in co-ordinating national DFIs.
- ✓ **Are enterprises benefiting from the EDP intervention?**
 - LEDA is the least effective agency in providing non-financial support.
 - LEDA is the least impactful agency.
 - Benefitting from ED seems to be conditional on geography.
- ✓ **Are resources being allocated/used optimally?**
 - There is an absence of an integrated management system which can lead to double-dipping, and unnecessary duplication of programme efforts.
 - Most of the financial allocation from LEDET's ED directorate to LEDA goes to salaries and other overheads, and not to ED programmes
 - Resources are allocated to activities not deemed value-adding to ED (over-emphasis on training, launches, seminars, etc.)
 - Procurement for business inputs is made through unnecessary "middle-agency" or rigid suppliers which often leads to high transaction costs and to acquisition of sub-standard products for targeted enterprises
 - There are consistent reports of delayed disbursement of allocated funding (anything between six months to five years) leading to funds not being used for intended purposes.

1.6 Recommendations

- ✓ **R1:** The ED directorate at LEDET should: (1) focus on its neglected role of policy development and co-ordination and stop implementing programmes and (2) be properly capacitated to effectively play its monitoring role.
- ✓ **R2:** The planning and monitoring and evaluation functions in the OTP should be properly capacitated and merged.
- ✓ **R3:** Non-financial support should be moved out of LEDA and a service level agreement should be signed with SEDA to implement non-financial support programmes for SMMEs/Co-operatives.
- ✓ **R4:** The ED unit should be moved out of LEDA and separately incorporated to provide financial support for SMMEs/Co-operatives.
- ✓ **R5:** One-stop shops, which should include office space for all the agencies, should be established in all municipalities in the province.

2 INTRODUCTION

2.1 Background to the Intervention

The NDP recognises that in order to achieve the elimination of poverty and a radical reduction in inequality, the country needs to prioritise and achieve full employment. To attain full employment by 2030, SA will have to achieve, at a minimum, an annual average economic growth of about 5.4% per annum over the 2012-2030 period of the NDP (NPC, 2012) and produce over 11 million new jobs. The NDP admits that in order for SA to achieve its 18-year employment target, all aspects and challenges of development will need to be solved (education, health, infrastructure, social safety net, reduced crime. etc.). Moreover, it has identified entrepreneurship as a critical input; recognising that small, medium and micro enterprises (SMME) development is a critical policy tool for creating employment opportunities, achieving sustainable economic growth, and alleviating poverty (Ladzani & Netswera, 2009; Ramunkumba, 2014). The evidence for this is that (Lekhanya, 2013; Fatoki & Garwe, 2010):

- ✓ SMMEs in developing countries account for more than 90 per cent of all jobs created.
- ✓ SMMEs constitute about 95 per cent of all businesses.
- ✓ They generate 30 per cent of the Gross Domestic Product.
- ✓ They absorb between 50 per cent and 60 per cent of the formally employed labour force.
- ✓ SMMEs contribute 42,7 per cent of the total value of salaries and wages paid in South Africa.

The 1995 White Paper launched a new a process that resulted in a set of policy initiatives, and institutions, that were meant to support small and medium enterprises (SMMEs) across the country (Malefane, 2013). In 2004, the Small Enterprise Development Agency (SEDA) was established, strongly indicating a commitment by national government to improve the provision of support for SMMEs, and as previously alluded to, Vision 2030 of the NDP sets a target of generating 11 million additional jobs, of which 90 per cent are expected to be created within the SMMEs (NDP, 2012). This target implies that South Africa may need to create 49,000 new SMMEs growing at a rate of 20% per annum, highlighting the centrality of entrepreneurship to the country's development.

Challenges

- High levels of inequality and a relatively small domestic market.
- Skewed ownership and control in the corporate landscape of the country; imposing barriers to entry by SMMEs and limiting the expansion of key markets which are critical to employment creation.
- Poor access to capital by SMMEs, further perpetuating market concentration.

These concerns raised in the NDP find further support in the entrepreneurship literature. In a similar vein, Masutha and Rogerson (2014) note that SMMEs, many of them informal sector enterprises in rural areas, face a number of challenges, including:

- A lack of access to finance/credit.
- A lack of access to market opportunities.
- A lack of knowledge on where and how to access finance.
- Service delivery failures in the support environment, e.g. poor roads and transport infrastructure.
- And, inadequate support from both provincial and local levels of government.

Moreover, the majority of SMMEs are not integrated into the supply chains of large business; instead, they try to compete with larger companies. They also generally lack the ambition to expand beyond that of one-man operations, mainly focusing on low value services and retail activities with little or no prospects of growth. As a result, SA's SMMEs have not attained the economic, or redistributive, impact expected by government policymakers (Hove & Chikungwa, 2013). Consequently, several areas of concern regarding SMME policy initiatives remain (Masutha & Rogerson, 2014):

- 80 per cent of South Africa's SMMEs are failed businesses in their first year of existence.
- Few of the groups of SMMEs enjoying government support are growing businesses.
- Only a limited amount of government support is reaching black owned enterprises.
- Most policy (and support) initiatives have been taken up by medium-sized white owned enterprises.

Furthermore, as Table 1 illustrates, South Africa's relative SMME performance vis-à-vis the global entrepreneurship monitor (GEM1) sample of countries for the years 2002–2014 has dropped significantly below the median (Herrington et al., 2014). This disappointing SMME performance could possibly be explained by: (1) policy funding constraints, (2) policy confusion, and (3) weak policy co-ordination and implementation between the different spheres and agencies of government (Masutha & Rogerson, 2014).

Table 1: South Africa’s relative SMME performance vis-à-vis the global entrepreneurship

Table 1: South Africa’s relative rankings, 2002–2014 Year 2002	SA’s TEA ranking 20th out of 37 countries	SA’s TEA rate 6.3	Median 19	Number of positions above/ below median 1 below
2003	22nd out of 31 countries	4.3	16	6 below
2004	20th out of 34 countries	5.4	17	3 below
2005	25th out of 34 countries	5.2	17	8 below
2006	30th out of 42 countries	5.3	21	9 below
2008	23rd out of 43 countries	7.8	22	1 below
2009	35th out of 54 countries	5.9	27	8 below
2010	27th out of 59 countries	8.9	30	3 above
2011	29th out of 54 countries	9.1	27	2 below
2012	22nd out of 69 countries	7.3	35	13 above
2013	35th out of 67 countries	10.6	34	1 below
2014	53rd out of 70 countries	7.0	35	18 below

2.2 Key Evaluation Questions

This Evaluation is intended to address four main questions:

- Are institutional arrangements supportive to the programme reaching its objectives?
- Do institutional arrangements foster integration, collaboration and cohesion?
- Are enterprises benefiting from the EDP intervention?
- Are resources being allocated/used optimally?

2.3 Evaluation Approach

In this evaluation, a combination of a theory-based and utilisation-focused evaluation approach was applied. A theory-based approach to evaluation (i.e., a conceptual analytical model) is not a specific method or technique; rather it is a way of structuring and undertaking analysis in an evaluation. This

evaluation approach uses an explicit theory of change to draw conclusions about whether and how an intervention contributed to observed results. Theory-based approaches are “a logic of enquiry,” which complement and can be used in combination with most of the evaluation designs and data collection techniques (Centre of Excellence for Evaluation, 2012). In this evaluation, an explicit Theory of Change was “reconstructed” with senior DFI and department programme managers, to unpack the logic of the various ED programmes and identify implied and explicit targets in line with the provincial development plan.

2.3.1 Utilisation-Based Evaluation

Combined with a theory-based evaluation approach, an utilisation-focus approach was also applied. The utilisation-focused evaluation approach (UFE) is based on the principle that an evaluation should be judged on its usefulness to its intended users. Therefore, evaluations should be planned and conducted in ways that enhance the likely utilisation of both the findings and of the process itself to inform decisions and improve performance (Patton, 1986). In the case of the Limpopo Enterprise Development evaluation, the primary intended users were clearly identified and engaged from the beginning of the evaluation, and these intended users of the evaluation (identified right at the beginning) were the main drivers of the design and implementation of the evaluation. Every decision of the evaluation process was thoroughly discussed with the key stakeholders at LEDET and OTP and frequent project plans were communicated. The evaluation team aimed for full ownership of the evaluation and the evaluation process by the intended user.

2.3.2 Evaluation Design

The study followed a Case Study evaluation design. According to Preskill (2004), a Case Study design is used when evaluations are conducted for the purpose of understanding the programme’s context, participants’ perspectives, the inner dynamics of situations, and questions related to participants’ experiences. Case studies involve in-depth descriptive data collection and analysis of individuals, groups, systems, processes, or organisations.

The types of case studies applied in this evaluation are best listed by Balbach (2017) as:

- 1) **Critical instance case study.** This examines a single instance of unique interest, or serves as a critical test of an assertion about a programme, problem or strategy
- 2) **Programme implementation case study.** This investigates operations, often at several sites, and often with reference to a set of norms or standards about implementation processes. And finally,

- 3) **Programme effects case study.** This examines the causal links between the programme and observed effects (outputs, outcomes or impacts, depending on the timing of the evaluation) and usually involves multi-site, multi-method evaluations.

3 LITERATURE REVIEW

3.1 Literature Review

3.1.1 NDP intervention

Proponents of government intervention in small business development argue that, first, the intervention is critical in addressing market failure (e.g. credit rationing SMMEs)¹, which inhibits small business growth and consequently, their ability to create jobs and income. Second, they suggest government intervention can incentivise SMMEs to align their goals with the government's strategic vision for economic development (Vadnjal & Nikolovski, 2011).

The NDP proposes to address the disappointing SMME performance in SA, partially occasioned by market failure, by following a new path that would lead to:

- ✓ Increasing investment in strengthening local infrastructure and services.
- ✓ Facilitating better access to capital for new and expanding SMMEs.
- ✓ And, improving commercialisation of innovation in SA.

The plan's central goals are expanding employment through entrepreneurial opportunities on the back of a growing and more inclusive economy. Strategies to achieve this goal include raising the profile of small scale production and services provision in: housing construction, retail, personal services, small scale agricultural production, etc. Additionally, the NDP also strongly advocates for a culture of innovation and learning. In particular, the plan emphasises increasing R&D investments in high value agriculture, mining inputs, downstream processing, financial services as well as energy efficiency. Such proposed activities will give rise to immediate outputs. Other necessary interventions proposed by the NDP that may address this disappointing SMME performance are:

- **Public procurement reform.** Preferential procurement will promote localisation and paying SMMEs within 30-days will ease working capital constraints.
- **Improved access to credit and equity finance.** The NDP recommends a subsidy to existing banks to minimise exposure to defaulting risks (instead of underwriting the principal debt). The plan also recommends exploration of venture capital arrangements.
- **Increased research capacity** to address the paucity of data currently available on SME and micro-enterprises to scale up public communication regarding available opportunities.

¹ Market failure refers to suboptimal allocation of financial resources for development that can be explained, in this context, by lack of awareness among small businesses of advice, information and other services supplied by the market that can enhance their performance and reluctance to seek external support due to their scepticism about the value of those services and lack of willingness to pay for them (see, e.g. Westhead & Storey, 1996).

- **A simplified regulatory environment** for SMEs. This includes:
 - ✓ Easing business registration requirements
 - ✓ Easing tax regulation for SMEs
 - ✓ Relaxing labour regulations
 - ✓ Aligning local government regulations with SMME policy
- **A consolidated and strengthened SME support system.** This includes a unified service delivery agency and the consideration of a Private Public Partnership where the private partner is incentivised to provide support to SMEs.
- **Closing skills gaps for early-stage entrepreneurs.**
- Continued prioritization of **black and gender empowerment.**

3.1.2 NDP Results Logic

In order to achieve the social impact of reduced poverty, and inequality, preceded by the attainment of full employment (as a longer term outcome); the NDP sets goals which are characterised by the following list of outcomes by 2030:

- An increase in the number of new firms that are established.
- A decrease in levels of economic concentration in most sectors.
- A more diversified economy.
- Deeper supply chains with more intermediate inputs sourced from local suppliers.
- Higher levels of innovation.

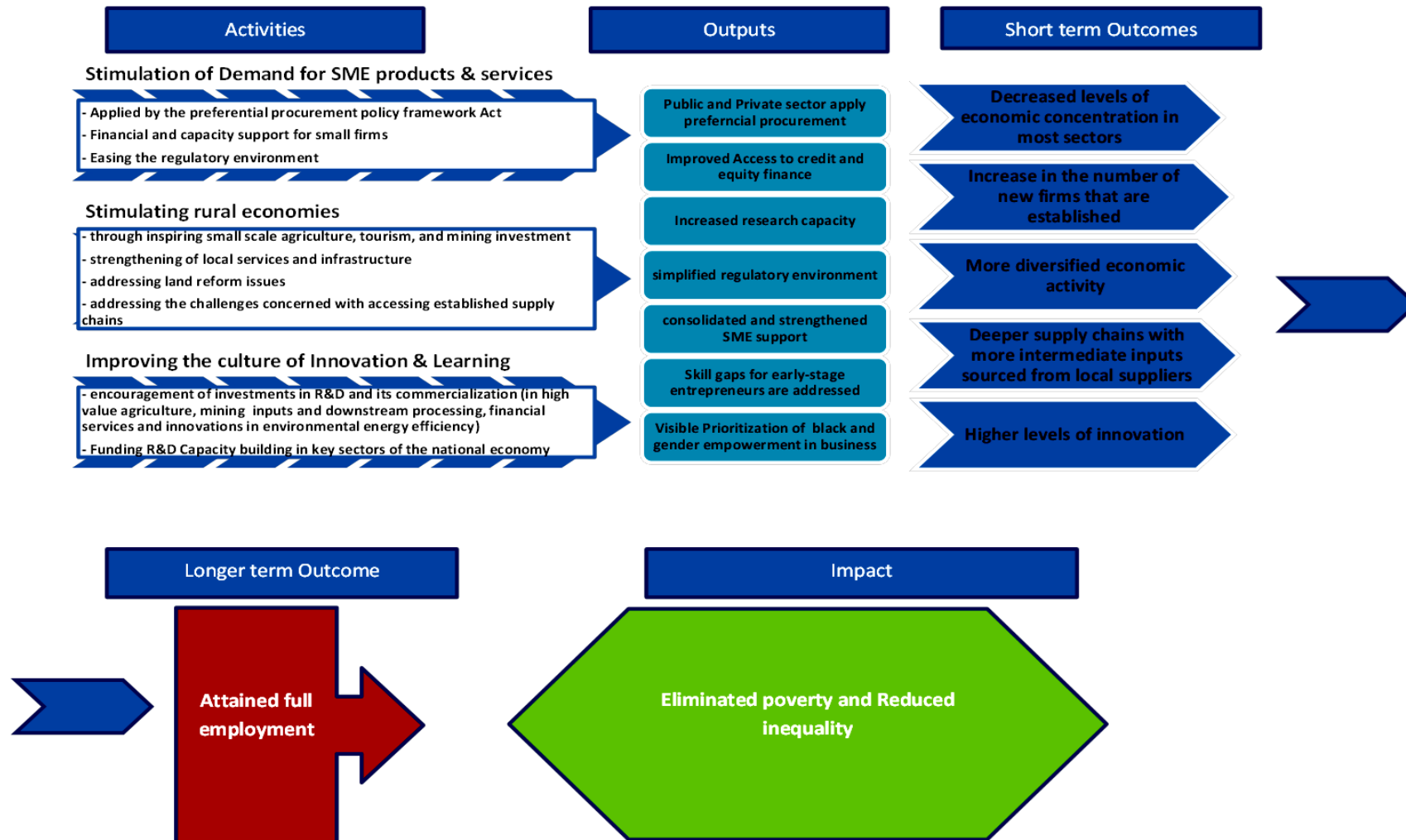
The NDP is “rolled out” in three phases. Each phase has a specific focus and targets its outcomes towards specific subsectors of the economy. The three phases are divided in intervals of six years until 2030 when the entire vision should be achieved. For the purpose of this study, the relevant phase runs from 2012 and ends at the end of 2017. This phase puts emphasis on the absorption of youth into the mainstream economy. The plan to absorb youth into the mainstream economy in this phase is strongly reliant on the continued viability of the mining industry, which will be supplemented by increased investment in infrastructure building. Specifically, this phase places high emphasis on SMME development. The specific interventions are as follows:

- ✓ Improving the labour relations environment (SME friendly labour regulations).
- ✓ Ensuring the supply of basic services at a local level.
- ✓ Intensifying R&D spending, emphasising opportunities linked to existing industries.
- ✓ Developing a financial centre for Africa.

- ✓ Implementing the commitment by government to promote industrial diversification through its procurement programme.
- ✓ Changing the approach to land tenure to a system that stimulates production and economic opportunity, and reduces uncertainty.
- ✓ Doubling the annual output of high skills, and improving throughput in primary and secondary education.

The NDP document is intended to be the “parent” and guiding document for all other national efforts, relating to economic, social or enterprise development. So, to conclude our analysis, the NDP proposes a logical model for SMME development. This logic of the NDP, together with the LDP, is used to locate as a basis of an analytical framework to evaluate the effectiveness of the EDP in Limpopo. Figure 1 below, illustrates the logic of the National Development Plan for SMME development. The logical flow of the model is from left to right, starting with prescribed activities at the top.

Figure 1: logic Model of the National Development Plan



The logic of the model is as follows:

if the nation invests resources (money, skill/people and technology) towards: (1) activities that stimulate demand for SME services and products, (2) rural economies and (3) research & development;

THEN...

...immediate outputs such as (1) preferential procurement by private and public sector, (2) improved access to funding and services and (3) improved entrepreneurial capacity will be the immediate outputs.

IT FOLLOWS THEN THAT...

...such outputs (assuming favourable market responses) will lead to a substantially increased number of businesses, higher levels of unique innovations, and improved efficient supply chains - all of which will lead to full employment.

AND FINALLY...

...the NDP hopes that employment will help eliminate poverty and reduce the gap between the rich and the poor in the country and foster social cohesion.

3.1.3 Limpopo SMME development plan and its alignment to the NDP

Limpopo's rural areas are characterised by sparse populations, poor infrastructure, remoteness and little or no access to markets (Ladzani & Netswera, 2009). In addition, a large number of the province's young professionals are migrating to cities such as Cape Town, Johannesburg and Pretoria, seeking better job opportunities; depriving Limpopo of the skills and talent that could help develop the province. In light of these debilitating challenges, and following national imperatives, the Limpopo government has prioritised SMME development in the province (Ladzani & Netswera, 2009). The SMME sector may play a critical role in fostering economic development; thereby, encouraging the province's brightest to stay and contribute their skills and talent towards creating employment opportunities, achieving sustainable economic growth and alleviating poverty.

To this end, a comprehensive SMME strategy that enables SMMEs to exploit the areas of competitive advantages of Limpopo has been developed. The targeted sectors are: Horticulture, Meat production, Forestry, Coal, Energy and Petrochemicals, Platinum, other Mining and Beneficiation, Tourism and ICT. SMMEs are meant to integrate themselves with local supply chains, and exploit opportunities, in both capital and operational expenditure, offered by large firms operating in these sectors (Mbedzi, 2011). Moreover, an integral part of the 2009 – 2014 Limpopo Employment, Growth and Development Plan is an enterprise development programme (EDP). The EDP seeks to promote the development and

transformation of the provincial economy by promoting the SMME sector; ensuring that SMMEs in the province are able to contribute to, and benefit from, sustained economic growth. In other words, the EDP seeks to develop SMMEs that are more competitive and profitable; and therefore, in a position to create sustainable employment opportunities (Ladzani & Netswera, 2009).

The following principles informed the design and management of the EDP in the province (Limpopo Provincial Government, 2009):

- The Limpopo Provincial Government provides oversight and leadership in the development of the SMME sector in the province, liaising closely with key national government departments and agencies.
- SMME development services should enhance the potential for economic transformation in the province, removing the dualism that is currently found in the economy and practically supporting opportunities for broad-based black economic empowerment.
- All SMME development services are carefully targeted, demand oriented, responsive, and integrated.
- All actors engaged in the SMME sector – public, private and community, as well as national, provincial and local agencies, and the SMME sector itself, work together to ensure their actions are complementary and co-ordinated.
- Provincial SMME development must pay special attention to the constraints and challenges facing women, young people, people with disabilities, and enterprises operating in previously disadvantaged areas in the province.
- New methods and instruments are developed to promote SMME development in the province, including the use of pilot and flagship projects, which test new approaches to SMME incubation, innovation and development.
- The 2009 – 2014 Limpopo Employment, Growth and Development Plan has been replaced by the 2015 - 2019 Limpopo Development Plan (LDP) which is in line with the NDP. It follows that Limpopo enterprise development initiatives over the evaluation period would not be strongly influenced by this newly developed provincial plan. However, the LDP is closely aligned to the NDP logic model introduced above. The section of the LDP comprehensively addressing plans regarding enterprise development is referred to as section 4.6, covering ‘Outcome 4: Decent Employment through Inclusive Growth (LDP, 2015-2019)’. The LDP identifies the

Limpopo Department of Economic Development, Environment and Tourism (LEDET) as a lead agency for economic development and therefore enterprise development in the province. In fact, the document clarifies that LEDET is mandated to lead and co-ordinate economic development efforts from other agencies (having national, provincial or local footprint) operating in the province. Planning and strategy update/development annually are co-ordinated and performed by LEDET and the planning branch of the provincial administration. LEDET then convenes all plans with other appropriate departments and agencies operating in the province according to seven selected clusters. Namely;

- ✓ Coal and energy cluster
- ✓ Platinum cluster
- ✓ Musina-Makhado Corridor Mining cluster
- ✓ Phalaborwa mining cluster
- ✓ Logistical hubs
- ✓ Agricultural cluster, and
- ✓ Tourism cluster

The LDP directly states an intention to align its plans to the NDP. Actually, this provincial plan carries over and inherits the NDP's intended outcomes of attaining full employment and reducing inequality. To achieve this long term impact, the LDP commits to the following broad strategies:

- ✓ Attracting productive investment through improved infrastructure.
- ✓ Eliminating unnecessary regulatory burdens.
- ✓ Appropriate up-skilling of the labour force.
- ✓ Expanding employment in agriculture.

All four outcomes of the provincial plan are appropriately aligned and contribute to the NDP, both at an output and an outcome level. However, although the LDP provides clarity regarding R&D and innovation in information and communication technology (ICT), there is limited emphasis on R&D spending to enhance innovation in existing industries. In fact, other than investment in basic and further education (skills-side investment) with the aim of producing skilled researchers, the plan, unlike the NDP, does not offer any expressed accommodation for expenditure on R&D. Additionally, although the LDP admits the province's over-reliance on the mining sector and warns against exposure to risks associated with global commodity price shocks and the negative impact on the plan itself, the provincial strategy for diversifying Limpopo's economic portfolio is only limited to investments in education and

skills development. Again, there is no feature of demand side economic management in the LDP to stimulate the diversification of the provincial economy away from primary industries.

3.1.4 The Integrated Strategy on the Promotion of Entrepreneurship and Small Business

As can be deduced from the preceding literature, the Limpopo SMME sector has not fully realised its potential to impact socio-economic transformation, despite the magnitude of investment made. Perhaps part of this failure can be attributed to poor policy, implementation, and co-ordination amongst the various agencies/departments. The Integrated Strategy on the Promotion of Entrepreneurship and Small Business, which was published in 2007, addresses concerns about strategy co-ordination in executing enterprise development. Therefore, the study analyses Limpopo 11 key agency/department integration on the basis of the Integrated Strategy on the Promotion of Entrepreneurship and Small Business.

This analysis may help explain and clarify the congruence of the intervention logic of the various agencies operating in the province, which may neither be fully justified by the NDP, the LDP or the 2009 – 2014 Limpopo Employment, Growth and Development Plan. Although, the integrated strategy document was created for the purpose of integrating enterprise development efforts of the different “hands of government” nationally, in our view, it is applicable provincially since, by design, the primary role of the document is to explicitly foster collaboration among “role players” and recommend an integrated approach to ED. So, applying it at a provincial context is befitting. Below, the guiding principles of the integrated approach are outlined:

- ✓ **The fact that entrepreneurship and small business promotion is a shared competency.** It is a phenomenon which cuts across departmental boundaries and spheres of governments. It is also an issue that goes beyond the public sector, but also plays a significant role in the private sector
- ✓ **Integration is key.** If there are commonly desired outcomes regarding small business development across various stakeholders, then all role players (institutions and programmes), particularly those created and resourced by the state, should be guided by the principle that “Synergy comes First”
- ✓ **The strategy must cover the entire entrepreneurship continuum.** This means that delivery mechanisms must exist across the entire entrepreneurship continuum from pre-start-up to start-up, business survival, growth and expansion, and turnaround of ailing businesses

- ✓ And lastly, **the strategy attends to special foci**. This refers to prioritisation of special social groups in providing access to essential developmental resources.

The Integrated Strategy on the Promotion of Entrepreneurship and Small Business addresses some of the identified gaps left open by the NDP and LDP regarding integration. Proposed activities of the strategy include **improving co-ordination within government**. For instance, in Limpopo this may include setting up inter departmental committees whose work is to ensure integration and effective co-ordination of policies and measures to promote entrepreneurship and small business across government. Secondly, the establishment of a central monitoring function through the office of the Premier to monitor programmes across the different spheres of government. Additionally, the **improvement of co-ordination among support agencies would also be important** in order to ensure synergy in programme design and intervention logic. Synergy is managed through **a circulated programme concept note** at the funding stage of state funded initiatives. This is to avoid programme duplication and resource wastage.

In summary, a list of strategic outcomes of the Integrated Strategy on the Promotion of Entrepreneurship and Small Business is as follows:

- ✓ A fostered entrepreneurship culture and increased enterprise creation rate
- ✓ Established and dedicated network of SMME finance
- ✓ Created demand for Small Enterprise products and services
- ✓ Strengthened local network for small business development support services
- ✓ Improved small enterprise competencies and delivery capacity
- ✓ Strengthened Enterprise Networks
- ✓ Provision of necessary support incentives
- ✓ Improved regulatory environment

This strategic document is complementary to both the NDP and LDP as it provides additional detail regarding some of the issues which are not fully canvassed in the two documents. In this way, it provides an additional analytical framework to evaluate the implementation of the ED strategy in Limpopo as well as delineating a clearer “picture” of the challenges the Limpopo enterprise development programmes

faced especially in light of the concerns raised by Mbedzi (2011) who argues that this local BEE SMME underperformance is partially attributable to the ineffectiveness of Developmental Finance Institutions (DFIs) in Limpopo.

3.2 Benchmarking Studies

3.2.1 The entrepreneurship ecosystem

As discussed, one of the key elements of the Limpopo Enterprise Development strategy is to foster growth. However, self-employment and the small survivalist businesses prevalent in Limpopo (Henrekson & Sanandaji, 2013) do not foster growth since empirical evidence on the relationship between firm productivity and firm age suggests: (1) productivity increases with firm age, and (2) new firms die young (Shane, 2009). In fact, self-employment, small business ownership and firm start-up rates (i.e., entry density) correlate negatively with measures of innovation and knowledge diffusion (Henrekson & Sanandaji, 2013) since the majority of small business owners do not bring any new innovation to the market; instead, most offer existing goods/services to an existing market (Hurst & Pugsley, 2011). They also do not grow to become large entities nor, for that matter, do they plan to do so (Henrekson & Sanandaji, 2013).

Indeed, Mthanti and Ojah (2017) empirically show that it is the entry of high EO (entrepreneurial orientation) firms engaging in innovative new methods of production, the proactive acquisition of new markets, and the risky re-invention of industry that enhances productivity and consequently, fosters economic growth. It follows that high EO firms are quite distinct from normal SMMEs, and thus strategies that may be effective for promoting “mom and pop” shops; may prove deficient for promoting fast growing high EO firms. In light of these clear limitations, it is self-evident that we need a different framework, to supplement the logic of the NDP/LDP, in order to effectively evaluate the effectiveness of Limpopo’s SMME support institutions in fostering the growth of high EO firms.

The entrepreneurial ecosystem framework might be useful in helping to assess whether Limpopo’s 11 key departments/agencies foster high growth firms in the province.

The entrepreneurial ecosystem concept emphasises the importance of high EO firms to regional and consequently, national growth. It argues that entrepreneurship takes place in a community of interdependent actors, constrained or enabled by their social context. In the entrepreneurial ecosystem approach, high EO firms are not merely recipients of support from benevolent governments, they are important agents that partially co-create and maintain the entrepreneurial ecosystem. Case and Harris

(cited in Feld, 2012) suggest that there are nine attributes of successful entrepreneurial ecosystems (see Table 2):

Table 2: Nine attributes of a successful start-up community

Attribute	Description
Leadership	Strong group of entrepreneurs who are visible, accessible and committed to the region being a great place to start and grow a company
Intermediaries	Many well-respected mentors and advisors giving back across all stages, sectors, demographics, and geographies as well as a solid presence of effective, visible, well-integrated accelerators and incubators
Network density	Deep, well-connected community of start-ups and entrepreneurs along with engaged and visible investors, advisors, mentors and supporters. Optimally, these people and organisations cut across sectors, demographics, and culture engagement. Everyone must be willing to give back to his community
Government	Strong government support for and understanding of start-ups to economic growth. Additionally, supportive policies should be in place covering economic development, tax, and investment vehicles.
Talent	Broad, deep talent pool for all level of employees in all sectors and areas of expertise. Universities are an excellent resource for start-up talent and should be well connected to community
Support services	Professional services (legal, accounting, real estate, insurance, consulting) are integrated, accessible, effective, and appropriately priced
Engagement	Large number of events for entrepreneurs and community to connect, with highly visible and authentic participants (e.g. meet-ups, pitch days,

	start-up weekends, boot camps, hackathons, and competitions)
Companies	Large companies that are the anchor of a city should create specific departments and programmes to encourage co-operation with high-growth start-ups
Capital	Strong, dense, and supportive community of VCs, angels, seed investors, and other forms of financing should be available, visible, and accessible across sectors, demographics, and geography.
Source: Feld (2012: 186-187)	

Isenberg (2010) suggests that there is no exact formula for creating an entrepreneurial ecosystem. Based on a synthesis of literature, Mason and Brown (2014, p. 5) define an entrepreneurial ecosystem as follows:

“a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of ‘blockbuster entrepreneurship’, number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment”.

The entrepreneurial ecosystem literature we have reviewed so far emphasises the importance of tangible infrastructure e.g. access to capital markets, infrastructure, etc. However, Venkataraman (2004) argues that the intangibles of entrepreneurship are critical for Schumpeterian entrepreneurship to thrive in a locality. He suggests that governments mainly attempt to promote high EO firms by injecting risk finance capital. However, he notes that if only access to capital is addressed by policy makers, such capital may mainly fund survivalist businesses. For finance to produce extraordinary wealth and economic growth, it must be accompanied by seven other intangibles (see Table 3):

Table 3: Seven Intangibles

Tangible	Description
Focal points capable of producing novel ideas.	Novel ideas originate from bright and knowledgeable individuals who are often in the neighbourhood of

	their region's great institutions. Limpopo may need to develop its Universities and Research Centres.
The need for right role models.	The new role models who show their peers that entrepreneurial success is not a theory. In this environment, potential entrepreneurs think, "If that 'fool' can do it, I can do it, too."
The need for informal fora of entrepreneurship.	Access to role models mostly occurs in informal meeting points like bars and restaurants. Tangible innovations are born there because the atmosphere lowers inhibitions and encourages face-to-face idea exchange, which is necessary for ideas to come together with talent.
The need for region-specific ideas to be created	Limpopo must appreciate its idiosyncratic value which helps to build region-specific knowledge and convert that knowledge to new products that the world has not seen. Such idiosyncrasy may be based on the Limpopo's natural resources, or some other source of idiosyncratic advantage.
The need for safety nets	Attempts at novelty are always accompanied by failure. Unless Limpopo has mechanisms and institutions to cushion failure, new trials by entrepreneurs will dry up. When a region provides safety, a culture of risk-taking develops.
The need for gateways to large markets.	Entrepreneurs in large densely populated centres have a natural advantage because large population centres are natural laboratories for testing and introducing new ideas cost effectively.
The need for executive leadership.	Executive leadership rolls up his/her sleeves and does the grunt work.

Source: Own; Adapted from Venkataraman (2004)

These entrepreneurial ecosystem approaches provide useful pointers for public policymakers in Limpopo; they perceive the role of the government to be critical to the development of high EO firms. Importantly, public leadership provides guidance and role models within the entrepreneurial ecosystem.

Critically as well, accessibility to finance is of crucial importance for investments in uncertain entrepreneurial projects with a longer term pay-off, which may be credit rationed by the banking sector.

3.2.2 The Role and Structure of DFIs

Besides the logic of the NDP, LDP, the Integrated Strategy on the Promotion of Entrepreneurship and Small Business and the effectiveness of Limpopo's SMME support institutions in fostering the growth of high EO firms; directly evaluating the operating models of DFIs operating in Limpopo might yield important insights about the effectiveness of the ED strategy in Limpopo. DFIs are an integral part of an entrepreneurial ecosystem since they address market failures that entrepreneurs commonly face, such as credit rationing. Thus a well-structured entrepreneurial ecosystem necessarily entails effective DFIs which provide: (1) higher-risk credit, (2) risk guarantee instruments, and (3) equity positions and advisory, usually achieved via specialised financial entities (Te Velde & Warner, 2007).

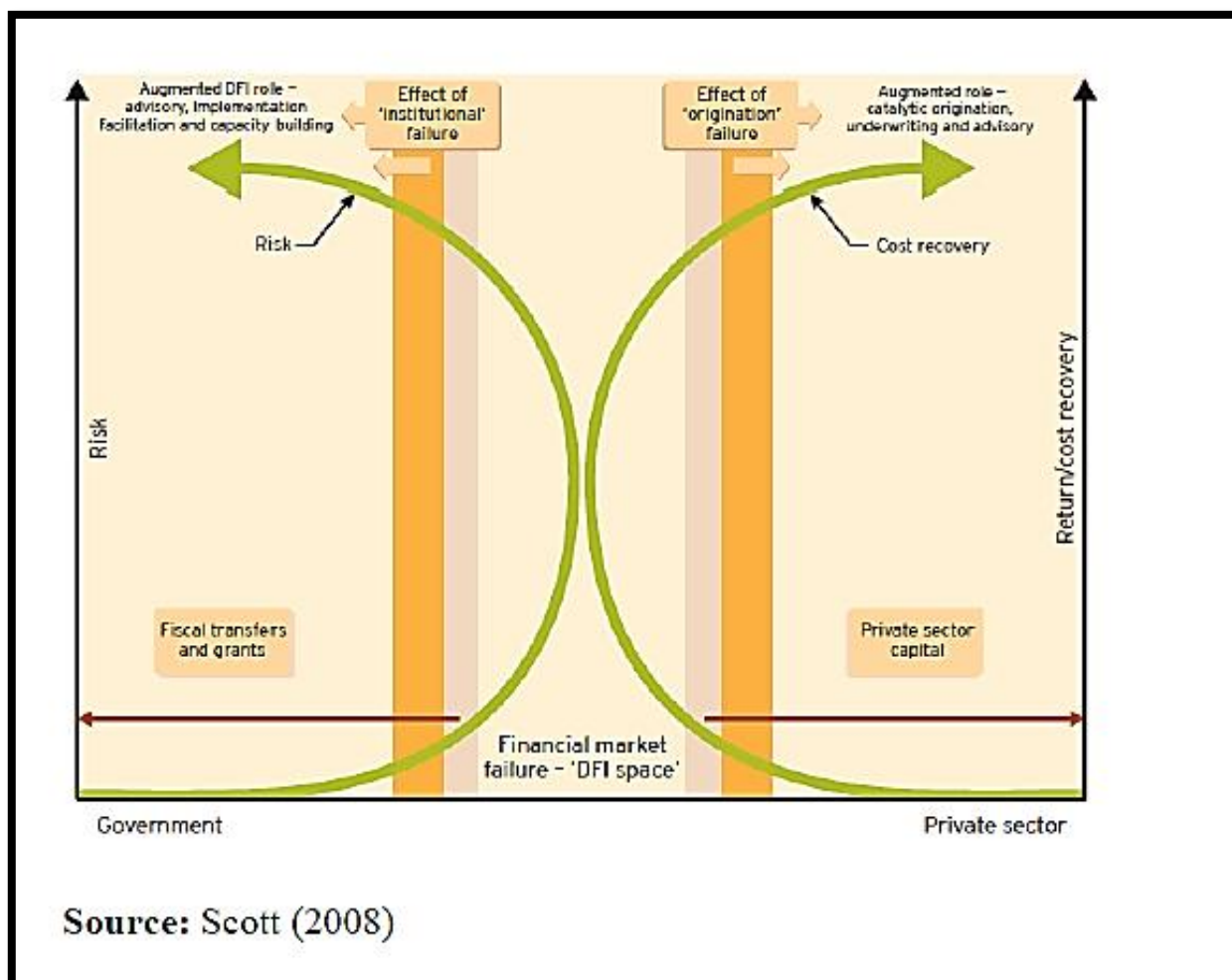
DFIs operate on the dual concept of promoting economic, and sometimes social, development while also ensuring they operate profitably and sustainably as any other business organisation would. Given the difficulty of measuring the social impact of projects and the fact that some governments, such as the United Kingdom, have regulations that explicitly bar DFIs from competing with or bidding against private sector firms (e.g. commercial banks), balancing their social mandate and sustainability pursuit can be a herculean task (Dickinson, 2013). The duality in the role of DFIs could explain the earlier observation by Te Velde and Warner (2007) that DFIs in South Africa have high levels of liquidity that are not adequately matched by greater risk-taking, resulting in their potentially suboptimal performance in meeting their social objective of fighting poverty by supporting the development of a vibrant private sector particularly in rural provinces. The apparent suboptimal risk-taking would seem to defeat a key mandate of DFIs, which is to support sustainable development by providing risk capital to entities exploiting competitive investment opportunities that conventional financiers would likely avoid due to longevity of capital recovery and risk.

Nowhere is the need to have DFIs effectively carry out this mandate more critical than in Sub-Saharan Africa where it has been suggested that DFIs should go beyond addressing market failure and address other development failures including: institutional failure, which occurs when organisations do not implement the services for which they are responsible; capacity failure due to a lack of appropriate skills in the public institutions managing development; origination failure, which arises when the public and market players fail to originate innovative ideas for development; information failure (failure to overcome information asymmetry between the role players in development) and failure to facilitate

strategic partnerships between public and private sectors for growth (Gumedé, Govender, & Motshidi, 2011).

The recognition of these failures as part of what must be addressed by DFIs lead to the following modified strategic intervention model, originally put forth by Jackson (2006) and later modified by Scott (2008). In the model, the DFI has the mandate to address failures of the market (public and private sectors) to optimally engage in capacity building, provide advisory, and originate innovative development ideas as discussed in the foregoing paragraph. In this framework, the DFI must actively seek to identify these gaps and then take steps to address them in all sectors of the economy. In this context, Appleyard (2011) explains that DFIs have created co-ordinated partnerships with commercial banks in ways that enable them to more effectively enable financial inclusion. Limpopo should consider anchoring the concept of partnerships between DFIs and other credit providers in law (or policy) to boost the ability of both to reach deserving segments of the population.

Figure 2: A model of gap identification for strategic DFI Intervention



In Africa, studies point to a lack of clarity on whether DFIs are attending to these roles effectively. For instance, Calice (2013) has recently recommended a review of the mandates of African DFIs to assess the relevance of their strategic focus, their terms of engagement with commercial and financial institutions and the sustainability of their efficiency objectives as well as to assess their development effectiveness. In South Africa, Qunta (2015) reports that DFIs appear to have positively impacted the economy, providing evidence of job creation in KwaZulu-Natal province that can be ascribed to their support to small and micro-enterprises; however, the study observes that the performance of DFIs could be substantially improved by, for instance, extending support to SMEs beyond provision of credit (e.g. through advisory and monitoring) to mitigate massive debt write-offs that have characterised their operations, boosting their capacity to evaluate funding applications, and implementing early warning systems to identify and prevent collapse of troubled beneficiaries. This finding is consistent with earlier reports that South African DFIs have not yet realised their full potential (Republic of South Africa, 2008).

3.2.3 Evaluating the Success of Business Development Interventions

As previously canvassed, researchers and policy makers believe that a strong nexus exists between entrepreneurship and economic development. This belief is strengthened by several pieces of anecdotal evidence, such as the strong culture of entrepreneurship in countries that have recently achieved substantial poverty reduction (in countries such as China); and the focus by international development agencies on entrepreneurship to improve effectiveness and sustainability of aid (Audretsch, Grilo, & Thurik, 2007). However, it is not yet clearly understood how entrepreneurship contributes to economic development and helps in the fight against poverty (see e.g. Naudé, 2013), especially in rural regions such as Limpopo. It is also not clear in the literature whether initiatives aimed at promoting entrepreneurship and (small) business development are effective in promoting: (1) economic growth, (2) poverty alleviation, and (3) black economic empowerment (BEE) objectives.

It is therefore important to empirically establish the efficacy of such intervention programmes in achieving their intended objectives. This need is more important in the developing countries where studies show that SME programmes are rarely, if ever, evaluated rigorously (see e.g. World Bank, 2010). This is especially important in the context of South Africa's rural regions, where the state and other actors have instituted SMME initiatives as part of a wider strategy aimed at achieving economic inclusiveness for segments of the country's populace hitherto excluded through the country's Apartheid legacy. Although impact evaluation would initially appear to be a difficult task, the literature has developed several well-considered and tested approaches performing the exercise that makes it

surmountable. We begin this section therefore by reviewing some of the several such approaches so far put forward in the relevant literature.

In their model, Oldsman and Hallberg (2002) propose a systematic approach that begins by taking note of the central principles and issues on which the interventions were motivated and then using them to identify the units of analysis. For instance, in Limpopo Province, the intervention could be motivated, as already discussed, on principles such as the need for (1) greater inclusion of blacks in the mainstream economy, (2) the desire for greater employment creation in the provincial economy and (3) as a fight against widespread poverty in the province, as articulated in the NDP and the LDP. Thus, although the unit of analysis in this case would be the direct beneficiaries of the intervention programme, small and micro enterprises, impact evaluation must, of necessity, also treat employment creation and poverty reduction as secondary units of analysis. Secondly, and importantly, the evaluation must establish causality between the intervention and the outcomes after controlling for extraneous factors in Limpopo.

Oldsman and Hallberg (2002) propose several experiment-based methods for establishing such causality. The experimental approach also receives the support of the World Bank (2010), which appears to discourage excessive reliance on survey approaches for impact evaluation on account that these approaches may essentially measure satisfaction of intervention beneficiaries. The World Bank study emphasises the need to identify the counterfactual – the situation that could have prevailed in the absence of intervention – in such evaluations. To identify the counterfactual typically involves selecting a group, as a unit of analysis, that did not participate in the treatment (intervention) and then controlling for various characteristics either through a scientific process, such as regression analysis, or through matching. When matching is used, the control group (non-participating units) is selected to match the intervention programme beneficiaries on several observable characteristics such as sector, firm size and age and location and possibly, level of performance before the intervention. The latter basis for matching might be useful in situations where beneficiaries self-select into the intervention programme as is often the case.

In spite of the preference for more objective experiment-like tests, there are studies that rely on survey methodologies to gauge the success of similar interventions. For instance, Vadjnal and Nikolovski (2011) in their Eastern Europe study used a self-administered questionnaire with closed-ended questions (Likert-type scale of responses) to reduce value bias among respondents and hence achieve greater objectivity. The questionnaire was pretested on several entrepreneurs to improve its validity. While this method may not identify the exact magnitude of impact of the intervention programme on “treated” SMEs, it is less time consuming and, with sufficient controls, can provide a reasonable indication of the usefulness of the programme, especially if evaluation time is constrained. This approach can do especially

well if combined with in-depth studies of judiciously selected cases from amongst beneficiaries and non-beneficiaries of the intervention programme (for the case study approach, see IFC, 2005).

4 METHODOLOGY

4.1 Data Collection and Analytical Methods

4.1.1 Data collection Methods

In this evaluation, a mixed method approach to data collection was used. A mixed methods research represents research that involves collecting, analysing, and interpreting quantitative and qualitative data in a single study or in a series of studies that investigate the same underlying phenomenon. In this study, four different methods were used to collect data. The methods were applied simultaneously to understand the implementation, co-ordination and effectiveness of enterprise development programmes in Limpopo. The four main types of data collection methods and respective analytical methods are summarised in Table 3 below.

Figure 3: Summary of Methods for Empirical Data

Data Collection Method	Target	Sampling Strategy	Sample Size	Analytical Method
Key-Informant Interviews	Informants from government Departments and DFIs	Purposive	32	Deductive Coding and Thematic Analysis
In-depth Interviews	Beneficiaries	Purposive	5	Case Study Analysis
Survey	All Provincial Entrepreneurs	No sampling strategy. This is a census-based survey	453	Descriptive Statistics and Structural Equation Modelling
Focus Group Discussions	Beneficiaries	Purposive	60	Deductive Coding and Thematic Analysis

Importantly, the multi-methods employed allowed for triangulation across a range of perspectives across the programme. Understanding the role and interests of co-ordinating bodies, implementing partners, beneficiaries and others ensured that we have a 360 degree view of the key opportunities and challenges of the Limpopo Enterprise DevelopmentP programme.

4.1.2 Analytical Methods

Qualitative Analytical methods

The evaluation used a hybrid qualitative analysis approach, meaning that a deductive thematic analysis approach was used, together with a data-driven inductive coding approach (Fereday & Muir-Cochrane, 2006).

Thematic Analysis

In this evaluation, thematic analysis was applied to the stakeholder interview transcripts, focus group discussion transcripts, and the case study interview transcripts. Scholars define thematic analysis as a means of identifying themes which emerge as important for describing the data (Aronson, 1995). Braun and Clarke (2014, p. 57) go further to state that thematic analysis is a method used to systematically identify, organise and provide insight into patterns of meaning (i.e. themes) across a set of data. Thematic analysis entails identifying themes through careful, meticulous and thorough reading and re-reading of the qualitative data. Furthermore, thematic analysis involves finding patterns within the data in order to categorise the emerging themes. The purpose of thematic analysis is to enable an evaluator to make sense of collective or shared meanings and experiences across a dataset, meaning that this technique makes it possible to identify a common way in which a topic is spoken about and then, make sense of those commonalities (Braun & Clarke, 2014).

The advantages of using thematic analysis include the fact that it is accessible—it is the foundation of all qualitative data analysis methods and thus:

- ✓ Is comparatively easier for evaluators to employ.
- ✓ And, is easier for commissioners of evaluations to understand.

Additionally, thematic analysis is a flexible method—it can be conducted in several different ways including:

- 1) Inductive versus deductive or theory-driven data coding and analysis,
- 2) An experiential versus critical orientation to data, and
- 3) An essentialist versus constructionist theoretical perspective.

For the purposes of this evaluation, a combination of the first approach (i.e. inductive versus deductive coding and analysis) was conducted. This evaluation applied an inductive approach to the coding aspect of the analysis, meaning that the coding and preliminary analysis was driven by the content of the data

itself. On the other hand, thematic analysis was more deductive in nature because evaluators had already developed a set of concepts, ideas and topics in the initial stages of the evaluation which were then used to analyse and code themes.

According to various guidelines, pragmatically, thematic analysis is a six-phase approach. Phase one involves **familiarising yourself with the data**. This phase entails reading and re-reading the textual data and listening to the audio recording. Also part of this phase is making notes in the transcripts or writing comments in a notebook or on computer. This means that the reading that takes place here is active, analytical, and critical and involves thinking about the meaning of the data. The purpose of this phase is to become so familiar with the data that one begins to notice things that are relevant to the evaluation questions. Phase two involves **generating initial codes**. This is the first step in systematically analysing the data. Coding involves identifying and labelling elements of the data which are crucial to answering the evaluation question(s). Codes can be both descriptive and interpretative, thus enabling further analysis at a later stage. Below is an in-depth description of the coding undertaken in this evaluation:

Coding is the first and highly essential step of qualitative data analysis as its purpose is to organise and make sense of textual data (Basit, 2003). A code in qualitative inquiry refers to a word, phrase, sentence or paragraph which summarises and captures the essence of a section of data. Coding involves arranging data in a systematic order. It entails dividing data into sections and assigning categories to the data based on the meaning ascribed to a section of the data. Coding is an explorative process which transcends simply categorising data, but it involves developing ideas and then finding all the data pertaining to that idea (i.e. identifying patterns). In coding, an iterative process is undertaken where data is divided, grouped, linked, regrouped and relinked in order to strengthen and confirm meaning, and interpretation. There are at least three or four cycles of coding which take place as this process is never accurate the first time. It is at this point where subcategories may be created as some categories may have clusters of data which require further refinement. Once the main categories have been developed, compared with each other and consolidated, it is then that one progresses towards more thematic ideas (i.e. themes) and concepts. A theme is the outcome of coding, categorising and initial analytic interpretation. The final step involves demonstrating how these themes and concepts systematically correlate or are interconnected which then results in the development of a theory (Saldaña, 2013).

The process of coding firstly involves a particular layout of the data to enable the initial jotting down of ideas (Saldaña, 2013). In this evaluation, the left margin of the transcripts of the stakeholder interviews, focus group discussions and case study interviews were kept open to allow for notes and codes. In

order to clearly demarcate the two sections, the text was divided into two columns (see example below):

Notes	Transcript
Role includes co-ordination, strategy and direction, and M&E of branches	Seda Interviewee: Let me put it this way, the SEDA provincial office is a mini national office. In the province we do the co-ordination, we give strategy, we give direction. We monitor and evaluate the performance of the branches. The branches are the ones that deal with the clients directly, we don't deal with clients.

According to Saldaña (2013, p. 24-5), because codes accumulate quickly it is essential to “keep a record of your emergent codes in a separate file as a codebook – a compilation of the codes, their content descriptions, and a brief data example for reference”. In this evaluation, the codebook used was an Excel spread sheet (see example below):

Theme	Reference	Code	Description	Code Family
Programme Design	Q1.1	Grant funding	Provision of funds without expectation of repayment or purchasing of equipment	Financial Support

It is clear from the coding examples above that for this study, the coding was conducted manually. In addition to the codebook, the evaluators also kept an analytic memo. “Analytic memos are somewhat comparable to researcher journal entries or blogs – a place to “dump your brain” about the participants, phenomenon, or process under investigation by thinking and thus writing and thus thinking even more about them: Memos are sites of conversation with ourselves about our data” (Saldaña, 2013, p. 42).

Scholars identify two main coding cycles and two other cycles in between those. In addition, there are various coding methods applied in each coding cycle. The coding methods are the processes undertaken during the initial and secondary coding of the data. In the first coding cycle, the coding methods include grammatical methods, elemental methods, affective methods, literary and language methods, exploratory methods, procedural methods, and finally, theming the data (Saldaña, 2013). For

the purposes of this study, the first coding cycle involved using elemental methods such as structural coding and descriptive coding; affective methods such as emotion coding, versus coding and evaluation coding; exploratory methods such as holistic coding and provisional coding; procedural methods such as causation coding; and theming the data (Saldaña, 2013).

Elemental methods refer to the basic or foundational coding which sets the scene for further coding. Within that method, structural coding refers to applying a content-based or conceptual phrase which represents an evaluation topic to describe or categorise a particular section of data; and descriptive coding refers to basic coding where labels are given to data in order to create a list of the various topics. The affective methods of coding refer to the acknowledgement and naming of participants' subjective experiences such as emotions, values, conflicts and judgements. The latter type of coding was used mainly to analyse the focus group discussion transcripts in order to identify how the beneficiaries felt about their experiences of the support they received from the various institutions. Within this method, emotion coding refers to the feelings which participants experienced. Versus coding is intended to identify data which describes people, groups or systems in conflict or struggling for power. Evaluation coding, which was significant in this study, refers to codes which assign judgement about the worth, value or importance of a programme or policy. Exploratory methods refer to the preliminary assignment of codes prior to the development and assignment of more refined codes or coding systems. Within this method, holistic coding refers to assigning a single code to a large body of data to capture the essence of the overall content, while provisional coding refers to a list of codes developed by evaluators prior to coding the data (Saldaña, 2013). In this study, there were seven holistic and provisional codes such as Programme Design, Programme Implementation, Policy Coherence, Co-ordination, Collaboration, Information Sharing, and Effectiveness. Finally, the procedural coding methods refer to pre-established and prescriptive systems or ways of coding. Within this method, causation coding refers to procedures used to extract causal beliefs or attributions from participant data about how and why certain outcomes came about. The last step in the coding was "theming the data". This refers to identifying themes of sections of data based on what it is about or what it means. Prior to the second cycle of coding, there is an "after first cycle coding" which refers to reorganising and rearranging the datasets in order to make the transition to the second coding cycle easier (Saldaña, 2013).

"Second Cycle coding methods, if needed, are advanced ways of reorganizing and reanalysing data coded through First Cycle methods" (Saldaña, 2013, p. 208). The main purpose of the second cycle coding is to reorganise the first cycle codes into a smaller number of themes, concepts and assertions/theories. The second cycle coding methods used in this evaluation study include focused coding, axial coding and theoretical coding. Focused coding involves organising codes according to

thematic or conceptual similarity. Axial coding involves determining which codes are the most important and which ones are less important, and reorganising the dataset by removing the redundant codes, combining similar codes and selecting the codes which are the most representative of the data. Finally, “theoretical coding integrates and synthesizes the categories derived from coding and analysis to now create a theory” (Saldaña, 2013, p. 224). The final step in coding involves “after second cycle coding” which refers to the processes between the coding cycles, analysis and the final write up of the study including focusing, theorising, formatting, writing, ordering the codes (Saldaña, 2013).

Phase three of thematic analysis involves **searching for themes**. This means that the analysis process moves from developing codes to developing themes. Themes are a higher level of analysis because they involve capturing patterned meaning within the data. As mentioned above, in this phase, codes are reviewed in order to identify similarities and overlaps between codes. This means finding broad topics or issues to which many codes refer. What is important here is that this phase entails exploring the relationship between themes and determining how these themes work together to create an overall narrative about the data. When good themes are created, they work together to create a meaningful picture of the data, one which answers the evaluation question(s). The final step in this phase involves generating a table with all the important themes and including all the data extracts that are relevant to each theme. The next phase is phase four. This phase is about **reviewing potential themes**. Here the themes are reviewed against the codes and the entire dataset in order to ensure the quality of the themes. This may require for some themes to be removed and others combined into one in order to ensure they meaningfully capture the data. The purpose of this phase is to ensure that the final set of themes left fully captures the most important aspects of the dataset which are related to the evaluation question(s).

Phase five entails **defining and naming themes**. In this phase, the essence of each theme is summarised. According to Braun and Clarke (2014), a good thematic analysis will contain themes which firstly have a single and clear focus, scope and purpose; secondly, the themes are related but do not overlap, meaning one theme builds from the previous one; thirdly, and most importantly, the themes must address the evaluation question(s), and lastly, the themes provide a coherent and comprehensive story about the data. In this phase, data extracts which verify the themes are selected; these extracts should provide a convincing, clear example of the argument which the theme is making. Here analysis is two-fold; descriptive, and conceptual and interpretative. Descriptive analysis is the most basic type of analysis as it entails using the data to illustrate points or arguments. Interpretive analysis on the other hand, is a more in-depth analysis of the data extracts as its purpose is to find implicit or latent meanings in the data extracts. The latter form of analysis is typically conducted by more experienced evaluators.

The point here is to move beyond describing the data, and to interpreting it and organising the data into an overarching conceptual framework. This phase also involves naming the themes. According to Braun and Clarke (2014), a good theme name is informative, succinct and catchy. The final phase is phase six. This phase involves **producing the report**. In qualitative analysis, analysis at this level and write-up occur simultaneously. It involves working through all the notes made throughout this process, and then going into more formal analysis processes and writing up the findings. The arrangement of the themes in the write-up is crucial as they should create a logical, connected, meaningful and convincing narrative (Aronson, 1995; Braun & Clarke, 2014). The findings of the stakeholder interviews, focus group discussions and case study interviews were derived through these steps.

Quantitative Analytical Methods

Data from 453 survey responses (entrepreneurs) was collected. This section describes the application of two categories of quantitative analytical methods, explaining specifically, the actual techniques used. The two main categories of analytical methods are Descriptive Statistics and Inferential (or parametric) Statistics.

Descriptive Statistics

Firstly, small and medium-sized enterprises across the province are described using descriptive statistics. Also using the same technique, a discussion of the key evaluation questions is conducted by reviewing key enterprise development outputs and outcomes as identified in the programme theory of change. This part of the quantitative analysis constitutes the performance analysis of the Limpopo Enterprise Development Programmes. Although an aggregated result (encompassing all ED agencies and departments) is provided; description of disaggregated performance by the four key selected enterprise development agencies in Limpopo is also provided. In this analysis, two main descriptive statistical techniques were applied: Measures of Frequency and Measures of Central Tendency.

Measures of Frequency: The most primitive way to present a distribution is to simply list, in one column, each value that occurs in the population and, in the next column, the number of times it occurs. It is customary to list the values from lowest to highest. This simple listing is called a frequency distribution. An example of this technique involves categorisation by age, race or even location of the different enterprise owners. The aim of the exercise is to identify low occurrence and high occurrences of categories or events. Knowledge of frequencies of events is used to interpret the data, based on some theoretical and/or practical interpretation about the sample of enterprises.

A **Central Tendency** is a single value that describes the way in which a group of data clusters around a central value. To put in another way, it is a way to describe the centre of a data set. There are three

measures of central tendency: the mean, the median, and the mode. In this evaluation, a five-point Likert scale was used (see findings section below) to ascertain levels of agreement of the sample of enterprise owners with theoretical constructs on ED. Relative analysis of relative position of the aggregated responses against respective constructs from a neutral position (central tendency), was used to make conclusions about descriptions of the ED programme in Limpopo.

Inferential Statistics (Structural Equation Modelling)

SEM is a multivariate statistical analysis technique normally used to analyse structural relationships. This technique is the combination of factor analysis and multiple regression analysis, and it is used to explore the structural relationship between measured variables and latent constructs. In this case, the technique explains the relationship between the ED constructs identified during the literature review above, and repeated again in the descriptive analysis.

Before exploring these relationships, SEM requires the use of confirmed and clear constructs. This said, a related technique referred to as Confirmatory Factor Analysis is applied first. Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables. CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. The researcher uses knowledge of the theory, empirical research, or both, to postulate the relationship pattern, and then, tests the hypothesis statistically.

To interpret the results of the CFA for the six constructs; a quick interpretation of the “goodness of fit” parameter estimates is conducted. The “goodness of fit” test is applied when you have one categorical variable from a single population (a population of Limpopo SMME owners). It is used to determine whether sample data are consistent with an hypothesised distribution. In this case, a Chi-Square “goodness of fit” test is used. This approach consists of four steps:

1. Stating the hypotheses,
2. Formulating an analysis plan,
3. Analysing sample data, and
4. Interpreting results.

Chi-Square goodness of fit test determines how well theoretical distribution (such as normal, binomial, or Poisson) fits the empirical distribution (Statistics Solutions, 2018). This is a non-parametric test that is used to find out how the observed values of given phenomena (itemised scores from the evaluation survey of SMME owners across the various constructs) is significantly different from the expected values (suggestions from literature, or norms from experience of enterprise development). In Chi-Square goodness of fit test, the term ‘goodness of fit’ is used to compare the observed sample distribution with the expected probability distribution.

5 THEORY OF CHANGE

The team from Wits met with a team from the 12 key departments on the 30th of May 2017 at the Tzaneen Country Lodge, as part of its evaluation and monitoring brief, to try and establish a theory of change for Limpopo's enterprise development programme (EDP). This theory of change, together with the ToRs, then informed the research questions which follow as part of the evaluation process. Participants engaged actively for a long day, incorporating:

- ✓ Problem Mapping
- ✓ Stakeholder Mapping
- ✓ Building a Results Chain
- ✓ Risks and Assumptions

Thirty (30) people participated in the workshop. People were invited from all 12 key departments/agencies that are part of the evaluation; however, participation was overwhelmingly only from LEDET. While the number of people and their willingness to engage indicated that this evaluation was an organisational priority for LEDET, the lack of other stakeholder involvement is a limitation in assessing if the institutional arrangements have fostered integration, collaboration and cohesion; and as a consequence, we cannot making wider claims about the theory of change, and triangulating, as this should be part of the research agenda with other stakeholders.

Feeding into the theory of change was a rich discussion about the SMME/co-operatives context in the province, some of the challenges faced by stakeholders, complex causal linkages between different interventions, and gaps between programme logic and implementation. While this exercise does not aim to be comprehensive and capture the full array of different activities and initiatives in the sector, it aims to select key components of the intervention logic, and indicative 'tipping points' that will determine EDP's effectiveness.

5.1 Problem Mapping

First, the problem mapping exercise (see Table 4) demonstrated that, from a co-ordination perspective, there was a big gap in lack of capacity within departments/agencies and information sharing, with relatively few activities taking place to address the problem. There was a key gap in mandates identified, which is that the regional Office of the Premier has the mandate to co-ordinate provincial departments and to liaise with national departments, and might, therefore, with assistance from the line department, LEDET, be in a stronger position to effect co-ordination in the EDP space than other

departments/agencies which do not have the mandate to drive reporting from provincial departments and/or interact with national departments. However:

- ✓ The Office of the Premier, and LEDET, seem to lack the capacity to successfully execute its co-ordination and monitoring role—budgeted posts at director, chief director and DDG levels remain unfilled, creating serious problems for the implementation of the EDP.
- ✓ The implementing agencies seem to be working in silos— for instance, LEDA does not seem to co-ordinate its activities with the NEF/SEFA/SEDA, leading to potential duplication of support provided.
- ✓ Some agencies offer both grant funding and financial assistance. This is problematic since: (1) it could lead to confusion amongst the beneficiaries - are they supposed to repay the money? And (2) it may lead to corruption since connected individuals may be offered grants instead of loans even if they only qualify for the latter.
- ✓ Financial support programmes are not aligned with: (1) the non-financial support programmes of national/provincial agencies and (2) with the financial support programmes of national agencies, resulting in potentially poor resource allocation.

Based on the forgoing, it follows that there is a clear need to consolidate data sources, improve co-ordination and streamline communications in order to: (1) clarify what support SMMEs/co-operatives have received, and (2) to avoid double dipping/corruption. These insights from the ToC largely align with literature which suggests Limpopo's EDP underperformance may emanate from (Mbedzi, 2011) product duplication, mandate duplication and a lack of policy coherence.

On the implementation side, it was evident that many activities are clustered around non-financial support; mainly skills development, with a bit of advisory work around building institutions and systems. However, many of the problems identified about entrepreneurs are actually about: (1) lack of access to markets and (2) a poor entrepreneurial culture amongst black beneficiaries. Nevertheless, there may not be linkages between the non-financial/financial supports provided and the problem identified, resulting in a lack of effectiveness of the non-financial support programmes.

Additional challenges in implementations seem to emanate from the one-size-fits-all approach that agencies adopt. However; high growth BEE type firms are quite distinct from small replicative SMMEs/co-operatives/hawkers. Thus strategies that may be effective for promoting small “mom and

pop” shops led by poorly educated entrepreneurs; may prove deficient for promoting fast growing BEE firms. The corollary holds as well.

Table 4: Problem Mapping

Policy Co-ordination challenges	Implementation challenges
<p>The province lacks an effective co-ordination mechanism in the EDP space as a result of:</p> <ul style="list-style-type: none"> - capacity challenges - leadership instability - working in silos - poor information sharing - targets not clear and coherent <p>Outcomes</p> <ul style="list-style-type: none"> - lack of confidence among stakeholders - resource allocation not strategic/duplication amongst national/provincial agencies - a lack of clear selection criteria for support programmes - poor alignment with NDP, LDP 	<p>Entrepreneurs lack the skills and systems to succeed as a result of:</p> <ul style="list-style-type: none"> - lack of appropriately matched education and skills - lack of business tools and resources - lack of systems to access skills and resources available - poor entrepreneurial culture (mainly display a consumptive culture) <p>The province’s EDP is not well targeted at the different categories of enterprises that seek support:</p> <ul style="list-style-type: none"> - biased towards group of medium white-owned enterprises; - black-owned micro-enterprises and the informal economy are ignored/credit rationed <p>Outcomes</p> <ul style="list-style-type: none"> - businesses do not grow - high unemployment - high failure rate - high inequality

5.2 Stakeholder Mapping

Second, in mapping the stakeholders (see Table 5), one key message is that many different organisations are involved, and many different stakeholders are important to the success of the province’s EDP and the small business sector. This is illustrative of an environment where effective policies and institutional arrangements are needed to foster integration, collaboration and cohesion amongst the stakeholders in order to avoid duplication and poor resource allocation. Therefore, an emphasis should be put on systems of information sharing and communication. Overall, therefore, to reduce product and mandate

duplication as well as improve policy coherence and thus the effectiveness of implementation, the participants felt that the Office of the Premier, supported by LEDET, needs to play a more effective M&E role of the EDP. However, concerns were raised once again about capacity challenges in M&E at both OTP and LEDET.

Table 5: Stakeholder Mapping

Coordination	Implementation
LEDET	LEDET
National Treasury	LEDA
Office of the Premier	National Treasury
Department of Trade and Industry	Office of the Premier
Chambers of Commerce	IDC
	NEF
	SEFA
	SEDA
	Department of Agriculture

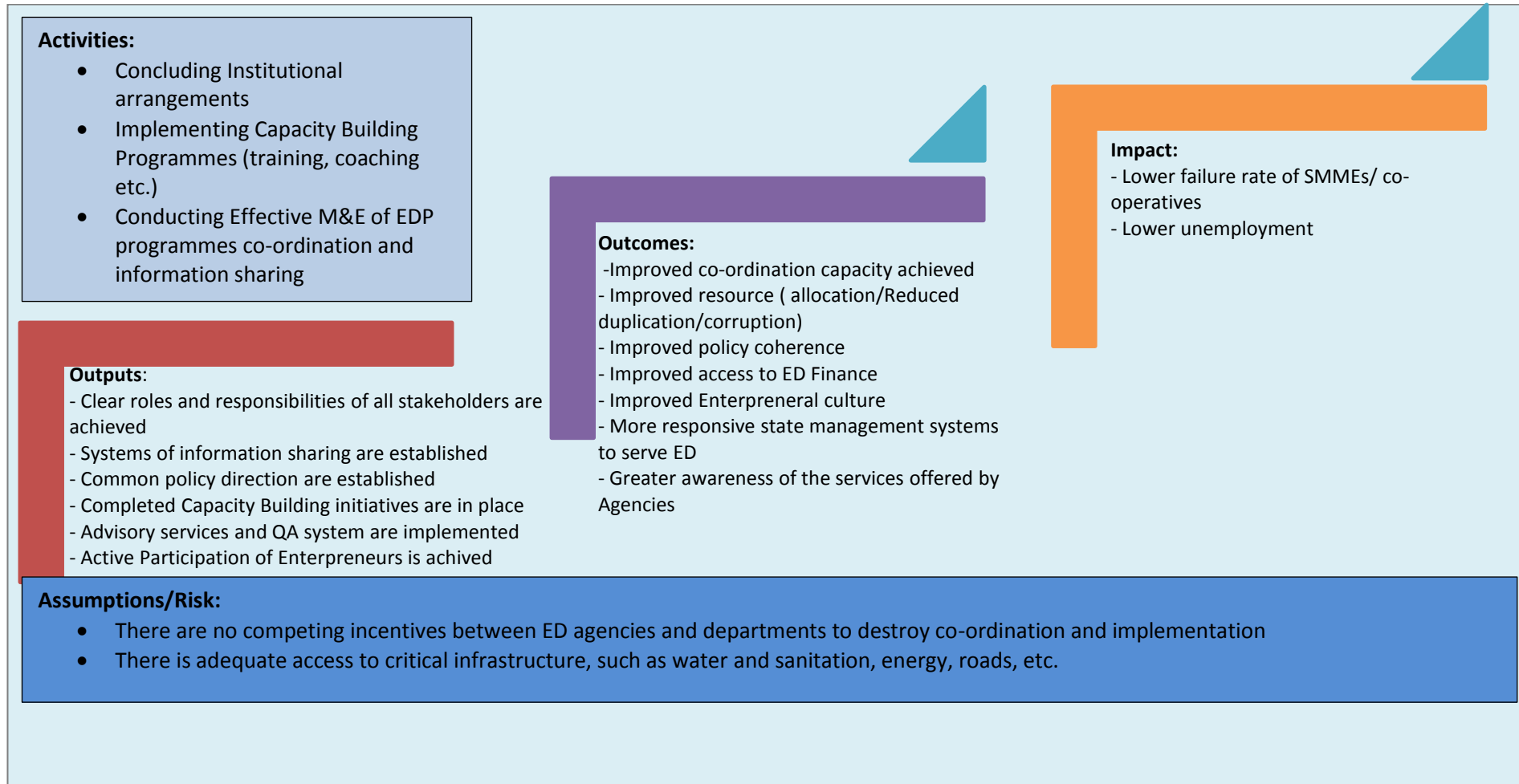
Third, the group looked at risks and assumptions both for LEDET, and for the SMME and co-operatives sector in Limpopo. It identified that an area of concern is around poor resource allocation in financial support programmes and possible corruption. The third area of concentration for risks and assumptions was around co-ordination and effective M&E, which ought to direct spending according to common priorities, and ensure gaps are closed in terms of accessing resources and support. On the basis of the theory of change developed by the group, and the risks and assumptions commonly identified, the evaluation team has designed research instruments that address these gaps in understanding the programme.

Lastly, on the basis of the problem and stakeholder analyses, the group developed a theory of change (see 4.4). What is reproduced below is indicative for the purpose of establishing theory-based evaluation questions, and not an exhaustive reflection of all the activities, outputs, and outcomes of the initiative. It simply identifies key areas of change, and where some of the critical pathways, and where the priority areas of testing are to focus the evaluation design.

5.3 Theory of Change Statement

The main output of this workshop was to finally outline and describe the logic of the ED programme in the province. This resulting programme theory is narratively stated in the box below:

5.4 The Result Chain



The ToC largely aligns with the literature review in highlighting that institutional challenges hinder the implementation of the Limpopo Enterprise Development programme. Therefore, on the basis of the theory of change and the literature review, there are three priority areas of enquiry:

- ✓ Are departments/agencies implementing their mandates
- ✓ Are policy co-ordination, information sharing and collaboration amongst departments/agencies effective?
- ✓ Is M&E of the EDP by LEDET and the OTP effective? Additionally, we shall seek to clarify how the identified capacity constraints could be alleviated and the overarching policy environment could be more enabling of stronger integration, collaboration and cohesion across SMME/co-operatives support mechanisms, nationally and provincially.

6 KEY EVALUATION FINDINGS

Findings of the Evaluation are organised according to the various methods applied. Within each method, findings are then organised according to the relevant Evaluation questions addressed.

6.1 Findings from Key informant Interviews

6.1.1 Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives?

The evaluation findings from the stakeholder interviews largely support literature which argues that poor SMME development is attributable to weak policy co-ordination (Masutha & Rogerson, 2014). The key issue here is answering the evaluation question of “Are agencies/departments implementing EDP as per their mandate?” One of the interesting insights from stakeholder interviews is that LEDET and Treasury might be stretching their mandates and OTP might not have sufficient capacity in M&E.

LEDET

LEDET is mandated to create a conducive environment for economic growth, as well as enterprise growth. Secondly, LEDET is mandated to ensure that resources are sustainably used. Lastly, LEDET’s key role is supposed to be facilitative, especially around policy development:

LEDET Interviewee: *“There are three or two things that we are mandated to do here. We are supposed to facilitate economic growth in the province, right, that’s really one of the key mandate. The second mandate is that we are supposed to ensure sustainable use of resources in the province. You are bringing in an environment, as management part of this thing. And then of course we need to create jobs in the province. I think in general those are the three things – facilitate a conducive environment for economic growth and businesses to thrive in the province, and secondly to ensure sustainable use of resources for the province. That’s really what we are about.”*

Weak policy development and co-ordination

LEDET’s primary role is policy development around enterprise development within the Limpopo province, however much evidence exists which disputes that LEDET has been fulfilling this mandate. Instead, LEDET is stretching its mandate away from policy development and monitoring towards implementation. This is partially due to issues of human capacity, both

in terms of adequate skillsets and the number of personnel. The capacity issue is highlighted by that fact that:

- ✓ The ED chief directorate position has been vacant for a number of years
- ✓ LEDET has one individual running three chief directorates including ED

Ledet's lack of focus on policy development has huge implications for enterprise development within the province. Literature suggests that the success of the Enterprise Development Programme is dependent upon enabling policies, as much as it is on financial and non-financial support (ILO, 2015). Furthermore, research and best practice shows that in OECD and EU countries, what has contributed to the success of SMME development programmes has not been the actual funds provided, but the existing structures in place that provide, deliver and use these funds. So, crucially, SMME development requires policies which:

- ✓ Provide an SME enabling framework in which property laws and macro-economic stability as well as competition orientation is assured
- ✓ Support the institutional (see above) and physical infrastructure (roads, access to public utilities, business estates, etc.)
- ✓ Promote programmes that strengthen (and pressure) institutions and businesses to take over a responsible role
- ✓ Provide political enabling conditions that enable these businesses to overcome market- and government failures

Additionally, policies are needed to increase the diffusion of knowledge and the creation of knowledge networks. However, a key informant in LEDET stated:

LEDET Interviewee: “Remember we do policy, and we do strategy, in the department. Now we have implementing agents to roll out the policies and the strategies. Usually the key areas of your policies and strategies are around non-financial and financial support. So the services really it's financial and non-financial support.”

The latter not only suggests that LEDET needs to refocus on policy development, but also reveals the limited nature of the current policy. Therefore, LEDET's policy necessitates amendment and improvement, as best practice demonstrates various other policies necessary for SMME creation and growth.

Poor monitoring of LEDA

According to its mandate, LEDET has been instructed to ensure that ED resources are utilised sustainably. As part of creating an enabling environment for SMME/Co-operative development, LEDET monitors the development of SMMEs in the province. This assertion is supported by a key informant:

LEDET Interviewee: “Basically we are supposed to be enablers in terms of economic development activities that are supposed to take place within the province and we are supposed to monitor and evaluate activities that are related to economic development.”

LEDET Interviewee: *“As the department of economic development, we are provincial department. So if someone wants to know the status of enterprise development in the province that person expects to get an overview report of how SMMEs and co-operatives are performing within the whole province.”*

This key informant is clearly arguing that one of the roles which LEDET plays is monitoring and evaluation, especially over LEDA. According to international best practice, rigorous monitoring and results measurement have become a key element of SMME policies (ILO, 2015). According to the United Nations Economic Commission for Europe (UNECE, p. 11), an integral part of enabling environment policies is the “improvement of evaluation and monitoring procedures” as M&E enables governments to learn from previous experiences and mistakes.

LEDA is meant to commit to outcomes in strategic planning sessions with LEDET which are held at the end of the year. Based on the outcomes of this strategic session, annually, there is a shareholder agreement which is drafted by the HOD’s office and signed by the MEC and the chairperson of the LEDA’s board. Attached to the shareholder agreement is the annual performance plan (APP) which indicates what LEDA is intending to achieve in that financial year and that is the basis on which the grant from the ED directorate of LEDET to LEDA is approved.

However, the monitoring and evaluation function of LEDET has thus far, been particularly poor, not only because of the lack of competency in M&E, but also due to lack of capacity. LEDET monitors LEDA activities primarily through reports submitted by LEDA; implying that little of that information is verified. On the rare occasions that LEDET visits SMMEs/Co-operatives supported by LEDA they fail to provide LEDA with feedback timeously so that issues raised/identified can be addressed.

Lack of oversight over LEDA

LEDA's 2016 – 2017 annual report suggests that LEDA is spending the majority of the LEDET grant on other programmes. For instance, although the Industrialisation Division is aligned to the LDP and despite the province aiming to create 25000 jobs through manufacturing/beneficiation, R0 was actually spent by LEDA on that project in 2016/2017. An informant stated:

“LEDET might argue differently but we are not seeing the black industrialists coming through so that's why I'm saying, is it happening? SEDA is here, same, DTI entities sitting here, we've got the LIPSA component. It just seems that we are disjointed, we all want to do our own thing but not for the benefit of government and of the republic as a whole.”

The problem might arise from the fact that LEDA reports to their own board. By implication, LEDET may have limited control over LEDA. Nevertheless, LEDET is aware that LEDA is credit rationing SMMEs and Co-operatives and yet there have been no punitive measures put in place to address the issue. For instance, Pravin Gordhan stated that R475 million has been allocated to LEDET for assisting SMMEs and Co-operatives. And R445 447 000 of this amount was allocated to LEDA. However, the LEDA Annual Report states that the “Rand value of business loans disbursed” was R32.65 million; suggesting that LEDA spent only 0.7% of the grant funding provided by LEDET on SMMEs and co-operatives, and their targeted spend of R50 million reveals there was never any intention to spend the entire R 445 million on SMME and Co-operative development, which is extremely disconcerting.

Furthermore, the LEDA annual report states that LEDA generated R10 million in income from selling training courses. So, LEDA is generating substantial income from charging to provide non-financial support services. Additionally, the LEDA annual report states that 41 co-operatives were assisted to obtain funding from other institutions, which in total is worth R9.7 million. The latter demonstrates that LEDA is not using any of its own funds to support Co-operatives (though they fall under its mandate). The latter is highly problematic and indicates not only issues of lack of control by LEDET, but also huge disregard for the law and government by LEDA.

The biggest concern of this evaluation was LEDA's programme 6: Subsidiary Companies including the Great North Transport, Risima Housing and Finance Corporation, Corridor Mining Resources and Limpopo Connexion, all of which are income-generating companies owned by LEDA. In terms of Great North Transport, R22.1 million was spent on clients, even more was spent on the Risima Housing and Finance Corporation (R110.8 million). Corridor

Mining Resources supported the development of mines worth R13.1 million. In total, the money spent on these subsidiary companies was R 146 million. The latter financial information from LEDA reveals that money intended for SMMEs and Co-operatives is being utilised elsewhere. Based on the foregoing, it follows that LEDA is not implementing LEDET's policy on EDP. Thus, even though the province spends far more than 10% of its budget on EDP (as intended by the programmatic theory), it does not have the impact which it should due to the high level of corruption and misuse of finances.

According to the International Labour Organisation (ILO) best practice, it is increasingly being agreed upon in the area of small enterprise development about factors needed to support the creation and expansion of SMMEs, including "a policy, regulatory and legal environment that is simple, fast, inexpensive and free from corruption" (Vandenberg, 2006, p. 1). It is asserted that institutions need to develop a strong anti-corruption culture. Clearly, there is evidence of the effects of corruption on SMMEs and their ability to achieve development goals. During the theory of change workshop earlier in this evaluation, corruption was identified several times as a major problem, particularly in relation to resource allocation. The latter suggests that key stakeholders including government officials, development agency personnel, etc. are aware of the corruption within the EDP. Furthermore, corruption was mentioned as a problem during stakeholder interviews and focus group discussions, particularly when referring to LEDA. It is thus necessary for punitive measures to be taken against LEDA.

According to LEDET, one measure LEDET is now trying to effect is withholding budget from LEDA. However, the LEDET Annual Performance Plan (APP) 2018 – 2019 actually reveals that the 2018 budget allocation to LEDA increased to R565 876 million (LEDET, 2018). This means that beyond LEDA, LEDET as the province's economic development arm might be mired in corruption since it is nonsensical to increase LEDA's SMME budget allocation when LEDA spends only 0,7% of it on intended beneficiaries. The latter suggests that Treasury/OTP might need to subject LEDET to disciplinary measures.

Provincial Treasury

The mandate of the Provincial Treasury in enterprise development mainly has to do with allocation of resources to facilitate development, supply-chain regulation in procurement and enforcing criteria that favour local enterprises. Literature shows that some of the key issues contributing to the poor performance of SMME support institutions include "policy funding constraints, weak policy coordination and implementation" (Masutha & Rogerson, 2014, p. 142) as well as continued support of medium-sized white owned enterprises. According to Rogerson

(2013), SMME development has been a core focus of government policy since 1994; however, according to an informant of the Provincial Treasury, about 75% of the province's budget goes towards the social sectors (health, education, etc.) while the remaining 25% is spent across other sectors, such as economic development, public works, etc.

As such, not only is there not enough budget dedicated towards financing SMMEs and Co-operatives in the province, there is also not enough resources to support policy implementation and co-ordination as key departments and agencies mandated to promote SMME development are not capacitated. Key positions in ED institutions are left vacant meaning that there is limited capacity to direct policy implementation and to ensure that there is a concerted effort to support SMMEs and Co-operatives. This shows that issues of budget constraints cascade into issues of poor implementation.

Poor co-ordination and alignment of Treasury initiatives with LEDET/LEDA

Contrary to its mandate, Treasury is attempting to influence access to credit via Standard Bank, without consulting and/or aligning with LEDET and/or LEDA. However, similar to LEDET, this does not imply that Treasury is successfully executing its own mandate which includes a monitoring function. The evaluation finding of poor monitoring by Treasury is substantiated by the following:

Provincial Treasury Key informant: *"... they don't have that empirical evidence on what they report about. And that's the concern that we have. You can say you've done X Y and Z but how do you prove to the AG that you've done that. The AG will then say show me documented evidence and it's not there. It's just a number that they've put there. So AG will say but I can't audit this so I have to disclaim you on that particular target."*

Supply-chain regulation in procurement and enforcing criteria that favour local enterprises

Treasury has been attempting to allocate resources to SMMEs through supply-chain regulation in procurement, and enforcing criteria that favour local enterprises and avoid leakages to Gauteng. This is important since research and best practice is clear about the immense role played by market access on the development of SMMEs (Reeg, 2015). Furthermore, through their supply chain regulation directives, Treasury sets pre-qualification criteria for procurement as illustrated below:

Provincial Treasury Key informant: *“I wouldn’t say we’ve got a specific mandate but certainly allocating resources to facilitate economic development within the province is our key objective. But we don’t have a specific mandate that we must develop enterprises or economic development specifically SMMEs but certainly through the functions that we have like the supply chain function the way the money is being spent, where the money is being spent... as far as resources to enable that environment that’s the role that we play.”*

Interviewer: *“Currently are there programmes that you are directly running to support SMMEs?”*

Provincial Treasury Key informant: *“Again the biggest area would be through the supply chain regulations directives that were issues specifically around where we procure and how we procure and as you know the new regulations now allow you to put in pre-qualification criteria where you say it must be a black owned company, Limpopo based or even township based...”*

However, M&E of the provincial spend on black owned SMME’s is poor. An integrated finance system that would enable this has not yet been developed and the current system utilised cannot track the provincial spend on black, women or youth owned SMMEs. Furthermore, M&E at Treasury level is said to be done mainly through budgetary and supply-chain processes due to capacity constraints. M&E at Treasury should be capacitated—most of the staff in the Treasury are from a finance/accounting rather than an M&E background.

The Office of the Premier (OTP)

The OTP is mandated to guide transversal planning and policy co-ordination. Furthermore, the OTP is mandated to develop the strategic objectives for enterprise development in the province and to monitor and evaluate Enterprise Development performance:

OTP Interviewee: *“Basically its broad mandate is to coordinate the provincial administration in performing its responsibility from different legislation. Also to guide what we may call planning and policy*

coordination, to be more concrete – transversal planning and policy coordination. And then within that context, you may need to understand office of the premier’s contribution to this as a matter of enterprise development. Of course, some of you may be disappointed if I don’t mention M&E; I’m assuming the approach to planning [inaudible]. Then the role of the office of the premier in this context is to therefore formulate broader strategy objectives of the province with regards to issues of economic development, issues related to social development, and issue related to sustainability in broad terms.”

Interviewer: *“And the mandate of your directorate in relation to ED in Limpopo, what is it?”*

OTP Interviewee: *“ED is just one of the programmes that we monitor. We monitor through the quarterly report. They tell us we have managed to support so many small businesses to access funds from DTI or department of small business development.”*

Monitoring of funding agencies and provincial departments

In relation to executing monitoring functions, it was clear that the staff at OTP did not have the necessary qualifications, experience and expertise to effectively carry out such functions. Consequently, monitoring functions are treated as a “tick box” exercise rather than a process which could be utilised towards learning and improving performance. This sad state of affairs emanates from legacy issues where staff who have been employed at OTP for long periods, without appropriate competence, were allocated to the monitoring function, which then compromised the Limpopo government’s ability to effectively and efficiently deliver ED support.

According to an informant of the Office of the Premier (OTP), the main form of monitoring which occurs on enterprise development is quarterly reporting:

“OTP Key informant: ED is just one of the programmes that we monitor. We monitor through the quarterly report. They tell us we have managed to support so many small business to access funds from DTI or dept of small business development.”

The latter is highly problematic as it was clear from many stakeholder interviews that in the Limpopo government, it is common practice to monitor and evaluate by analysing quarterly

reports, mainly without actual site visits, etc. to verify the information in the reports. This is highly limiting and warrants immediate capacitation of the Limpopo departments and agencies involved in EDP on M&E, in terms of skill sets, knowledge, experience, as well as an increase in personnel dedicated solely to the M&E of the EDP.

Institutional / jurisdictional challenges in co-ordinating ED interventions

Masutha and Rogerson (2014) identified policy confusion and weak policy co-ordination and implementation between the different spheres and agencies of government among the various factors accounting for South Africa's poor SMME performance. Similar instances of mandate overlap between the various national and provincial DFIs, together with provincial government departments, were reported in Limpopo. DFIs, for instance, play the same developmental role whether housed at national or provincial level.

LEDET interviewee: *“SEDA does almost the same thing, SEDA does non-financial support and LEDA has non-financial support component. So SEDA is national, LEDA is provincial – that’s a direct overlap. At some point I said to the MEC, I said perhaps we need to take out non-financial support out of LEDA and sign a service level agreement with SEDA and then they implement our programs. And we take that money to SEDA. Which I thought would have worked quite well...”*

Another contributing factor to such overlap is the different reporting lines where national DFIs report to the national Department of Trade and Industry (DTI) whereas the provincial DFI is, on paper, supposed to report to the Office of the Premier (OTP) through its housing department (LEDET). The provincial government has no jurisdiction over the activities of national DFIs even though these have branches and operate within the geographical confines for which provincial government is responsible.

The overlaps do not only exist between national and provincial institutions, but such overlaps expose themselves even between provincial institutions. The province's enterprise development anchor (LEDET) has no jurisdiction over other provincial departments undertaking enterprise development; implying that OTP should play the leading co-ordinating role in ED. However, two main challenges would still remain. Firstly, OTP is not well capacitated in order to effectively carry out the suggested co-ordination role. Secondly, it would still lack authority over national DFIs. Innovative approaches may need to be explored in addressing issues of co-ordination among actors at the different levels of authority.

Furthermore, even within the province, co-ordination relies on the cluster system. However, there are structural limitations of clustering because clusters are configured to interact within their domestic grouping with little room for inter-cluster interactions. Nevertheless, there are other established structural avenues that could be used, especially by the OTP which is

“You still have, especially at a county officer’s level, there is more dynamic interaction within and outside the cluster system. For instance, the DG has a direct line to individual entrepreneurs. For instance, for hypothetical reasons maybe without exaggerating anything, if I can decide to call the HOD of LEDET now, I don’t have to wait for the cluster to see, and to account or report on a specific project or program.”

strategically positioned in terms its oversight role as noted through a quote below:

“...when you engage LEDA, from the OTP side, the only exceptional system whereby you find that the DG meets with the MD of LEDA to find out what they do. Because the MD of LEDA reports to a board, and that board reports to the MEC of LEDET. They derive their mandate form LEDET’s mandate, etc.”

Additionally, the separation of planning and monitoring and evaluation functions within the OTP creates challenges. The two critical branches are not structurally integrated to be able to jointly spearhead the co-ordination function. There were reported instances of information asymmetry as there were no established channels of joint planning and structured engagement. However, the need for integration has been said to have been acknowledged and serious engagements have been happening towards a possible move in merging the two critical branches in terms of co-ordination.

Impact of institutional arrangements on ED implementation

In our view, in light of the weak policy co-ordination and monitoring by LEDET, OTP and Treasury, it is not surprising that LEDA is not implementing its ED mandate. LEDA was established through the amalgamation of four separate entities, including Limpopo Development Corporation (LimDev), Trade and Investment Limpopo (TIL), Limpopo Business Support Agency (Libsa) and Limpopo Agriculture Development Corporation (LADC). LEDA is a schedule 3 D entity in the PFMA (Public Finance Management Act) schedule, meaning that LEDA is a Provincial Government Business Enterprise and thus:

LEDET interviewee: *“...It’s actually an entity that can take equity in companies, have dividends in companies and so forth.”*

The expectation was that LEDA would be able to use the money it makes from its commercial activities to support the non-financial support component of its ED programme.

LEDET interviewee: *“So what that means is then that I think, we brought in this non-financial support into the entity, it’s a leadership issue. It requires good balancing in terms of how you provide financial and non-financial support. Because your financial support, which is your loan book, the profits should translate into making sure that you can enrol new entrants. Meaning you need to take that money and pump it into non-financial support. It’s a tricky business which we are realising is not really working quite well for us at this point in time.”*

So, LEDA has multiple competing mandates and LEDET does not regulate how their grant is spent; meaning SMMEs/co-operatives are not receiving any support. LEDA is largely using funds allocated by the ED directorate to subsidise money losing programmes in transport, housing and mining, etc. and LEDA diverting money away from ED has had a serious impact on LEDA’s ED unit:

LEDA Interviewee: *“Under LIPSA we were about 130. We have lost too many people. Some they have joined the LED for the municipality. Some they have joined our competitors. We are a government department, we don’t have big pockets. If a person feels like they want to leave, unfortunately, if they see the budget for their programmes is being clamped down some they begin to panic.”*

The merger which led to LEDA is a major problem as there are still loose ends which have contributed to the challenges with SMME support. The four entities before the amalgamation into LEDA were operating well, however, currently, due to all services being provided by one entity, it does not seem to be working well. Post the amalgamation, LEDA is not implementing the ED mandate of LEDET and LEDET is struggling to initiate programmes, such as an investment promotion centre and an agri-business unit, through LEDA. Additionally, post amalgamation, there are also issues of lack of support of co-operatives and the provision of training since they are not revenue generating for LEDA. When asked whether it is optimal to have a 3D company which is meant to be financially viable and sustainable, but has non-revenue generating activities, the LEDET interviewee stated:

LEDET interviewee: *The assumption was that it could work, when this decision was made. It’s not working very well. I don’t think.... we’re killing this institution. You know they look at the non-financial support as a cost centre. And a clever MD will always shy away from cost centre areas. And that’s why this battle of neglect of training, of neglect of cooperatives, neglect of investment promotion, neglect of agriculture development and all those things. Or even if you focus on them, you want some bit of return for instance, and unfortunately these things will*

never give you return. Given this analysis I don't think it was a very clever move. It is something that can be reconsidered."

The provincial SEDA office, on the other hand, seems to be largely implementing its mandate. It is closely monitored by its national office through:

- ✓ Annual key performance indicators
- ✓ A balanced scorecard
- ✓ A six monthly review of the impact of their interventions

Additionally, the provincial office monitors the performance of branches (client complaints, turnaround times and challenges). However, they also have capacity challenges:

- ✓ SEDA only has five branches in the province, whereas LEDA has 34.
- ✓ SEDA mainly relies on service providers whose quality is questionable, resulting in a 15% business plan success rate.

And SEDA also suffers from budget constraints:

SEDA Interviewee: *I can only speak for us. Our challenge is two fold. It's enterprises development fund, which is very limited. And also capacity. To round it off its resource constraints. Both financially and human resources."*

SEFA provides access to finance which is crucial to SMME and co-operatives sector development; however, they only have one office in the entire province. They have good interventions targeting disadvantaged groups such as micro-financing aimed at poverty alleviation and direct lending aimed at job creation. Nevertheless, their interest rate is higher than commercial banks' interest rate on loans (10-15%) even though SEFA is a developmental institution. Additionally, similar to the other DFIs, SEFA also has capacity issues.

There was also mention of overlaps between IDC, SEFA and LEDA. The mandates of these agencies should be complementary:

LEDET interviewee: *"So those three entities – LEDA, SEFA and IDC – there's obvious overlap because they are doing financial support. For me those would be the key agencies where there's some overlap. Hence that forum that I've said I've initiated this forum where I'm trying to streamline things, I have all these guys to sit together so that we align."*

including COGHSTA, suggesting that they have a lack of authority over their own parastatal and other provincial departments, and perhaps the OTP should be capacitated to take on the co-ordination role within the Enterprise Development Programme.

5.2.2 Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?

The role of OTP in ED is to co-ordinate the provincial administration and ensure that sectoral policies, and strategies are in line with provincial imperatives. The co-ordination mainly relies on the cluster system, where departments with related mandates are organised together with particular visions to foster integration in order to eradicate possible duplications. There are structural limitations to clustering as clusters are configured to interact within their domestic grouping with little room for inter-cluster interactions at that level.

Institutional / jurisdictional challenges in co-ordinating ED interventions

In matters relating to provincial co-ordination of enterprise development interventions, issues of jurisdiction once again surface. The key contentions are between suggestions that either LEDET or OTP should play a leading role in key ED co-ordination. The ED scene in Limpopo comprises various DFIs housed both at national and provincial levels, together with provincial government departments responsible for varying portfolios. It is important to note that the provincial government has no jurisdiction over the activities of national DFIs even though these have branches and operate within the geographical confines for which provincial government is responsible. Similarly, although LEDET is the provincial champion for enterprise development, there has been a level of acknowledgement on jurisdictional limitations, especially provincially, as it cannot effectively play a co-ordination role as it has no authority over other provincial departments.

This then justifies the need for OTP to play a leading role, also because it is strategically positioned provincially and has jurisdiction over other provincial departments towards co-ordination of enterprise development support. However, three main challenges still remain:

- ✓ Firstly, the OTP lacks capacity to effectively carry out the suggested co-ordination role.
- ✓ Secondly, the OTP has limited authority, especially in co-ordinating national DFIs.
- ✓ Thirdly, in the OTP, the planning and monitoring and evaluation functions which are critical for transversal co-ordination and M&E, function in silos with limited communication between them.

Lack of structured consultation avenues among ED actors

Although there are limited occurrences of stakeholder consultation in relation to enterprise development intervention design, there are organic processes of interaction between agencies working within the enterprise development space. The OTP established various fora as means of formalising collaboration and consultation among the various actors within the local economic development scene. These however, show little effects in promoting and attempting to co-ordinate enterprise development interventions as there have been poor levels of attendance from key actors involved in enterprise development support. However, it became evident that there are *ad hoc* consultations among enterprise development support agencies, mainly on instances of co-financing where there are structured consultations towards assisting enterprises. These small pockets of interaction are further reflected by one respondent who suggested that:

Key informant: “There are certain branches like Mopane branch the clients that come in looking for funding; we actually have material of SEFA at the branch level. Then the receptionist will make appointments on behalf of either SEFA, IDC or in some cases, NYDA. For specific times the officials of these organisations will visit the branches so there's a schedule with SEFA.”

There are systems of inter-agency referral as indicated by one respondent:

Key informant: “...we tap into other institutions like for instance LEDA or SEDA. You know we can refer young people to attend training there”.

The mechanisms of referral promote a notion of “complementary mandates” as each actor services a specific unique client-base especially in the case of financial support. In cases of similar service offerings, the resultant competition could either lead to one of two outcomes: (i) positive competition which benefits clients through improved service levels, (ii) destructive competition which is disabling and rules out any forms of collaboration among agencies.

Lack of information-sharing among ED institutions

A lack of consultation avenues for collaboration led to a lack of information-sharing government entities operating within the same developmental area. The lack of information-sharing was reported as being an influential factor to destructive competition as it opened up opportunities for double-dipping, which has been beneficial to some clients who received funding from different agencies to support the same area of the business. Certainly, there are no systemic ways of detecting this as there is no shared data management system.

Innovative ways are being explored, as suggested by one respondent that:

Key informant: "...NYDA is currently working on an app under instruction of the CEOs for Limpopo so that we will be able to **track** any referrals amongst these entities. Keep track of the clients. But what will make a big difference which is at the moment not on the cards is if we as agencies could actually prescribe to a single database. Somehow that even if we operate with our different databases there could be one single one that you could plug into to consolidate the information."

A critical issue which seems to be emerging across many of the interviews with key informants is that in terms of the co-ordination of ED (i.e. for a, etc.) meeting structures are either in the process of being newly initiated or those which have fallen by the way have been recently revitalised. This is extremely problematic because it suggests that LEDET is not playing the co-ordinating role it should be playing within the province and thus is neglecting a central component of enterprise development, which was identified as critical by the Integrated Strategy on the Promotion of Entrepreneurship and Small Business of 2007.

The strategy proposed improvements in co-ordination of government departments and their respective agencies in ensuring synergy in programme design and intervention logic. A key informant advised that there is a lack of inter-governmental co-ordination, also stating that the Office of the Premier was not playing its role of co-ordinating government departments involved in enterprise development. It seems that LEDET is attempting to play an inter-governmental co-ordination role between provincial departments as there are evident areas of mandate duplication, particularly with regards to the support of co-operatives and agricultural enterprises. To mitigate this issue, it was indicated that an Integrated Co-operatives Forum had been initiated to convene key players in the ED space such as the Department of Agriculture, Department of Social Development and LEDA. A key challenge again is that of LEDET having no jurisdiction over other departments.

A key informant suggested that information sharing between agencies could be improved through establishing "one-stop shops", which are essentially branches of ED institutions which provide service offerings of the various ED players within the province. This would also address the issue of a lack of footprint of some agencies within the province. Although there were reported instances of "one-stop shops", deliberate actions should be targeted towards such initiatives if the provincial government wishes to foster collaboration among the various institutions involved in ED. Similarly, inter-governmental relations could be fostered through

making means to integrate national departments within provincial clusters. Anecdotal evidence points to serious gaps in information-sharing systems, particularly between national agencies and LEDET on ED activities. This means that LEDET was not aware of planned ED activities between ED players within the province. LEDET, according to the Limpopo Employment, Growth and Development Plan (2009 – 2014), is responsible for ensuring the effectiveness of ED in the province however, it is not clear how that can be achieved if the department is not systematically informed on planned ED activities of other government institutions within the province.

The issue of poor collaboration and co-ordination also came up sharply in focus groups with SMMEs/co-operatives. One of the major concerns was that agencies work in silos and this has a detrimental impact on ED because:

- ✓ The lack of communication between LEDA and SEDA results in SMMEs/co-operatives not being able to access funding from LEDA through SEDA's business plans.
- ✓ SEFA has only one office in Polokwane; so collaboration with other agencies may improve its reach, especially in the rural parts of the province.
- ✓ Some business owners feel that collaboration amongst agencies may be more efficient as it can save money.

Business owners suggested that to improve co-ordination, there should be a commonly shared database. The latter will definitely assist with issues of double-dipping which are currently experienced as challenges by agencies and departments in the province.

6.1.2 Evaluation Question 3: Are enterprises benefitting from the intervention?

Achievements and success factors

Agencies and departments alike agree that ED is making a huge impact on entrepreneurs and on the province through the collaborative efforts of all role players. Below are a few examples:

“LEDA Key informant: It's massive. Last month I had a workshop with the ladies in the province. We only invited entrepreneurs. These people are making a huge impact. If we could double up our effort in terms of us assisting them then we are going somewhere. There is a lot being done by both the government and the private sectors. The role of SMMEs in economic development is massive. They are making a huge impact.”

“NEF Key informant: We brought so much hope to the black community that are currently in business and are emerging as start-ups. So the fact that the communities are now aware, informed that any of us exist, wherever

they are in their endeavours they are thriving along knowing that there's potential financial support available from the NEF to make their dreams as entrepreneurs practically possible. So our impact is in effort of one having set up operational businesses already, so that jobs are being created directly as a result of the NEF funding; and secondly also having created a future space for even new entrants into the market. And more so, having created awareness that you don't necessarily have to become an entrepreneur to become by nature of starting up entities, but you must strike relationships amongst the geographical space where you see an opportunity to buy into any offices available to enable you to acquire such equity stake. So I believe we are being very impactful."

"SEDA Key informant: When we look at, you say value for money, you say we look at it from a return and investment perspective, if we spend 36 million in a year, what is our outcome at the end of the day. Outcome you look at the successes that is reached out there. The number of, we're not even just talking about the number of jobs created in the process but also the jobs that we helped to sustain. Preventing some of these companies to close down because we provide them with the assistance. From that point of view I would say, value for money, yeah."

"LEDET Key informant: Businesses have grown. And they have been sustained. Because with those big projects which they couldn't do without that financial injection you have those success stories."

Some of the factors that are attributed to the success of many entrepreneurs and ED include access to funding, the realisation that entrepreneurship is an alternative to formal employment, collaborative effort of all role players, identifying potential, incubation, etc.

Despite the notable positive impacts, there are areas of implementation, such as type and design of interventions, and policies, to create an enabling and conducive environment, which should be improved to improve the impact of ED. This includes the lack of focus on sectors with a lot of growth potential, such as manufacturing and agro-processing, which have the potential to create many jobs because of the demand. Then, there are also political issues that have an effect on the success of enterprises, such as issues of land reform where farms were redistributed to people ill-equipped to manage them, etc. Literature supports the latter argument stating that "SMMEs are affected by the macroeconomic environment such as the political, economic, social, and technological environmental, as well as some legal factors" (Donga, Ngirande & Shumba, 2016, p. 62):

"SEDA Key informant: In general I think the province could have done much better. One of the areas that could have done more is the area of manufacturing and processing. Because there is a lot of value that can be added in that space that could generate more needed jobs instead of selling off most of the things as primary products without adding any value. When it comes to the cooperative development as well, as well as with the various problems when we talk about land reform, because we are getting into the agricultural sector and all of that, the agricultural sector

has gone backwards. This is more to do with land reform and redistribution and that can be linked to the transfer of necessary skills to all the communities and CPAs that the farms have been handed over to. There is a number of farms that were doing quite well commercially. Some of them were actually exporting a hundred percent of their products, prior to the reforms. Because the reforms, the necessary skills was not handed over properly most of those farms are now standing barren. First they deteriorate from exporting farms to product not even being good enough to sell on the local market to total closure of farms. And thousands of jobs lost in the process. So once again when we look at the ideas, they are good ideas, they are noble, but ...[inaudible]...implementation thereof, that is a huge challenge. In the space of tourism and that, there has been new players coming to the market but the bad thing there is that some of the good establishments also folded because of the same land reforms and other things.”

“NYDA Key informant: What is it that we have not achieved? Personally I believe that as a province we have not taken advantage of the potential that this province offers in terms of manufacturing. We, there is a lot of agriculture for instance that happens within the province but all you do is we have harvest and ship everything to Gauteng for example. And we have not done enough to try and... we need to... beneficiation is lacking...we ought to be at this point looking at a couple of manufacturing concerns where we do agro processing. Given these minerals that we have we should be looking at beneficiation. We have not done enough. In fact we haven't even started. If there is anything I would really want us to seriously find ways of, especially in the case of agro processing, invest in that. And then we can create jobs even upstream, downstream and so on.”

“SEDA Key informant: Can I, I am not sort of undermining our achievements, but I would say we have achieved, when I see black people, I mean when black people have progressed, so I still see most of our black people are still living in poverty. And I don't want to talk about social grants and grants, I want to talk about specifically small businesses. We as government, government has failed to protect our black people, I am not [unclear 04:25], but I am going to say this Somalia's and foreigners have come into the country and taken everything that, what our black people are left with has now been focusing on entrepreneurship, and we need to come, I think as government we need to build an environment for our people the same way that these foreigners are operating. Because immediately your black person is operating, you know, there are just a lot of compliance issues but you see a Somalia Spaza shop operating there, you never see policeman to go in there to ask do you have a TAX clearance, do you have a business license, all those, but immediately a black person opens a business, you know, all those government guys come. So I don't know if our system is sort of looking at everybody equally or what, I don't know. But it is not crafting a conducive environment for our people to operate, ja, we can come up with all those policies and say change BPSD and CIS, but as long as we are not enabling them to access all those things, they are not doing anything. Because we have come up with all BEE issues, we have come up with, you know, all these different types of grants that we can give our people but still we have made it difficult for them to access, so what is the point, there is no use.”

Challenges in providing financial and non- financial support

Loan Repayments

One of the major challenges faced by DFIs in Limpopo is the lack of repayment of loans. One of the key informants argued that lack of payment is due to entitlement because the funding is from government whereas when intermediaries are utilised, enterprises are more likely to pay:

“SEFA Key informant: what should happen is to change the thinking of the people because of this entitlement issue, this is government money it's our money we are entitled to this money is that some of the things that need to change. I was told about a story in Brazil they say it's very simple there they take money they repay. But look at SEF. People are not aware that the money that is being alone to them is government money but their repayment is not a problem because of peer pressure. The repayment of that company is 99.9% why can't SEFA do that?”

“LEDA Key informant: Leda has just written off a hundred and sixty million of loans. That have been there for the past fifteen years. You can see even our own black people, we're trying to help them but they don't take us serious. They go through this process of collateral, they qualify and everything, then they sit down and they don't pay.”

For this reason, DFIs such as NEF and LEDA, have instituted measures to ensure that enterprises repay loans such as the NEF having funding criteria of commercial viability, which possesses greater weight than Black economic empowerment potential:

NEF Key informant: There are fundamental will always be commercial viability. Commercial viability in the sense that we try to protect and preserve value of our funding capitalists as far as possible. Because you recognise that if we do not do thorough checks and balances around whether these applications have higher quality value around commercial viability, chances are we will roll out our funds, whether it be 50% in the first year and 50% down the line. So the biggest driver is this thing is it commercially viable will it be able to pay back the institution, will it give us the opportunity to circulate the funds as far as possible. So if it's not really commercially viable regardless of whether it's got a bigger, broader empowerment dividend, it will be very difficult to even persuade the idea because it's clear that it will not give us the returns that we are all hoping for.

According to LEDA, the agency has a repayment rate of 98%, this is attributed to client education and monitoring, but mainly instituting collateral:

“LEDA Key informant: Because one of the things that we do is customer education and close monitoring of these guys. Now you have non-financial working closely with financial support. If we are working with you we will assign a guy to monitor your activities”.

“LEDA Key informant: I think it's more about if you establish a rapport between yourself and your clients and the fact that you don't just dish out money. So if there is one easy job to do is to give out money but one toughest job to do it collect it back. So if you miss your step in terms of giving out it's going to be difficult for your to collect it back. I will say to my clients if you believe in this loan, put down your house. Give me your house, I give me my money. Obviously you are going to be forced to double up your effort. Because if you don't pay me back then I am coming for your house.”

The fact that many DFIs in Limpopo have challenges with repayments suggests that perhaps the funded enterprises fail to succeed and to make a profit, and thus cannot repay the loans. The issue of lack of repayments suggests that other elements of support are crucial to the success of enterprises, in addition to funding. This finding is supported by research which shows that financial management, as well as business management, are crucial to success (Rankhumise & Lehobye, 2012).

Lengthy application processes

Key informants report that clients complain that the turnaround times of development agencies are too long and that has implications on whether enterprises are able to secure business opportunities:

“LEDA Key informant: We sit once per week because we are trying to curtail the number of complaints from clients. In terms of government agencies their turnaround time takes long. So we are trying to shorten that.”

“SEFA Key informant: they complain about the turnaround time and that will you take too long...”

“SEDA Key informant: Because the biggest challenge believe is always based on the turnaround. If you have a client that is coming to you for assistance and you don't have the capacity or the person that starts to work on that resigns half way through the process, you have a problem.”

The long duration of application processes impedes the ability of enterprises to secure business opportunities, thus it is possible to state that development agencies are compromising the ability of enterprises to benefit.

Geographic limitations

Other issues relate to the fact that many of the agencies and departments do not have great geographic reach as they do not have enough offices in the province and thus are unable to support a lot of entrepreneurs or are unable to foster the culture of entrepreneurship in the most rural areas of the province. For example, SEFA reported that there is only one SEFA office in the province and nine in the country

“Interviewer: how many branches do you have in the province?”

SEFA Key informant: there are 9 and no it's only this office

Interviewer: what is 9?

SEFA Key informant: in the country.”

SEDA, on the other hand, has a branch in each district; however there are twenty-eight local municipalities which are not covered. SEDA however uses three mobile units which they place in rural areas, which makes them more accessible to entrepreneurs in the informal sector:

“SEDA Key informant: In Limpopo we've got 5 branches. We have a branch in each district. We also have 3 mobile units. It's like a caravan type of thing that we place in rural areas. We have an agreement with the local municipality or with the chiefs or whoever to leave it at a central point where people can access it once a week.”

There are a number of other challenges which agencies face when providing financial and non-financial support, including insufficient capacity, stringent criteria, business plans not being bankable, having too many applicants, etc. All of these challenges have an impact on how many entrepreneurs and enterprises receive support and thus, how many benefit from government funding.

6.1.3 Evaluation Question 4: Are resources being allocated/used optimally?

Double-dipping and under allocation

The issue of sub-optimal resource allocation came across strongly across stakeholder interviews. Firstly, there was an indication that resources were not being allocated optimally to effect the envisaged change in the provincial ED scene. In particular, it became evident that LEDA was directing a significant proportion of the financial allocation from LEDET, to finance salaries and other overheads instead of actual ED programmes. This was verified through both stakeholder interviews and an analysis of reported financials. Secondly, a significant amount of LEDA's budget was directed to its other business interests e.g. buses, mining, etc. as opposed to championing enterprise development as per its founding mandate. In addition, the issue of

double-dipping and the lack of systems to detect it illustrates inefficiencies in ED support allocation. Most of the reported double-dipping was in relation to financial support where particular enterprises were receiving funding of ED institutions to finance.

6.2 Findings from the survey

In this section, two of the four evaluation questions are addressed, using survey data analysed both descriptively and also using inferential statistics.

6.2.1 Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives

Using quantitative survey data, this question is answered by descriptively analysing key demographic targets of the implementation of the ED programmes in the province across all the agencies. The demographic targets include *Geographical location, Enterprise sector (or industry), Employment profile, Gender, Race, Age, and Education levels.*

This section provides a detailed explanation of small and medium-sized enterprises in Limpopo as represented by the survey of the provincial enterprises. Although mandates and ED targets across the different agencies and state departments working in the province are not necessarily the same; key government development plans such as the National Development Plans and the Limpopo Development Plans tend to prioritise specific aspects of enterprise development. These ED priorities (as fully discussed in the literature and document review) include *promotion of women in business; inclusion of youth in the mainstream economy; industrialisation programme; development of key sectors such as agriculture and others; development of people in vulnerable areas; prioritisation of small and struggling enterprises with growth potential, etc.*

The report therefore analyses the extent to which some of the priorities outlined in the key development plans have been accommodated in the implementation of the enterprise development programmes. This said, while the survey conducted was sent to a list of 6000 provincial enterprises; it was mainly designed to capture enterprises which have benefited – in any way – from the ED interventions provided by the group of provincial and national ED agencies, including departments working in the Limpopo province.

Now, of the 453 responses received, 86% of the enterprises are found to have had a formal interaction with at least one or more of the ED agencies and departments. The following analysis therefore represents responses from this proportion of the survey.

Geographic Profile of Enterprises

Figure 4: Enterprises by District (n=431)

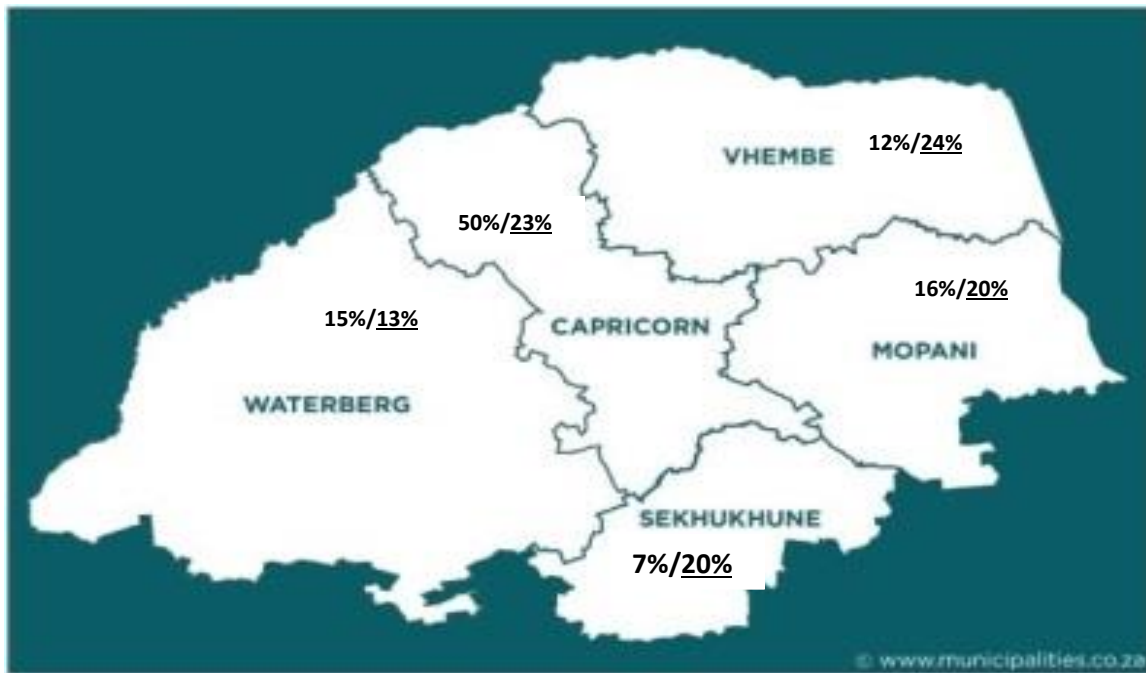


Figure 4 depicts a distribution of enterprises by each of the five Limpopo districts. Polokwane (the capital district of the province) has been host to the largest proportion of enterprises (50%), followed by the Mopane and Waterberg districts (16% and 15% respectively). This skewed representation of SMME support in the province is certainly not driven by the province's relative population distribution (showed in the figure as underlined percentages), according to the latest (2011) census. As also explained below in the qualitative analysis of the evaluation; individuals located closer to the city centre are likely to experience easier access to services by agencies and departments which are usually headquartered within the capital.

The evaluation found that most of the agencies are usually located in the city centres, with very little representations towards the more rural and less affluent parts of the province. This level of coverage falls short of the mandate of both the NDP and LDP which puts a strong emphasis on prioritising development of people located in disadvantaged areas of the country and province.

Sector Profile of the Enterprises

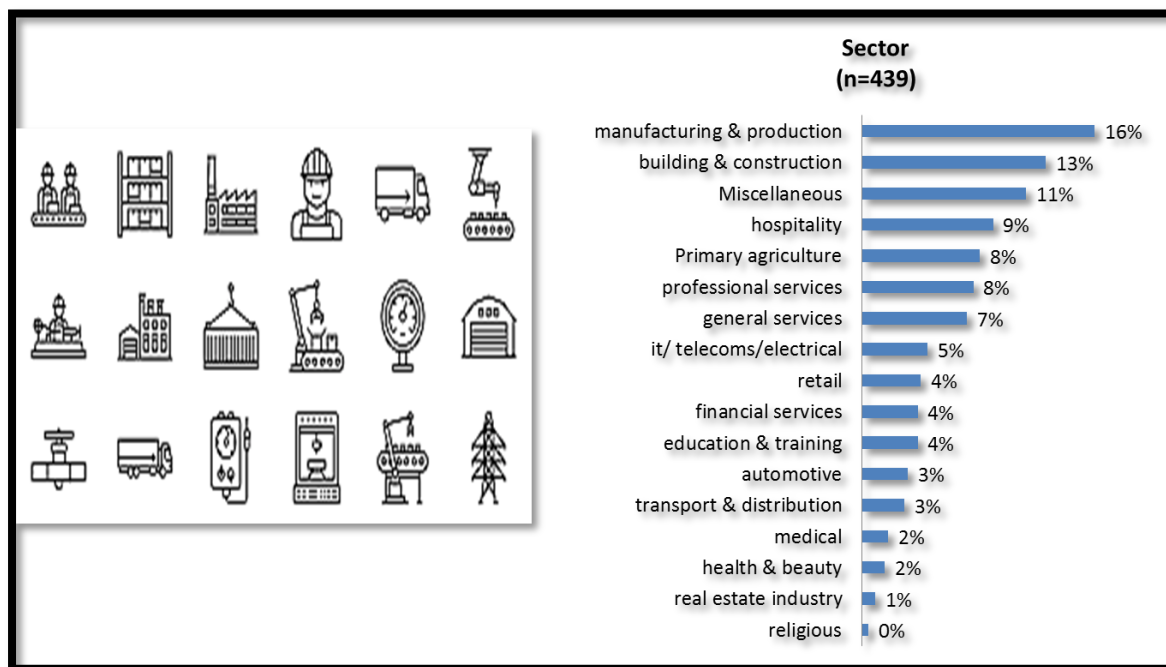


Figure 5: Sectorial Profile

As discussed in the literature review earlier, a comprehensive SMME strategy that enables SMMEs to exploit the areas of competitive advantages of Limpopo includes sectors such as: Horticulture (primary agriculture), Meat production, Forestry, Coal, Energy and Petrochemicals, Platinum, other Mining and Beneficiation, Tourism (Hospitality) and ICT.

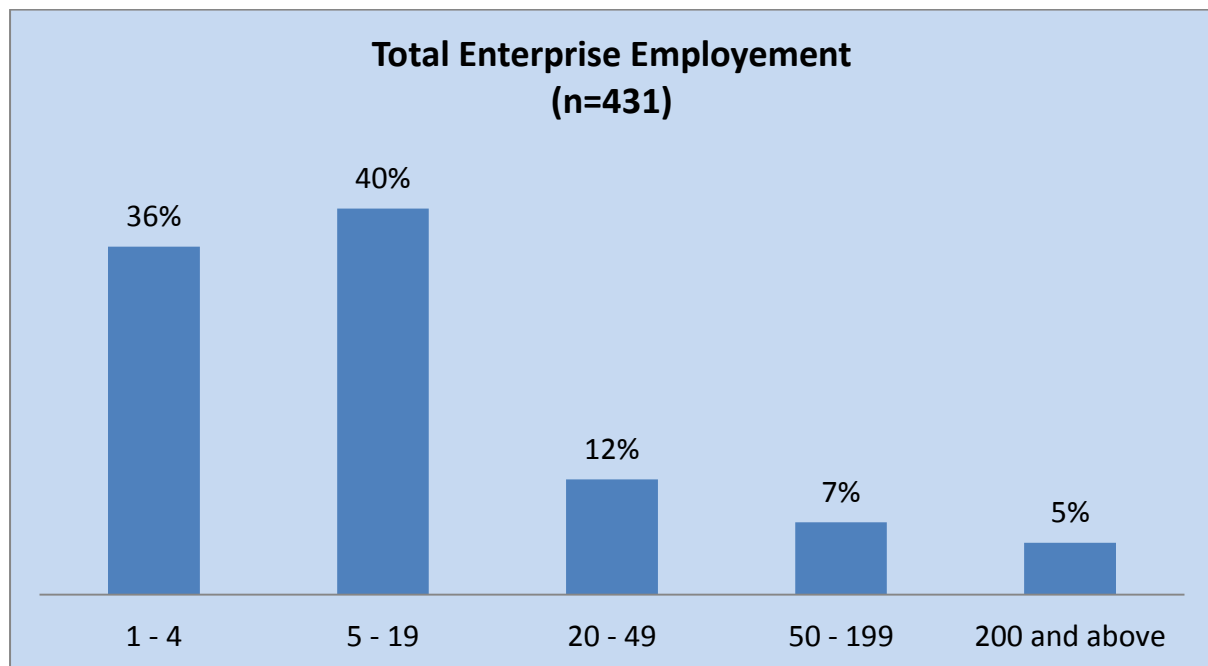
According to the survey, enterprises which have largely benefited from enterprise development efforts of the agencies and departments in the province were from the manufacturing and production sector (16%). This group was followed by a group of miscellaneous sectors which are not necessarily classified under the main groups. Other key sectors which were catered for include Agriculture (8%) and Hospitality (9%).

The retail sector was found to have received a significant amount of development support as many entrepreneurs were assisted to gain ownership of the existing retail outlets of known brands in both the food and general goods spaces. Similarly, there was notably funding of financial services enterprises (4% of the response rate). Notably as well, and in contrast to the Limpopo Enterprise Development mandate, key sectors which are known to be capital-intensive, such as mining and petrochemical sectors, were not well represented.

Employment Profile of the Enterprises

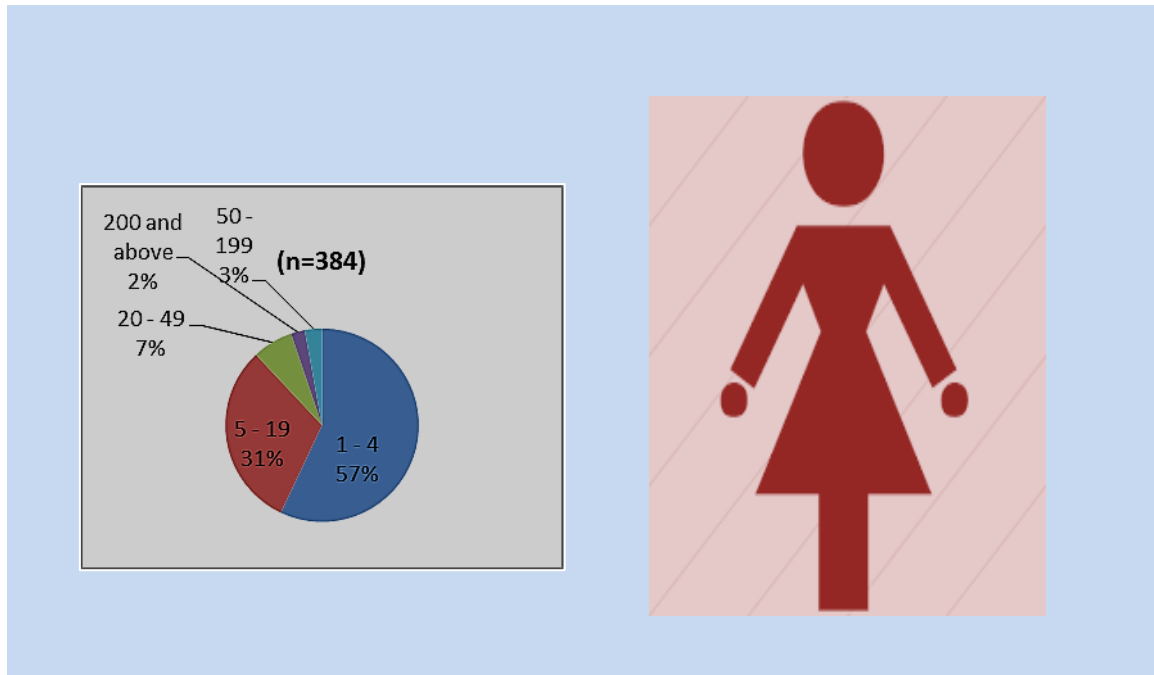
Although a drive to identify enterprises with high potential to employ large numbers of individuals was certainly a feature of all the mandates of each of the ED agencies and departments; this was not the case operationally. Most of the enterprises assisted are small, replicative businesses with limited growth prospects employing fewer than 20 non-family employees (76%) each. See Figure 6 for details. Enterprises with high employment return -200 employees and above – constituted only 5% of the survey response group.

Figure 6: Enterprise Size by Employment



Gender Profile

Figure 7: Women Employment



Out of 384 enterprises which responded to the question of female employees, it was found that most enterprises employ fewer than 20 women (88%). However, this is likely to be more a reflection of the total number of employees within each of the enterprises and less about the proportion of women employed.

However, an analysis of the total number of business owners was done from of a group of respondents. Figure 8 provides a gender breakdown.

Figure 8: Female-Entrepreneurs

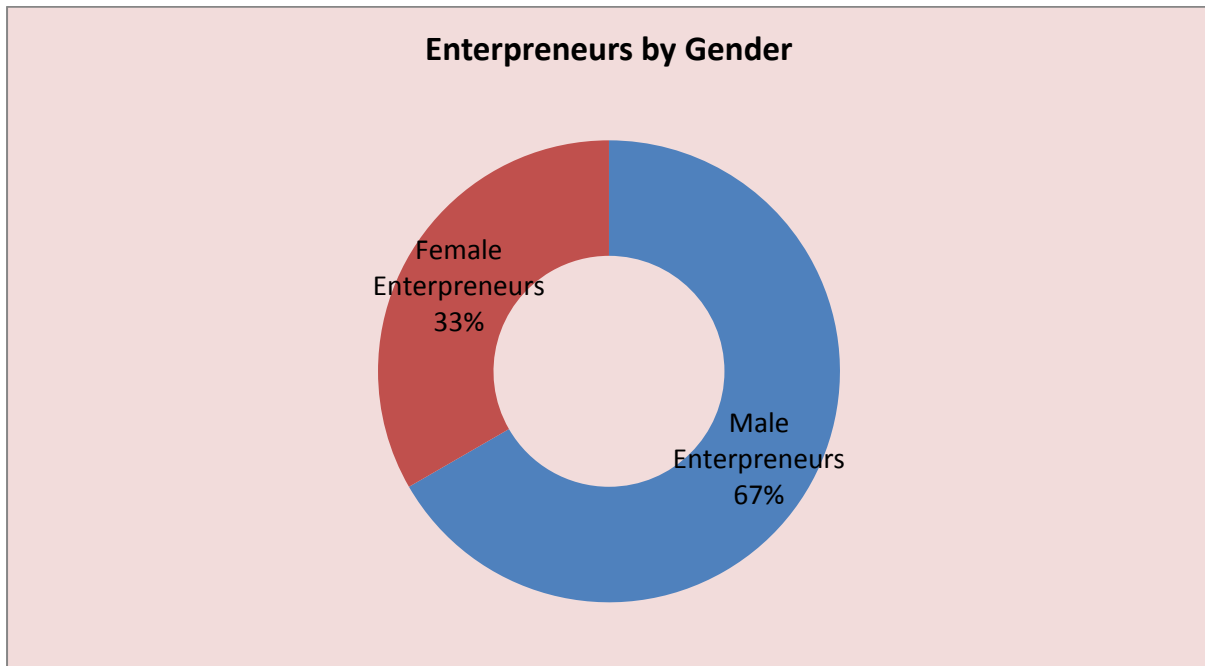


Figure 8 above shows a clearer picture of women-leadership in business in the province. Only a third of the entrepreneurs are women. To further understand woman activity in business, a cross-tabulation of women in entrepreneurs and operating sector was analysed to show which sectors seem to host female entrepreneurs in larger proportions. The following list was found:

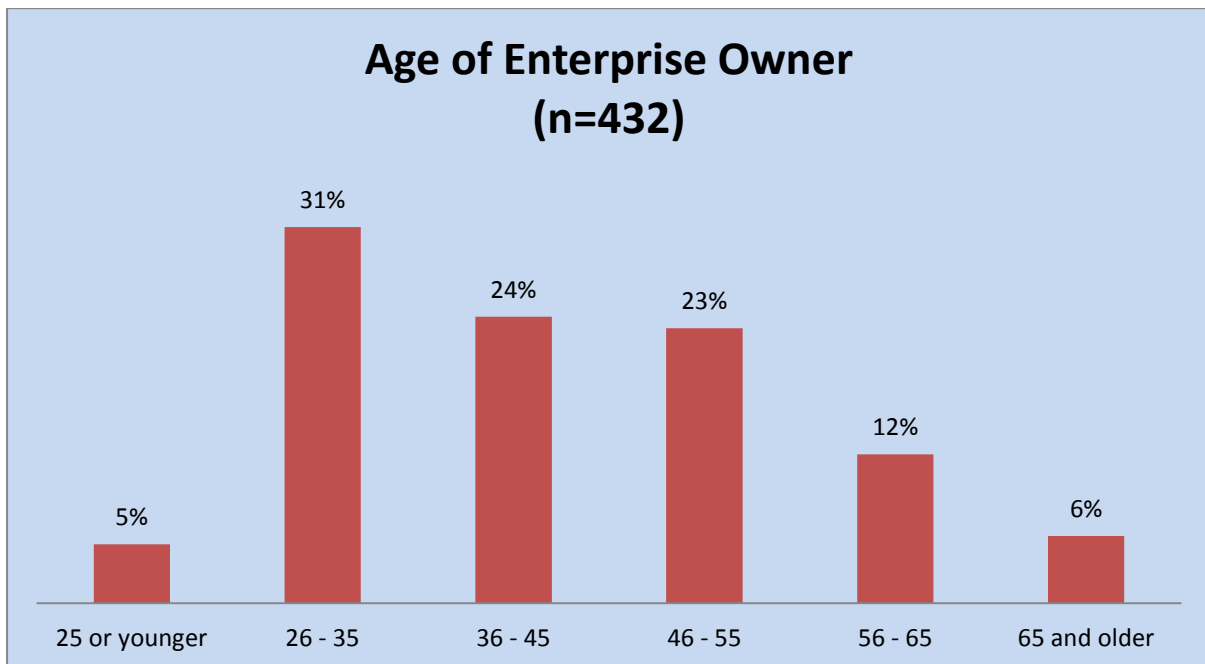
Table 6: Top 5 Sectors Hosting Women Entrepreneurs

Sector	Proportion
Building & construction	18%
Hospitality	12%
Manufacturing & production	11%
Professional services	10%
General services	9%

Table 6 therefore showed that women are significantly represented in the Building and Construction sector which is historically a male-dominated sector. It was also promising to observe that the professional services (mostly legal and management consulting services) and manufacturing and production sector were also destinations for female entrepreneurs.

Age Profile of Entrepreneurs

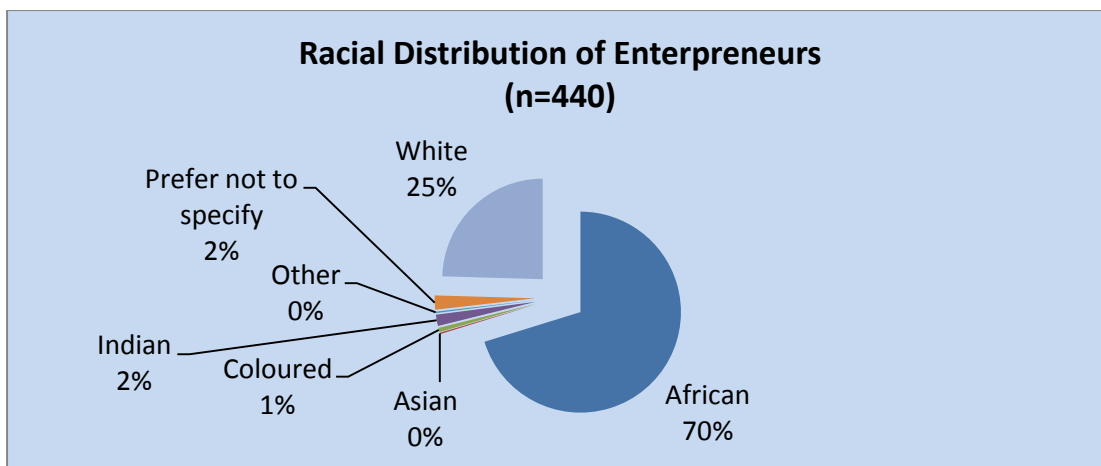
Figure 9: Age Distribution of Entrepreneurs



One of the achievements of the implementation of the Limpopo Enterprise development programmes is the fact that most of the beneficiaries of the programmes are youth. Over 60% of the entrepreneurs are youth. This is also one of the key priorities of the both the NDP and LDP.

Racial Profile of Entrepreneurs

Finally, a key focal priority of enterprise development in the country is the view that ED is an effective vehicle for redressing the effects of Apartheid. While other racial transformation imperative may have showed some progress to date; it remains strongly believed that economic equality is still largely indicative of the historical racial exclusion of Africans from the mainstream economy.

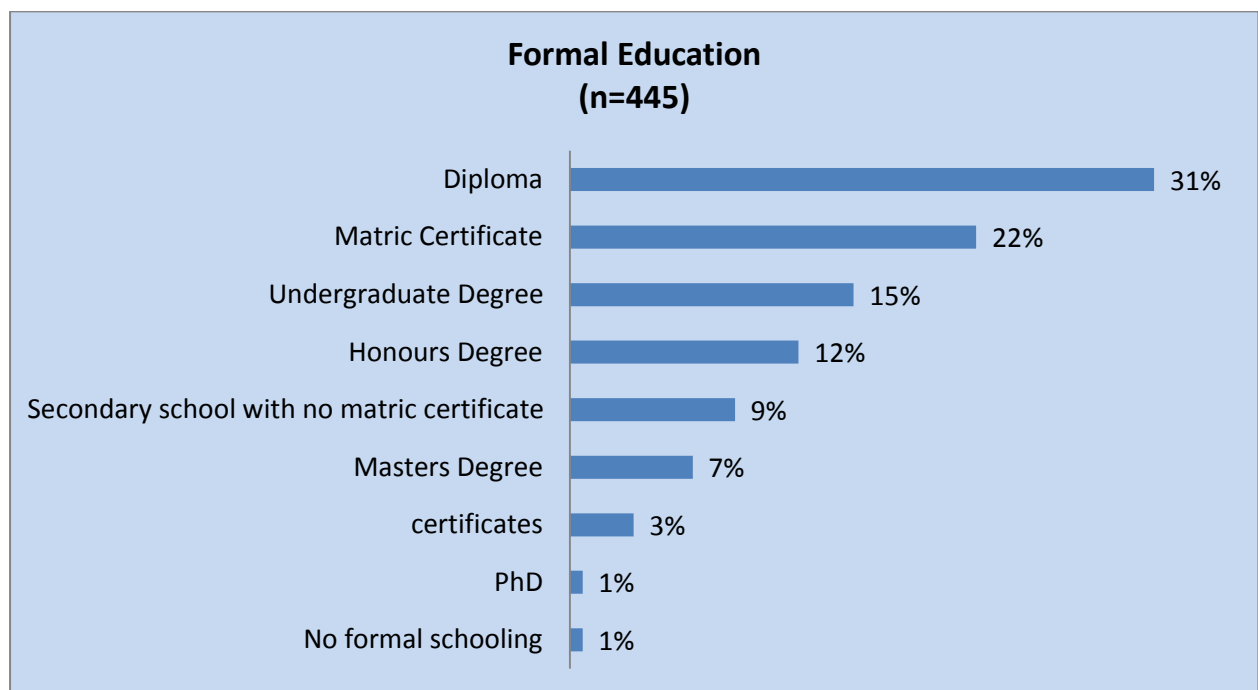


It should therefore not be surprising that the enterprise development programmes have mainly been catered for Africans (70%), Coloured, Asian and Indians in line with the ED mandate; however, Whites are still over represented at 25%.

Educational Profile

Among the many attributes of a successful start-up community identified and discussed in the literature above, ‘talent’ stands as one of the few that is particularly relevant to the case of Limpopo. This is explained to be referring to as a “*Broad, deep talent pool for all level of employees in all sectors and areas of expertise*” (Feld, 2012, p. 186-187). Universities are an excellent resource for identifying this talent as the highest institution offering industry education. This analysis therefore “takes its lead” from this argument by exploring formal education as a measure of talent within the group of entrepreneurs.

Figure 10: Formal Education of Entrepreneurs



Based on the survey, over 70% of entrepreneurs have at least experienced formal tertiary education with a tertiary short course certificate being the most basic form of formal training. The most common qualification is a National Diploma which involves at least two years of formal tertiary education. Feld argues that innovation, which is an important component of the LDP, is normally observed at post-graduate level as students are expected to produce new information at a Masters to PhD level. If Feld’s assertion is accepted, then expected innovation within the Limpopo Enterprise Development community remains very low as the community managed to attract under 10% of Masters and PhD graduates.

6.2.2 Evaluation Question 4: Are enterprises benefiting from the EDP intervention?

Using data from the quantitative survey, both descriptive and inferential analytical techniques are applied to respond to this evaluation question. In particular, three main elements of analysis are discussed;

1. Firstly, the performance of ED agency and departmental programmes against the seven key constructs, namely:
 - a. Capacity of the Agency to provide ED services
 - b. Accessibility of ED Services and opportunities
 - c. Professionalism of ED agencies through the work of its consultants
 - d. Stringency of credit application
 - e. Perceived effectiveness of non-financial assistance
 - f. Perceived changes in business performance resulting from the ED interventions
 - g. Reported impact on benefiting enterprises
2. Secondly, the relationship between the key constructs is explored to further describe the ED programme performance in Limpopo
3. Finally, a practical interpretation of the results is provided.

Performance Analysis of ED Agencies and Departments

In this analysis, a special and purposeful focus is given to the five key ED agencies out of a total of 11. The intention is to provide a comparative analysis of five key agencies identified during stakeholder interviews and focused group discussions as the most prominent, similar and competitive agencies. The four agencies are:

- Limpopo Enterprise Development Agency (LEDA)
- Small Enterprise Development Agency (SEDA)
- Industrial Development Corporation (IDC)
- Small Enterprise Finance Agency (SEFA)
- National Youth Development Agency (NYDA)

Using a similar approach to that applied by Vadjal and Nikolovski (2011) in their Eastern Europe study, a closed-ended and tested, self-administered questionnaire was employed to measure the effectiveness of ED programmes in Limpopo. SMME owners and senior managers were asked to respond to a survey containing key questions about clearly defined ED effectiveness constructs. While there are a number of qualities of a successful enterprise development programme identified and discussed in the literature chapter; the evaluation study

has carefully selected those which were deemed relevant to the set-up and design for the case of Limpopo Enterprise Development community.

The survey used a Likert scale to measure the items within each construct. In the absence of a comparator in measuring impact of a programme, Cooper and Schindler (2008) argue that the use of a Likert scale is appropriate when measuring reported impact. In this study, a 5-point scale was used. The table below demonstrates the scale used.

Table 7: Depiction of the Likert Scale Applied

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-----------------------	--------------	----------------	-----------------	--------------------------

As an important input to the selection of relevant paradigms to successful implementation of enterprise development programmes, the consideration of an emerging theory of change was critical. The explanation and assessment of the various attributes (and therefore constructs) is provided below:

Capacity of the Agency to provide ED services

Henry, Hill and Leitch (2003) argue that the primary essence explaining the underlying vulnerability of start-up enterprises is poor capacity. An enterprising development agent is therefore crucial in providing the necessary capacity to enable enterprises to gain access to capital and expertise needed to survive and grow. It is for this reason that the evaluation study strives to accurately measure capacity of the various agencies as experienced by beneficiaries. This is capacity pertaining to both infrastructure and technical ability of the each of the five agencies. Results are provided in the table below:

Table 8: Scores for the Capacity of Enterprise Development Agency²

	Support Agency	% Frequency of agreement	Median
Overall Construct Score	Limpopo Economic Development Agency (LEDA)	76%	0.31
	Small Enterprise Development Agency (Seda)	57%	0.27
	Small Enterprise Finance Agency (Sefa)	73%	0.29

² Please note that there were only a few respondents who received capacity development interventions from IDC

In order to obtain a percentage measure of the agreement with the various items, the two extreme scales of the Likert scale are collapsed into binary responses. Since the scale has categorised and ordered responses instead of a continuous scale, it is inappropriate to use a mean (average) as a measure of central tendency. Alternative, an appropriate measure of central tendency in this case is a median, which captures the response's departure from being neutral. Thus, a median measure of 3 is an indication of a neutral response, whereas a positive response is indicated by a median greater than 3. Inversely, a response less than 3 is indicative of a disagreement against an item. To calculate a measure for the overall constructs; a simple average of the score across each of the items is taken.

In this case, the summary table shows that LEDA is regarded as an agency with the highest level of capacity to provide services to emerging enterprises. It should be noted that LEDA is the oldest agency in the province, and therefore the most known. Added to this, it was found to be an agency with the widest reach as it has the highest number of offices in all districts.

Accessibility of ED Services and Opportunities

In his study of the effectiveness of local business service centres, Mazwai (2009) highlighted the importance of access to essential inputs to a start-up enterprise. He agreed with the sentiments offered by Finmark (2006) who demonstrated that access to such essentials as capital, expertise, vibrant market, etc. is preceded by access to information about such services. As such, this construct refers to both access to information about opportunities offered by the five agencies and subsequently, it is a measurement of the accessibility of the opportunities and resources offered by the various agencies. The evaluation used six different survey items to measure accessibility of opportunities. The table below depicts the six items which make up 'accessibility'.

The table below shows that IDC, followed by SEDA; leads as far as accessibility is concerned. Note that although LEDA is the biggest agency based on geographic coverage; it is not regarded as the most accessible agency. This finding might be explained by LEDA's "passive" approach to self-promotion in recent years. In fact, during interviews, a number of employees of the agency reported that LEDA had been in the process of reducing its ED portfolio.

Table 9: Scores for Accessibility of information & Support

	Support Agency	% Frequency of agreement	Median
Overall	Limpopo Economic Development Agency	80%	0.31

Construct Score	(LEDA)		
	National Youth Development Agency (NYDA)	75%	0.30
	Small Enterprise Development Agency (Seda)	83%	0.32
	Small Enterprise Finance Agency (Sefa)	72%	0.30
	Industrial Development Corporation (IDC)	100%	0.35

Professionalism of ED Agencies through the work of its consultants

Provision of service to enterprises needs to be effective, timeous and efficient. It not sufficient that enterprises are afforded access to critical inputs such as capital and market support when such resources are not provided within reasonable time and/or in a manner that is not conducive to promote appropriate use by respective entrepreneurs. Professional service does not only refer to appropriateness of behaviour of individual consultants, but also to organisational structure and operating efficiency of the various agencies. It refers also to the integrity and transparency of the application processes; the quality of communication between the agency and the emerging enterprise; and the appropriateness of the service to the enterprise. The table below summarises the performance of the different agencies against this indicator.

Table 10: Scores for the Professionalism

	Support Agency	% Frequency of agreement	Median
Overall Construct Scores	Industrial Development Corporation (IDC)	100%	0.45
	Limpopo Economic Development Agency (LEDA)	82%	0.32
	National Youth Development Agency (NYDA)	82%	0.31
	Small Enterprise Development Agency (Seda)	86%	0.33
	Small Enterprise Finance Agency (Sefa)	81%	0.31

Stringency of Credit Application

Access to capital is undoubtedly a key requirement for successful enterprise development. This is by far, the most important attribute of expressed ED intervention on each of all the agencies. A credit extension is one of the mechanisms through which the agencies can make capital available to developing enterprises, while at the same time, managing their financial exposure. The criticism of this mechanism to development finance has always been that it creates a “blurred” line between development agencies and private financiers, like commercial banks, which are mostly deemed to exclude small and emerging business by applying stringent credit scoring

measures. Similarly, ED agents stand the risk of distorting access to capital by applying the same credit vetting measures.

This construct measured the extent to which the credit application process experienced by entrepreneurs is deemed stringent. Unlike in other constructs; a high score here indicates a stringent (and therefore negative score) process.

	Support Agency	% Frequency of agreement	Median
Overall Construct Scores	Limpopo Economic Development Agency (LEDA)	60%	2.72
	National Youth Development Agency (NYDA)	43%	2.30
	Small Enterprise Development Agency (Seda)	38%	2.29
	Small Enterprise Finance Agency (Sefa)	41%	2.31
	Industrial Development Corporation (IDC)	67%	3.06

The table above indicates that the IDC has the most stringent credit process followed by LEDA. In interpreting this finding, it is important to consider that the IDC disburses large amounts of credit per application (in excess of R100m) compared to others. Secondly, it should be noted that LEDA is a more profit-driven agency compared to its peer agencies.

Perceived Effectiveness of Non-Financial Assistance

This construct is included primarily to ascertain perceived effectiveness of non-financial services provided by the various ED agencies. These service include; *technical training; development of marketing material; grading and licencing of products; contract management; development of business plans*, among others. The construct covers both the relevance and usability of the services as perceived by the beneficiaries. More importantly, the construct measure the extent to which the service has positively improved critical elements of their respective business. The items measuring effectiveness are analysed below.

Table 11: Scores for non-financial Services

	Support Agency	% Frequency of agreement	Median
Overall Construct Scores	Industrial Development Corporation (IDC)	100%	0.39
	Limpopo Economic Development Agency (LEDA)	70%	0.30
	National Youth Development Agency (NYDA)	70%	0.29
	Small Enterprise Development Agency (Seda)	68%	0.29
	Small Enterprise Finance Agency (Sefa)	76%	0.30

Perceived Changes in Business Performance Resulting from the ED interventions

Entrepreneurs were further asked to indicate changes in the performance of their respective businesses brought about by support provided by the five agencies. As per the emergent theory of change explained above, the envisaged positive change on the business ranges from improvement in goods and services traded to increase in clients to the respective businesses. These are the types of changes which will set the various enterprises on a growth path. The results are outlined in the table below:

Table 12: Scores for Perceived Business performance

	Support Agency	% Frequency of agreement	Median
Overall Construct	Industrial Development Corporation (IDC)	91%	0.32
	Limpopo Economic Development Agency (LEDA)	70%	0.30
	National Youth Development Agency (NYDA)	70%	0.29
	Small Enterprise Development Agency (Seda)	76%	0.31
	Small Enterprise Finance Agency (Sefa)	76%	0.31

Reported Impact on benefiting enterprises

Finally, the targeted impact as fully described on the Limpopo Development Plan - and repeatedly carried by the individual mandates of each of the ED agencies – are; increase *in employment* and *growth* of each of the enterprises in order *to improve the economic performance* of the province. These indicators are reported by each of the responding entrepreneurs, and therefore also analysed below.

Relationship between the various constructs and the reported impact

In order to study the complexity of inter-construct relationships to explain the effects of the various ‘pieces’ of results with each other and the impact measurement (both monetary and employment measures); the evaluation team makes use of a statistical technique called Structural Equation Modelling (SEM).

SEM is a multivariate statistical analysis technique normally used to analyse structural relationships. This technique is the combination of factor analysis and multiple regression analysis, and it is used to explore the structural relationship between measured variables and latent constructs. In this case, the technique explains the relationship between the ED constructs as explained above, and the demographic factors, also explained above.

However, before exploring these relationships, SEM requires the use of confirmed and clear constructs. This said, the next section conducts a sub-technique referred to as Confirmatory Factor Analysis. Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables. CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. The researcher uses knowledge of the theory, empirical research, or both, to postulate the relationship pattern, and then tests the hypothesis statistically.

In this particular case, the constructs and related items are shown in Tables 8 to table 12 above. To interpret the results of the CFA for the six constructs, a quick interpretation of the “goodness of fit” parameter estimates is conducted. The table below provides a summary of the goodness of fit measures for the six constructs:

Table 13: Goodness of Fit Parametres Estimates

	<i>Likelihood Ratio (Ch2/df)</i>	<i>Root Mean Squared Error of Approximation</i>	<i>Comparative Fit Index</i>
<i>Effectiveness of Non-Financial Interventions</i>	1.98	0.05	0.96
<i>Stringency of Credit Application</i>	16.60	0.19	0.96
<i>Capacity of Agency</i>	0.97	0.00	1.00
<i>Professionalism</i>	0.29	0.00	1.00
<i>Accessibility</i>	4.10	0.08	0.99
<i>Business Performance</i>	0.99	0.00	1.00
<i>Target</i>	Less than 6	Less than 0.6	Higher than 0.95

Table 14: Covariance Matrix of the ED Constructs

	Accessibility	Credit Stringency	Capacity	Professionalism	Effective Non-Financial Support	Business Performance
Accessibility	1					
Credit Stringency	-0.794	1				
Capacity	-0.2932	0.7086	1			
Professionalism	-0.6261	0.3463	-0.0206	1		
Effective Non-Financial Support	0.83	0.0613	0.301	0.798	1	
Business Performance	0.0186	0.696	-0.0205	-0.0114	0.679	1

Table 13 is a summary of specific estimates measuring goodness of fit. In the last row, the study provides guiding references for each estimate. As an example, factor “Capacity of Agency” in the table indicates a Chi2/df ratio of value of 0.97 (well below the maximum) and CFI value of 1.00 (which is greater than the targeted 0.95 in the guiding reference). In statistics, Log likelihood measures the difference between the measured covariance between the items and the expected covariance. The larger this measure is, the more the estimation error will be. Both these estimates indicate that there is a strong explanatory relationship between the set of variables (together) and

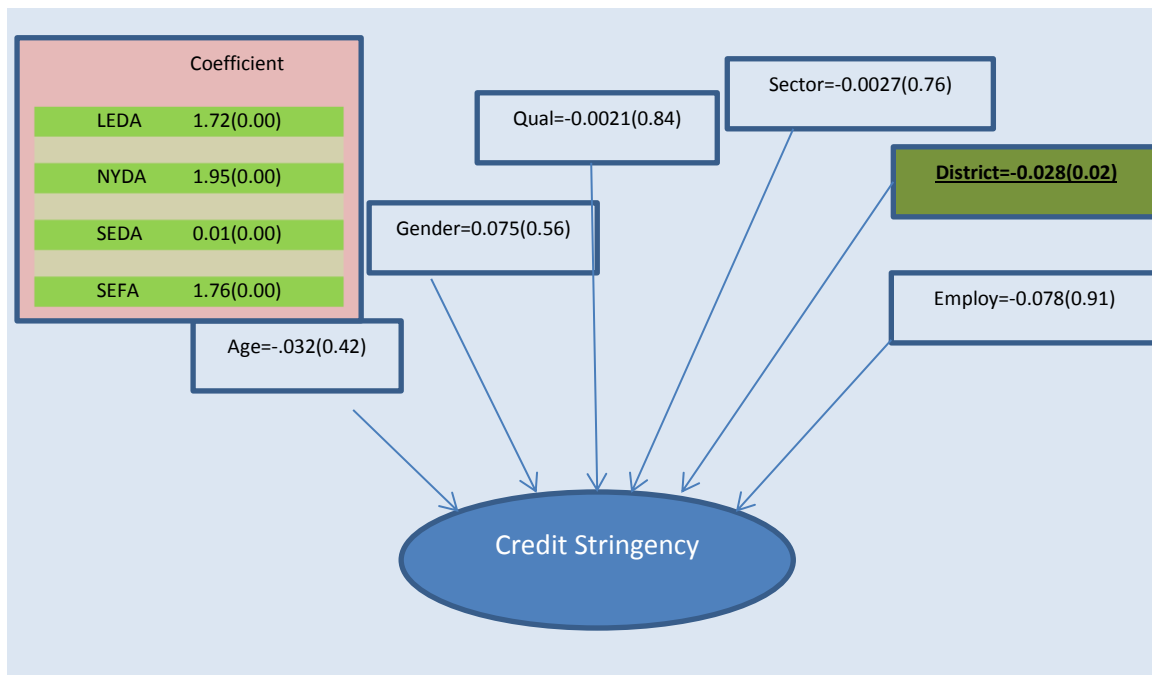
the theoretical construct intended to be measured by the study. This is the case across the entire construct list. Therefore, the study concludes that all the constructs are adequately measured through the survey instruments described above.

On the other hand, Table 14 displays covariances between the different ED constructs used in this study. This is done to explore relationships between the construct which will in turn, offer ease of understanding the pragmatic meaning of scores allocated by the surveyed entrepreneurs. In interpreting the covariance matrix in table 10 above, it is important to note that a covariance less than the absolute value of 0.3 is considered to imply a weak relationship. A covariance of an absolute value greater than 0.3 and less than 0.6 implies a moderate relationship, whereas a covariance greater than the absolute value of 0.6 indicates a strong relationship. The direction of the relationship between two constructs is indicated by the sign of the covariance value. A negative sign indicates an antagonistic relationship and conversely, a positive sign indicates a positive relationship.

In the table, moderate to strong POSITIVE relationships are highlighted in green, whereas moderate to strong NEGATIVE relationships are highlighted in red. As expected, credit stringency tends to affect perceived accessibility negatively (-0.794). Financial exclusion by stringent credit application process will always be perceived to limit accessibility. Also of note, effectiveness of non-financial services is highly “dependent” on professionalism of the respective ED agencies in how these services are offered (+0.798). This is completely logical as the quality of ED services is critical and if done poorly, effectiveness will not be achieved, irrespective of the dosage and accessibility of the service. Finally, effectiveness of the non-financial services has a strong and positive effect on business performance (0.679).

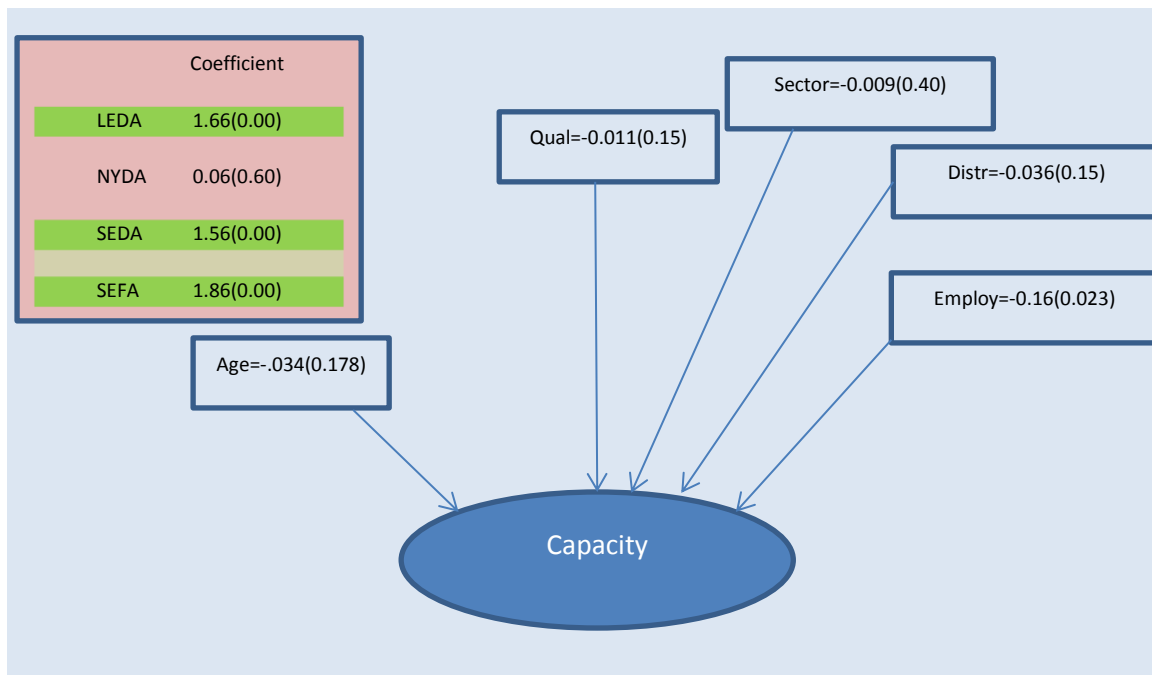
In the following section, a relationship analysis between these constructs and the various demographical variables are explained. The SEM model controls for a number of demographic variables. These control variables include: age of entrepreneur, gender, age of the business, district and sector of the enterprise and qualification of the entrepreneur.

Figure 11: Credit Stringency by Agency



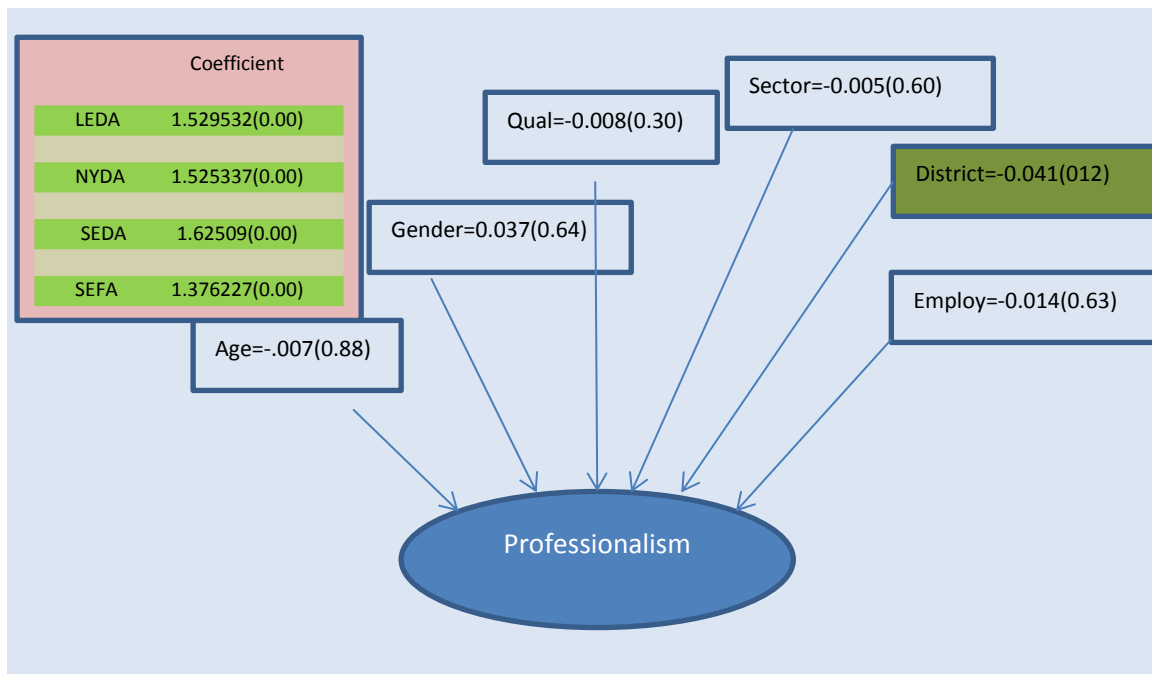
In this case, coefficients represent the level of perceived credit stringency for each of the four agencies. IDC is always used a reference to measure relative effect. LEDA, NYDA and SEFA are deemed to be about twice as stringent with their credit application than the IDC. SEDA is perceived to be the least stringent agency. Out of all the demographic factors; the ‘District’ of the enterprise showed the most significant relationship with the construct at a 5% margin of error. The P-value for each coefficient is shown in parenthesis.

Figure 12: Capacity by Agency



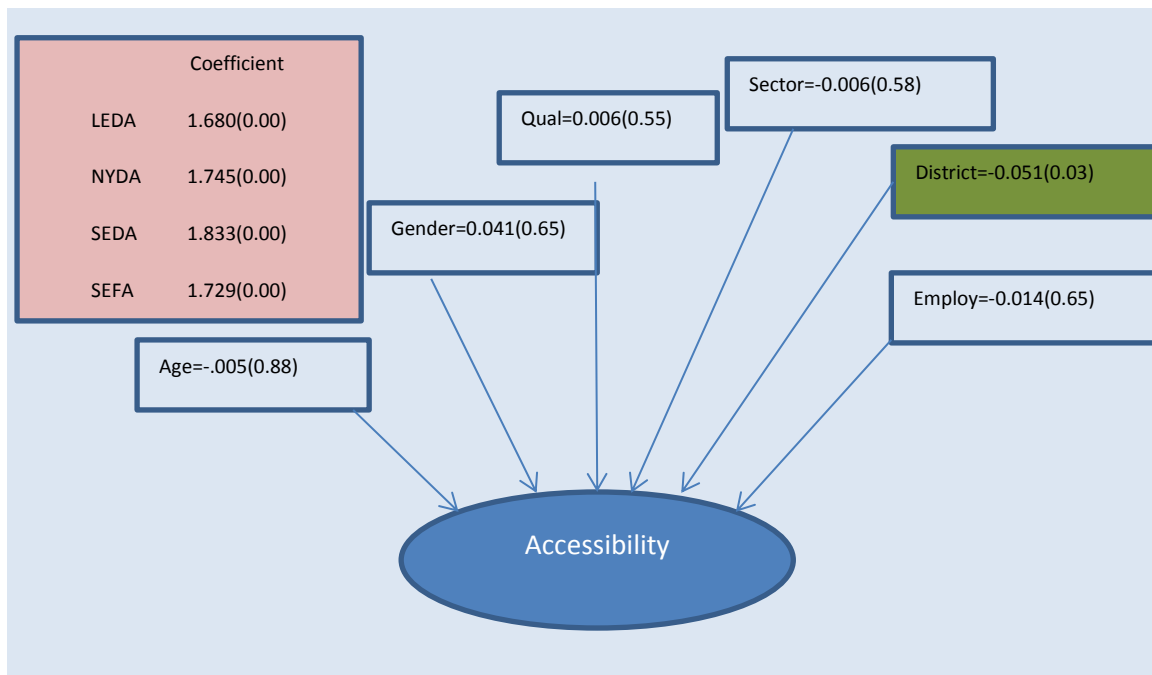
As far as capacity is concerned, SEFA, SEDA and LEDA are perceived to have relatively more capacity than the IDC. Of the group of agencies, the NYDA is scored the lowest.

Figure 13: Professionalism by Agency



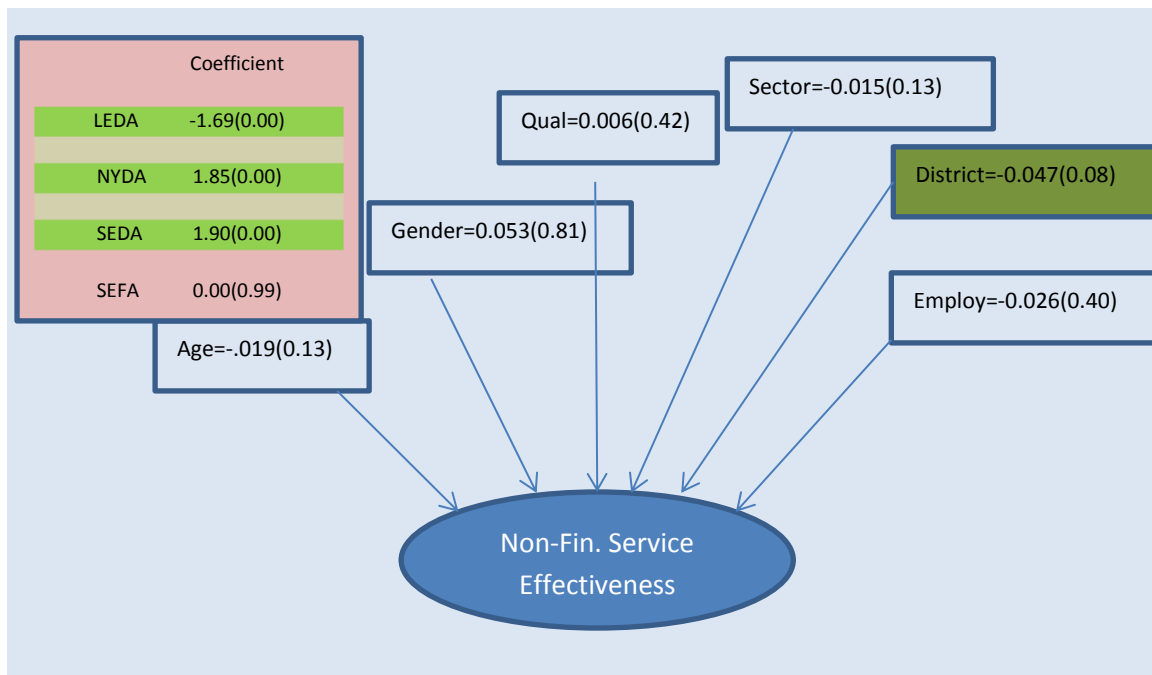
The figure above shows that all four agencies are perceived to be more professional than the IDC. It is important to further note that the IDC only has a single office with a staff complement of fewer than five employees, based in Polokwane. Unlike other agencies, it is very selective in its approach. Therefore it is unlikely to be as responsive as the other agencies.

Figure 14: Accessibility by Agency



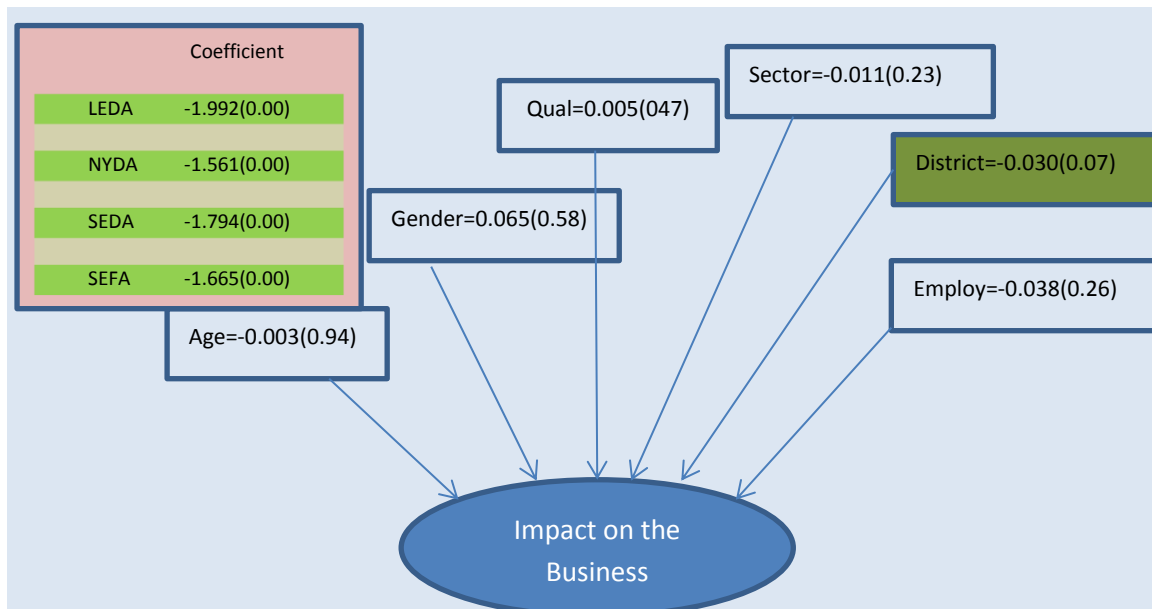
In complement to the analysis about professionalism above, the relative performance of the four agencies in Accessibility is generally higher than that of the IDC. Of particular interest is the fact that LEDA shows the least level of relative accessibility even though it is the biggest agency with the widest reach.

Figure 15: Effectiveness of Non-Financial Service



The non-financial service provided by LEDA in this case is deemed to be the least effective relative to all other agencies. This is also surprising given the experience and the human capacity of the agency. Notably, the NYDA seems to be leading the agencies as far as non-financial service is concerned.

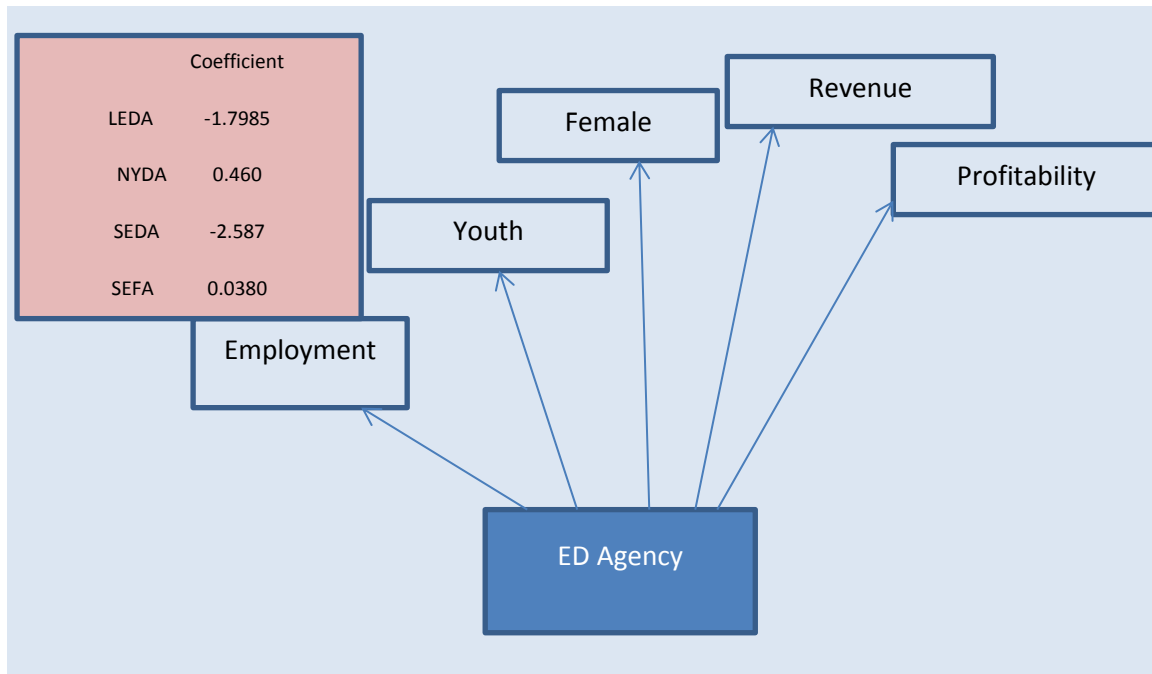
Figure 16: Perceived Impact on Enterprises



When it came to perceived impact, the most impactful agency was by far the IDC as all other agencies showed a significantly lower relative measure of impact compared to the IDC. The least impactful agency is LEDA followed by SEDA.

In the analysis below, the study explores the relationship between the four agencies and the growth of key indicators such as Employment, Revenue, Employment of Youth, Employment of Women and Profitability.

Figure 17: ED Agency and Growth



In this analysis, the intension is to assess ‘communal’ covariance of the group of core indicators with the ED agencies. The figure shows that LEDA and SEDA generally depict a negative relationship with the core indicators than other agencies, once again reaffirming underperformance across the emerging enterprises.

Practical Interpretation

In this section of the report, the findings from the descriptive and inferential analysis are discussed in light of the findings from the qualitative analysis. In order to provide a detailed understanding and interpretation of each finding; the report introduces related literature which ties the findings with findings of other studies.

More ED support in metro-areas than in villages

One key and consistent finding is that besides the significance of the DFI as an explanation of variation in beneficiary responses to the quality of service; it therefore matters in which district the enterprise (by district) is located.

In the table below, a further analysis into district is provided. In particular, the table shows districts had a significant effect on each of the four ED constructs. There are a few observations

to be noted, firstly, enterprises in all districts have significantly found the credit application process particularly stringent. This finding was consistent in all five districts. A second observation is that entrepreneurs in the Greater Sekhukhune district seem to have not experienced adequate access to agency support, and where there were consultants allocated, the conduct of the agencies were not professional. Perhaps this second observation is experienced by a generally poor location of agency and departmental offices and allocation of human resources in Sekhukhune areas, such as Jane Furse.

In the analysis of a case study from Jane Furse, the consistent complaint about turn-around time of application, poor understanding of enterprise models and poor communication are offered as potential attributes to a negative relationship with the district, coupled with a weak relationship with 'improved business performance'. Third, even though entrepreneurs from Capricorn and Vhembe districts have shown significantly positive experiences of accessing services in a professional manner from the ED agencies; the location of enterprises in the two districts did not show a strong effect on the performance of the respective businesses. Finally, enterprises in the Waterberg District seems to have experienced all-round successful implementation of ED programmes. The effect of this district on all ED constructs was generally positive and highly significant.

Table 15: Programme Performance by District

District	Credit Stringency	Effectiveness of non-financial Service	Improved Business Performance	Accessibility of Agency Support	Professionalism
Capricorn District	.2477543 (.027)	.3825486(0.184)	.4294486(0.112)	.6830095(0.027)	.4730953(0.086)
Mopani District	.3707527 (0.013)	.508536(0.092)	.5224906(0.065)	.8019239(0.013)	.5859716(0.042)
Sekhukhune District	.2945536 (0.026)	.4907393(0.131)	.05565716(0.68)	-0.741659(0.034)	-.478829(0.0124)
Vhembe District	.3301259 (0.025)	.5046308(0.103)	.42338 (0.145)	.7751149(0.020)	.4863523(0.100)
Waterberg District	.4840247(0.052)	.5487647(0.069)	.5457698(0.054)	.8535112(0.009)	.6551926 (0.023)

According to the owners of the various enterprises, it is clear that programme dosage and implementation was inconsistent and was highly dependent on the location of the individual businesses. Programme integrity has a direct effect on programme outcome and impact. In fact, early programme evaluation studies such as Dane and Schneider (1998); Wilson, Lipsey and Derzon (2003) and Stevens et al. (2000) have all found that many programmes fail during implementation, particularly due to digression from planned programme designs (or policy), resulting in weak outcomes and negative unintended consequences. Interestingly, Fransen (2011) concluded in his study of *Multi-stakeholder governance and voluntary Programme Interactions* that programmes with multiple funders and multiple stakeholders such as ED programmes in Limpopo particularly suffer from inconsistent programme implementation and programme failure. This is generally due to the difficulty in co-ordinating competing interests and differences in human resource capabilities between funding agencies.

In remedying this adverse finding and increasing the chances of programme or policy success Åsa, Edvardsson and Kerstin (2009) suggest various strategies, including:

- Formalised political and leadership arrangements to allow co-planning and joint implementation
- Availing platforms for frequent information sharing and learning among key stakeholders
- Standardised programme reporting
- Elimination of inter-stakeholder competition by reviewing key performance indicators and identifying conflicting and competing targets
- Assessment of stakeholder resources capabilities in search of “points of complementarity”

6.3 Findings from focus group discussions

Focus group discussions were hosted in four of the five districts in Limpopo as part of an evaluation project commissioned by the Limpopo Department of Economic Development, Environment and Tourism (LEDET) and the Limpopo Office of the Premier. The purpose of the focus group discussions was to assess the impact of the Enterprise Development Programme (EDP) in Limpopo from the perspective of the beneficiaries. Throughout the focus group discussion report, three key evaluation questions are answered from the perspective of the beneficiaries of the Enterprise Development Programme.

6.3.1 Evaluation Question 1: Are institutional arrangements supportive to the programme reaching its objectives?

Description of needed support (before intervention by agencies)

The participants of the various focus group discussions were requested to describe the type of support they required for their businesses prior to approaching Development Finance Institutions (DFIs) such as SEFA, NEF, NYDA, IDC etc. in Limpopo and other development agencies such as SEDA and LEDA.

Focus Group Discussion in Thohoyandou, Vhembe District

The participants in Thohoyandou mentioned various needs they had prior to consulting the various agencies. One business owner stated that they required finances to set up an office as well as to pay the rent. In addition, this owner needed to procure furniture and computers. Primarily however, this business owner needed money for starting the business (SMME). This enterprise received support from NYDA. They assisted with the start-up capital, administration as well as referring them for additional funding from SEFA. In addition to agency support, this entrepreneur also received financial contributions from friends in a stokvel.

A different participant needed marketing skills to market their business. This business was operating from the owner's house so they needed infrastructure as well as business training. The business was experiencing flood problems as they were using a tent. Thus, they needed infrastructure as well as business training. Another participant needed training, particularly technical training.

Focus Group Discussion in Tzaneen, Mopani District

Similar to the first focus group, one business owner needed capital to start a business. This owner approached SEDA for assistance with processing grant applications. Another business

owner stated that they needed capital, however funding applications require collateral to show seriousness. Another business owner needed equipment to start the business, as well as start-up capital. In addition to that, the office space was not sufficient for this type of business. One of the other business owners also needed capital, a machine and material.

Focus Group Discussion in Jane Furse, Sekhukhune District

One of the business owners stated that they needed financial assistance and equipment. Another one of the business owners stated that they needed branding and a machine. Another business owner stated that they needed equipment, including a camera, printer and laptop. One of the other entrepreneurs in attendance stated that they needed funding for expansion of their business.

Focus Group Discussion in Polokwane, Capricorn District

One of the business owners needed photographic equipment. Another one of the entrepreneurs needed equipment for sewing, as well as business management training. One business owner stated that they needed co-operative governance training to manage the business as well as capital for their business: I needed the registration processes and setting up a business. We also need a mentor but SEDA hasn't responded to me about the query. Another business owner stated that they struggled with the registration.

The implementation of Enterprise Development by development agencies

This section focuses on the implementation of Enterprise Development by development agencies, including the actual support provided and the issues concerning that support. This section further links to policy issues, and issues pertaining to monitoring and evaluation.

Focus Group Discussion in Thohoyandou, Vhembe District

Financial Support Needed

One of business owners at the focus group discussions mentioned that the one thing they needed for their business was equipment and that is why they approached one of the agencies for funding. In addition to needing equipment, they have volunteer staff and wanted to pay them, as well as no office space from which to operate and these are the reasons they sought funding. According to this business owner, they received the funding they needed.

Another business owner stated that they approached SEFA because they needed financial assistance and they received a grant of R250 000 including equipment and pre-owned

furniture, the issues are that the grant was not released to them meaning SEFA requires motivation to disburse the rest of the grant. Furthermore, this business owner asked for Pastel which is a more efficient financial software, however they did not assist with that. This business owner indicated that had SEFA given the enterprise the full grant it would have covered all their needs. In the stakeholder interviews with agency and department representatives, one of the interviewees stated that the problem with some of these implementing agencies and departments is that they do not know what they are doing because you cannot partially support a business and then expect that it will succeed, grow and thrive. This business owner's issue shows that there is definitely an issue with the support provided by DFIs in Limpopo and this may also result from the fact that SEFA does not seem to have a monitoring and evaluation unit and thus their reports are not verified. It suggests that perhaps there is an issue of reaching targets and making a note of the number of SMMEs/Co-operatives supported but not actually ensuring the effectiveness and sufficiency of that support.

The same business owner mentioned that LEDA provided them with a service provider because they needed marketing infrastructure, however they do not have this marketing material anymore because it was of poor quality. This is definitely an issue that development agencies and departments involved in ED are aware of as it was mentioned in the stakeholder interviews, that the quality of services from some service providers is poor and this hampers the growth and maintenance of the SMMEs and Co-operatives supported. Marketing is a major part of business development, thus if this is compromised then businesses suffer. Another business owner mentioned a critical issue with regards to LEDA that has been discussed throughout this evaluation, the fact that LEDA used to provide grant funding. According to this business owner, it was R 20 000 per business, however they do not offer grants anymore but focus on providing loans to businesses which have the ability to repay the loan. According to this business owner, LEDA only supplied them with laptops this year even though they received a certificate for grant funding two years prior and registered with them in 2008. This same business owner mentioned finding out about LEDA funding another business R 10 000; however when they enquired about it, the conditions of the funding were never explained to them. In addition, this business owner mentioned knowing about instances where LEDA has been found to give funding to SMMEs without proper processes in place, such as approvals of applications and completion of paperwork. According to Mazwai (2009), effectiveness refers to the extent to which SMMEs are satisfied with the services provided by

business development service centres. Clearly, there is a lack of satisfaction with LEDA services by many of the business owners in this focus group discussion, thus suggesting that LEDA has not been effective in implementing its ED mandate.

Another business owner stated that they provide Hani sacks in rural areas where there is a great need for such services. This business owner approached the NYDA and received a grant of R 50 000 which they used to buy the machine, however it did not cover the material needed. Thus, yet again, there is this issue of development agencies providing insufficient support and not ensuring that they enable a business to thrive. This raises a huge concern about the ability of such support to meet the province's developmental goals of poverty alleviation and job creation.

Moreover, the issue of service providers emerged as another business owner mentioned that SEFA gave the money they asked for straight to the supplier instead of to the business. In addition, the fact that this enterprise owner asked for R 250 000 and only received R98 000 is a huge problem and concerns issues of programme logic. If a business owner states that they need a certain amount and you fail to supply that, then are you as a development agency actually assisting this enterprise? This begs the question of whether it is more important to give money to as many entrepreneurs as possible or if it makes more sense to ensure that the client you have is sufficiently supported and thus able to develop and sustain themselves even if fewer people are assisted. This relates more to the issue of pressure from national and provincial government with their expectations, which means that the political climate creates an issue of focusing on quantity over quality.

Another issue which arose was the fact that all attendees were deemed clients of these agencies and departments meaning that according to the agencies and departments, all these people received some sort of assistance. However, some participants stated that they had applied for funding, however had not received it. This was also a finding when engaging with business owners over the phone when inviting them to the focus group discussions. This is extremely problematic and suggests issues of corruption and falsification of information reported to boards and executive committees, etc. It also shows the importance of monitoring and evaluation, and issues with the M&E methods used in the province.

In support of this, one of the business owners actually cited corruption as a possibility because of their experience where they qualified for R550 000, however only received R250 000, and they would receive the balance later. After some time, however, they were informed that it had

lapsed and they would not be getting it anymore.

There was consensus amongst the business owners in attendance that not having control over the finances you receive and the service provider procured, makes it very difficult, particularly when this support fails to meet the needs of your business and there is no recourse.

Non-financial support needed

With regards to non-financial support, some business owners mentioned that there were certain instances when they sought support from SEDA, however the response was that they cannot provide it. This is an issue that was also raised in the stakeholder interviews by the agencies themselves, that their funding to provide these services is limited and according to the interviewee at the Provincial Treasury, the fiscus is focused more on issues, such as education and health, which receive a huge portion of the budget and then issues such as economic development, of which enterprise development is only a component, receive a small portion of the remaining budget:

“Provincial Treasury Interviewee: In Limpopo about 75% of our budget goes to the social sector. Health, education, safety, sports. Which is significant? So you’re only left with a very small portion that’s looking after treasury, office of the premier which are more co-ordinating departments. Economic development, agriculture, roads and transport, public works, all of us together is 25%.”

Other business owners mentioned receiving formal training. Another owner stated receiving a promise from SEDA to be included in the incubation programme, however four months later nothing has transpired. Interestingly enough, this business owner was approached by someone working in enterprise development at SEDA inviting them to training meaning that they did not ask for training. This sentiment was shared by another attendee who stated that agencies invite them to all sorts of different training events which they do not ask for, some are helpful admittedly, however some not relevant. The issue is that as this owner stated *“those things that you ask for and you need so much are seldom attended to but when I don’t know when they need to train you for some reasons they decide to do that”*. This is not to take away from the fact that when it is solicited by these businesses, the training is obviously relevant. The issue here is understanding the purpose of a one-size-fits-all training model or approach, and how such services can really be expected to impact businesses if they are not tailored to the needs of the enterprises. This suggests that there is a huge problem with the entrepreneurship training theory of change model used by agencies in Limpopo.

According to one of the business owners, there are definite issues when a business approaches LEDA for assistance with infrastructure, particularly for premises for SMMEs and Co-operatives. According to this individual, LEDA provides affordable infrastructure, however of very poor quality and when issues with the property arise, LEDA is not responsive to requests of assistance. According to Mazwai (2009), infrastructure is an important part of financial or non-financial support provided in the business development services environment. Thus, based on this research finding, it is evident that lack of support with infrastructural issues hinders progress. Additionally, LEDA invites entrepreneurs for training which is firstly not tailored to their needs, meaning for instance, that all businesses will sit in on a workshop about co-operatives and the principles of running a co-operative even if they are SMMEs, etc. Secondly, many businesses are more in need of funding as their businesses are failing and dying, thus training is not relevant. According to Mazwai (2009), in order to make the business development services more market-oriented, centres should identify the business development service needs of SMMEs and design products which will satisfy those needs. The latter research finding suggests that if agencies fail to conduct needs analyses, they cannot claim to have assisted enterprises as they will be imposing what they believe the enterprise needs as opposed to truly understanding the problems each individual enterprise has. Other research studies have found that there are ILO Enterprise Development Centres found in South America who specialise specifically in assisting SMMEs by identifying their needs and advising them accordingly. Thus, suggesting that identification of the needs of SMMEs is crucial to their development, it is not for the agencies to decide what the SMMEs need. Furthermore, this business owner argued that this situation where LEDA invites business owners to training and then saves money by transporting them through the night instead of paying for accommodation suggests that the enterprise development money may be tied up to certain activities and thus these events are simply a corrupt way of acquiring the ED money.

Focus Group Discussion in Tzaneen, Mopani District

Financial support needed

One of the business owners stated that they approached the agencies because they needed capital, equipment and tools in order to open and run a workshop. Another business owner stated that when their business was still a start-up, they approached SEFA and were told to make a plan as their funding application was rejected. This owner managed to gather R600 000 capital and start a business, however along the way needed R 50 000 so they returned to SEFA

and were told they are an established enterprise and cannot be assisted as the focus is on start-ups. The latter statement does not correspond to what SEFA key informants stated as their mandate and thus calls into question the selection criteria utilised for supporting enterprises. In addition to that lack of financial support, the latter business owner approached SEDA and they developed a business plan for the business, however it was not funded because the financial institution stated that it was not viable. This is highly problematic because SEDA utilises service providers to assist them in developing business plans, thus suggests that there is a lack of competence and capacity to develop bankable business plans. The latter experience further explains why one of the SEDA representatives stated in an interview that only 15 per cent of the business plans they develop are funded. This issue with business plans developed by service providers emerged across districts and suggests a need for development agencies to liaise with commercial banks and DFIs to determine what their requirements are for business plans. This strategy will most likely increase the number of accepted business plans and will thus increase the number of enterprises benefitting from SEDA support. Another business owner stated that they were securing projects worth as much as R 16 million however due to not receiving support to acquire equipment and a large enough office space led to a loss of these opportunities. Had this business owner been assisted with these needs, it is highly likely that this business would have created many jobs and thus, reduced the level of poverty in that community. Poverty alleviation and employment creation are key mandates of the Enterprise Development Programme, thus it makes no sense for agencies to refuse to support a business with so much potential as it means that selection criteria do not take the NDP and LDP requirements into consideration.

Another very interesting issue is that development agencies, such as SEFA, require documentation such as financial statements which cost businesses a lot of money to hire service providers to assist in developing these documents. The first and most important problem here is that these requirements make government funding inaccessible to many entrepreneurs from disadvantaged groups and communities. These requirements defeat the purpose of the developmental nature of these agencies. Secondly, these businesses are not guaranteed assistance after application. This issue suggests that policies around enterprise development are not adhered to, nor are organisational mandates. It further suggests that there is a real need for monitoring and evaluation of the EDP in order to inform programme designs and improve effectiveness. Another business owner raised the issue of inconsistency between the requirements of development agencies as financial statements may be rejected by

one agency, but accepted by another. The latter issue suggests a need for co-ordination of agencies by LEDET and the Office of the Premier to ensure that requirements are standardised and services are complementary. In addition to costly requirements, LEDA charges business owners for their services, which is problematic as they are supposed to be a development agency. Furthermore, this business owner's accountant could not understand what LEDA was looking for in terms of financial statements as he/she felt that they are qualified to know what should be in financial statements. The latter suggests that there are issues with the skill sets, educational backgrounds and knowledge of agency personnel.

A challenge which emerged is that the funding process is inaccessible to businesses operating in rural areas because of the various levels of approval needed and the costly documentation required from different role players. This is causing entrepreneurs to give up during the process. These owners equate the funding process at the DFIs to the banks; the only difference is the banks are more stringent in terms of the number of years a business should be in operation and on financials because they view SMMEs and Co-operatives as high risk. The fact that LEDA and SEFA are equated to commercial banks suggests that there is a huge issue in the way in which ED interventions are designed and implemented. Furthermore, it suggests that as much as agency representatives claim that they operate according to their ED mandate it is clear from the businesses that this is not the case because they should be bridging the gap by providing support which banks are not willing to provide and thus, developing the SMME and Co-operative sector which has the potential to meet government's developmental goals.

Some business owners suggest that it may be better to actually approach IDC or the DTI because they are not afraid of providing large amounts. One business owner stated that their business was able to grow from a ten employee enterprise to a forty-two employee enterprise without any funding; how much more growth would they have had if they had received funding from an agency such as the IDC. Interestingly, there were complaints about LEDA being comparable to banks in the sense that when entrepreneurs apply for funding they have to pay for LEDA to conduct evaluations on their businesses, R 1 250. This, to these business owners, makes them just like commercial banks, suggesting that LEDA is not playing its role of a DFI and is rather focused on generating income which means that services which are intended for the disadvantaged cannot reach them because they cannot afford them. In addition to affording the evaluations, LEDA requires the financials of a business which means that businesses have to pay accountants to develop these for them which is an additional,

expensive cost. Thus, further indicating that LEDA is not as developmental as it should be and cannot claim to be aligned to the NDP or LDP.

Non-financial support needed

An entrepreneur mentioned that they needed marketing material which they received from SEDA. In addition, they needed to procure a machine, however SEDA would only assist them with R150 000 which was not nearly enough to buy the machine. Interestingly, this owner went to India and got the machine there and had to employ people in India to produce the product which means that the opportunity to reduce unemployment in South Africa was missed by SEDA. This owner's plan was to get R600 000 from SEDA because the machine was R340 000 and with the rest of the money, this owner was going to hire ten people. Across the districts, the issue of agencies not focusing on meeting government development goals has emerged, suggesting that service provision is not aligned to policy. The latter suggests that these agencies are not playing the role for which they were developed which was to increase the economic activity of people from previously disadvantaged groups by ensuring that their services are easily accessible.

Focus group discussion in Jane Furse, Sekhukhune District

Financial support needed

One business owner was funded by SEFA and received a voucher from the NYDA to do a business plan. In addition, SEFA bought this business equipment worth R 400 000:

“I already did my proposal and market research. I got a voucher from NYDA to do a business plan and used SEFA money for funding. SEFA bought equipment worth 400 000. I have a loan with SEFA which I need to pay it back. I spent 680 000 and 100 000 on divisions”.

Another business owner stated that they needed equipment as well, which they procured through the DTI and somehow there was co-ordination between LEDA and the DTI regarding this matter. In addition, this business needed branding:

“Black Business Department headed by DTI got me the brewing machine. LEDA is the middle man between DTI and the Black business department. I also had to contribute half of the money to operationalise my business”.

One of the other entrepreneurs requested a camera. In addition, they received a small printer and a small laptop to do their office work. Another entrepreneur stated that they approached the IDC as well as LEDET for funding, however did not receive it. In addition, they needed a printer for their newspaper, however were not able to get it:

“I have been operating for 8 months without getting profit. I approached IDC, LEDET directly for funding. I spoke to the MEC for funding. I wanted a printing machine but did not receive any funding from the agency and response to it. I print 500 000 copies weekly for my newspaper. I work/collaborate with SEED Company”.

One of the attendees approached LEDA for funding, but stated that their requirements were ridiculous:

“I approached LEDA for funding but their requirements were ridiculous. I also approached DTI in 2014. I submitted to DTI and LEDET but DTI was fast. I approached SEFA for funding in 2015 to expand the business.”

The latter further illustrates the inaccessibility of LEDA services for many small businesses. This is problematic because LEDA was developed to support small business to develop, however if these businesses find it impossible to utilise the services of LEDA, it means that LEDA is not implementing according to its mandate and is not adhering to policy.

Non-financial support

One of the entrepreneurs in attendance stated that they attended workshops from SEDA which were training-oriented. SEDA taught this owner how to manage their business. In terms of training, another business owner stated that they attended a LEDET workshop, ZERA under LEDA:

“I never applied for training but they choose me to attend training, I think they know you. I learned how to leverage my business after attending two trainings and how to market the business, to put at Shoprite for instance”.

Fortunately the individual quoted above received training which was needed, unfortunately that is not always the case. Many of these training sessions are simply offered, business owners do not request them and as a result, they tend to be irrelevant and not tailored to SMME or Co-operatives’ needs

One business owner provided a lot of insight by mentioning that entrepreneurs are trained as a standard requirement and are managed as well. This provides an explanation for many of the business owners across the focus groups being invited to training sessions they never asked for. What is positive however, is that some of the workshops are actually helpful as they are taught business feasibility and management skills, how to attain more customers and they are taught to see how much profit they can make in a business.

Focus group discussion in Polokwane, Capricorn District

Financial support needed

In this focus group discussion, one of the business owners stated that the grant they received from one of the agencies was actually helpful in improving the services their business provides as they were able to procure laptops and printers with that grant and now not only do they operate electronically and capture client information electronically, but they are more efficient. Thus, providing better services and operating more professionally which has an impact on clientele, which in turn, has an impact on revenue. Furthermore, this funding assisted this business owner to grow their business due to the ability to procure the proper equipment for the services they provide, enabling them to advertise the business, resulting in more clients and more income. In addition, even though this business already employed five people, which was on a part-time basis, currently they are all permanently employed. Similar to sentiments in another focus group discussion, in this meeting, one of the business owners mentioned that they may qualify for a particular amount of funding from a DFI, however do not receive the full amount in the end. What is positive here is that much of the support provided has resulted in employment creation and poverty alleviation.

In terms of the services of DFIs in the province, one of the business owners expressed that all businesses in the province which receive loans fail. The latter statement indicates that for an SMME or Co-operative to flourish it requires finances together with non-financial support, such as business management and financial management training. Two other business owners relayed issues with SEFA which are articulated by business owners in other focus group discussions; that SEFA does not pay a loan directly to the business if something needs to be procured, they pay the supplier on your behalf and that process is then lengthy which obviously affects the operation of your business. Government processes involve a lot of red tape and many review committees and lengthy procurement processes. This needs to be reduced if DFIs desire to better assist SMMEs. Some business owners have an issue with the loan as the funding scheme as the money has to be paid back. Business owners in this focus group stated that they have received funding from SEFA, NYDA and DTI while others applied for funding, but did not receive it. Another common theme across focus group discussions is the lack of complete payment of loans by DFIs in the province. The latter suggests an element of corruption within these development agencies.

Non-financial support needed

One business owner mentioned receiving furniture from SEFA which made their business appear more professional. In addition to furniture, they have attended various trainings which

have been beneficial, however due to the nature of the business there are a multitude of factors that are impacting on the success and failure of this business. One business owner mentioned that they may receive all the funding they need, however if they lack access to the market then that is a huge challenge. The latter shows that different businesses have different needs, thus training may not always be the solution. One business owner stated that receiving training has improved their business substantially. This training included skills on marketing the enterprise which this business owner admits the business previously did not do, however now that it does, there are more customers. The latter individual stated that without the non-financial support they received, the business would not be where it is. Another business owner stated that they have received non-financial support from LEDA where LEDA developed a business plan for them, however contrary to popular belief by the other development agencies, LEDET and other departments, LEDA did not fund its own business plan. This business plan was funded by a private financial institution. Attendees also stated that SEDA's services are also satisfactory while another business owner stated that the fact that SEDA charges 10 per cent for their services, for example if a service provider is outsourced to develop a business plan then a business owner has to pay 10 per cent of that cost, however if their target market is disadvantaged communities then how can they expect to charge their clients.

Services provided

When asked which of the DFIs provide the best services, the business owners remarked that it is SEFA. One participant stated that SEFA enquires about SMME needs before providing support. Another business owner stated that receiving funding with SEDA's assistance is great because they utilise DTI as their funder and DTI's turnaround times are very fast, which enabled their business to purchase all that their business required in time. The business owners were asked whether there is a difference between the services provided by national agencies such as SEFA and SEDA, and provincial agencies such as LEDA. To this, there was consensus that there definitely is a difference. According to these business owners, what they have realised is that loans are approved at national level first before the regional office approves, thus if there is efficiency and competence at national level, then it cascades down to the regional level where services are then faster. In terms of LEDA, one business owner stated that the processes are delayed because for example, if you want to register, they do not have a database anymore so people have to complete a form and put it in their post box and this mail is collected once a week from the regional office and taken to provincial. Thus, business

owners argue that in terms of efficiencies and turnaround times, SEFA is better.

The key issue here was answering the three main evaluation questions: “Are institutional arrangements supportive to the programme reaching its objective?” Here a few examples were provided of processes and operations in development agencies and departments involved in ED which reveal problems with various institutional arrangements and aspects of programme design which are good. Take LEDA, for example, design issues begin with the fact that they have multiple competing mandates and that LEDET does not regulate how their grant is spent, meaning that approximately R450 million is being spent annually on other LEDA projects as opposed to SMME support as it should be. LEDET monitors LEDA activities primarily through reports submitted, meaning that little is verified, and when they do visit SMMEs and Co-operatives supported by LEDA they fail to provide LEDA with feedback timeously so that issues can be addressed. In addition to ceasing to provide grant funding to co-operatives, LEDA is also spending a substantially smaller amount of their budget on non-financial services as their focus is on income generating activities as they are a 3D entity, which may be the biggest problem with LEDA. Positives however, are that they have 34 branches across the province meaning that they have greater reach than all other agencies and departments, they also advertise their products and services and furthermore, they consult communities to identify SMME and Co-operatives’ needs.

SEDA, on the other hand, positives include getting key performance indicators from national. In addition, to ensure they implement their mandate, they have a balanced scorecard (i.e. a performance metric used in strategic management to identify and improve various internal functions of a business and their resulting external outcomes. It is used to measure and provide feedback to organisations). Other good aspects of their design include the fact that every six months they have a review of the impact of their interventions, the provincial office monitors the performance of branches (client complaints, turnaround times and challenges), even though they only have five branches which are offices in all five districts. They also have mobile units which they place in rural areas. Their interventions include a client journey where they spend a year or more assisting businesses become sustainable so that they create jobs, increase turnover, etc. The one big challenge is having to hire service providers with sector expertise as the quality of services may be one of the contributors of their 15% business plan success rate.

SEFA provides access to finance which is crucial to SMME and Co-operative sector development, however they only have one office in the entire province. They have great

interventions targeting disadvantaged groups such as micro-financing aimed at poverty alleviation and direct lending aimed at job creation, however their interest rate may be higher than national bank interest rates on loans (10-15%) even though they are a developmental institution. In addition, SEFA has capacity issues and furthermore, they fail to monitor their performance.

Clearly, there are strengths and weaknesses with different institutional arrangements of implementing agencies and government departments which is why it is crucial for LEDET to focus on policy development instead of implementation, for which they developed LEDA. LEDET also clearly misuses resources as they give LEDA approximately R 450 million or more to support SMMEs and Co-operatives and yet they hire other service providers to train entrepreneurs on programmes they have established. Furthermore, LEDET conducts monitoring and evaluations on SMMEs and co-operatives, however recommendations and findings are not implemented by LEDET or LEDA or any other organisation dealing with SMMEs or co-operatives, including COGHSTA, suggesting that they have a lack of authority over their own parastatal and other provincial departments, and perhaps the OTP should be capacitated to take on the co-ordination role within the Enterprise Development Programme.

6.3.2 Evaluation Question 3: Are enterprises benefitting from the intervention?

Focus group discussion in Thohoyandou, Vhembe District

Despite the myriad issues raised about the services provided by the development agencies, it seems that the services and funding they provide have made a difference in many businesses. One business owner stated that they received financial services which made a difference to the business, moreover the computers they received from SEDA assisted by making the business more efficient as it enabled them to move from working manually to electronically. Another business owner stated that they received the equipment they required which helped them grow the business and the level of service has improved. The equipment remains in good condition and thus, they are serving more clients now and are able to market themselves. Assistance with all these things has brought growth to this business. Similarly, sentiments of the ability to cater to more customers were shared by several other business owners that received either financial support or equipment. Efficiency is also a common theme in this focus group. In addition, assistance from development agencies has also resulted in growth in terms of number of

employees for some of the businesses. These findings suggest that a major component of the development of SMMEs and Co-operatives is definitely financial and non-financial support as it is clear that despite the many problems people have had with these agencies, when they do receive funding or non-financial services, it translates into good returns for their businesses. However these findings further suggest that if issues with policy coherence, co-ordination and information sharing can be addressed, then issues such as mandate duplication and product duplication will be resolved and double-dipping evaded and thus, government resources in the province will be better utilised; and more enterprises can be serviced and more people's lives can be improved.

Focus group discussion in Tzaneen, Mopani District

Similar to other focus groups, it is clear that despite issues that people have with agencies and their procedures and processes, the financial and non-financial support received either has the potential to improve the functioning of the businesses or has already improved the functioning of these businesses. One of the business owners stated that the equipment they received from one of the agencies will definitely improve the quality of their work and enhance productivity. Similarly, another business owner stated that the computers they received have saved the business time, thus making them more efficient and also more productive. Another business owner received a business marketing system which they stated has been very helpful. All participants concur that SEDA is good at providing non-financial support.

This is the second focus group discussion to show that despite all co-ordination and programme design issues, the services and products provided by these agencies and departments are effective in improving SMMEs functioning and thus, productivity and as a result, their revenue, etc. This suggests that the model of providing affordable services to SMMEs is beneficial to the sector and may allow for government's policy objectives to be realised. It may be important to note however, that some of these agencies have been found to charge for their services, such as evaluations and business plans, etc. which suggests that many people in need cannot access such services and thus, cannot support their businesses. The latter suggests that those business owners who have mentioned utilising LEDA and SEDA services at a cost are most likely medium-sized enterprises which tend to be white-owned enterprises which suggests that the purposes of these interventions of promoting Black-owned small enterprises are not being realised. This is an issue identified by Masutha and Rogerson (2014) with policy initiatives as they stated that most of the policy and support initiatives are being accessed by medium-sized white-owned enterprises, whereas a limited amount of government support is reaching black-owned enterprises.

Focus group discussion in Jane Furse, Sekhukhune District

In this focus group, unlike in most of the others, there are comments about the usefulness and positive impact of the training provided by development agencies. One business owner stated that they learned how to manage the finances of their businesses which has helped with managing business expenditure. In addition to that, the latter business owner also mentioned receiving assistance with marketing their business which has made their newspaper visible in the community and allowed them to distribute to municipalities. In addition, in an attempt to expand their business, this business owner is creating a radio station. One of the policy imperatives of the Enterprise Development Programme is assistance of SMMEs and Co-operatives to enable them to expand, which is clearly occurring. Another business owner also mentioned learning the benefits of marketing your business, particularly through the media.

Across all focus groups, it is clear that development agencies have impacted SMMEs and Co-operatives in the province by enabling them to operate more efficiently and effectively, thus enabling productivity and in turn, increasing customers and revenue. In addition, this support has enabled many businesses to employ more people. According to Mazwai (2009), however, even though impact can be examined based on “increase in sales, earnings or in the number of employees; the data do not necessarily reflect the ability of the organisation to sustain itself economically” (Mazwai, 2009, p. 125). The latter suggests that non-financial services such as after-care support or post-investment services, particularly by DFIs, may be important in ensuring that the impact made on enterprises is long-lived and enables them to become self-sustaining. Post-investment or after-care support is provided by some DFIs, such as the NEF.

In addition, Mazwai (2009) found that previous research supported the following list of indicators of an effective relationship between agencies and SMMEs:

- Visibility and accessibility of the service to SMMEs;
- Suitability of the information and solutions for the owner/manager;
- Flexibility of the service to address specific problems for the owner/manager;
- Scope of the service to address varied problems that arise, also unexpectedly and which are not clearly discernible;
- The simplicity of the paperwork given to the enterprises;
- Relevance of the supplied service to the specific needs of the entrepreneur, start-up or growing concern;

- Affordability, confidentiality and credibility;
- Pro-activity and informality;
- Ownership of the service by the business community being served;
- Integration of assistance to varied needs.

(Mazwai, 2009, p. 127)

The list above reflects the majority of the issues identified by the business owners. This research suggests that despite the sense that these agencies have impacted on SMMEs and Co-operatives, if issues in the list are not attended to then it cannot be argued that these development agencies have been effective in their endeavours. The indicators in the list above are issues which LEDET, as the co-ordinating department, should ensure are addressed.

6.3.3 Evaluation Question 4: Are resources being allocated/used optimally?

Over expenditure on low-value activities

Across all FGDs in the various districts, beneficiaries stated that they are unnecessarily exposed to too much training and information gatherings such as workshops, conferences and seminars. In fact, many beneficiaries carry a perception that agencies and departments use training as a deterrent and/or delaying tactic away from provision of funding which is much more critical to the survival and growth of business. This sentiment was better explained and confirmed by key informant officials from the agencies and departments as they provided an account of frustrations shown by respective beneficiaries about announcements of limited funding and the choice of low-cost interventions which can also cover many individuals at the same time.

Inefficient procurement

Also contributing to further beneficiary frustration is the reported cases of use of unnecessary “middle-men” in procurement processes. It is common practice of funding agencies to use vendors or agents registered with respective DFIs and departments for procurement of operating equipment and assets for the grantee-enterprises. However, in many reported cases, this procurement model is perceived to be too costly (especially since most beneficiaries can identify more efficient routes and lower-cost suppliers), and too inefficient a process as it can take more time and unnecessarily include more role players – each at an additional cost. Additional to its contribution to inefficiencies, this procurement model has also reportedly resulted in acquisition of sub-standard equipment and/assets. This was mainly attributed to often low knowledge of respective industries by “middle-men”, intertwined with competing incentives of procuring agents.

6.4 Findings from Case Study 1: El-Shadai Vegetables Primary Co-operative Limited: Description of Business



A picture illustrating the cooperative's peppadew plantation.

El – Shadai is an agricultural enterprise aimed at generating income through producing and selling vegetables. It is a co-operative consisting of four family members: the parents, son and daughter of the Machaka family. Members decided to form a Co-operative after realising the potential in supplying good quality crops and vegetables. The business was mainly

driven by the parents until the son and daughter decided to join and run the

business on a full-time basis, after realising that the parents were aging. The transfer of control to the children is also justified by the need to transfer farming knowledge and expertise to the younger generation for organisational memory and continuity. Their main objective is to alleviate poverty and create economic benefits for themselves and other community members. El-Shadai employs a total of 10 employees, consisting of three males and seven females (excluding the owners). Recruitment is mainly based on word-of-mouth and referrals. The family moved from Solomondi to Papkuil Farm in 2012 to form the Co-operative which is situated approximately 15

kilometres north of Polokwane town along the N1 road to Makhado.



A picture illustrating some of the cooperative's greenhouse.

The size of the farm is 143 hectares, with only 22 hectares in operation. The co-operative mainly farms spinach, dry beans, maize and peppadews. The family has been farming spinach for many years and the other farming products are justified in terms of local demand. The co-operative mainly services Morea (church and restaurants), Spar, Boxer

and Choppies. The co-operative's annual revenue is estimated at no more than R300 000.

It is not surprising that one of the suggested successful cases is a small survivalist co-operative with low levels of productivity, due to the province having a high prevalence of small survivalist-type businesses as suggested by Henrekson et al. (2013). The biggest criticism is in terms of innovation, as witnessed through the agricultural products supplied by the co-operative, which are not innovative to the market, as products such as spinach already have established markets, especially in an agricultural province such as Limpopo (Hurst & Pugsley, 2011). Furthermore, when observing funding allocations, it appeared that most funding allocation was directed towards financing small-survivalist enterprises. Although there may be pockets of observed enterprise success cases, there seems to be a lack of enterprise information, making it difficult to gather information on the number and extent of success and enterprise failure in Limpopo (Ladzani & Netswera, 2009; Mbedzi, 2011). Ladzani (2009) proposes continuous surveys and audits of the enterprise sector as a means of providing relief to the worrying lack of enterprise information. This further expressed itself through challenges experienced in gathering SMME data, which became clear that most supplied information was either out-dated or incomplete, which was not an issue exclusive to the public sector. Even attempts through private sector links yielded similar results. This becomes a major challenge, especially for decisions around the type of enterprise support that should be provided to enterprises, where case study experiences point to particular issues of enterprise support mismatches due to a lack of understanding and consultation within the enterprise development space in Limpopo.

Description of support received

The co-operative received support from the Department of Agriculture, in collaboration with LEDA in setting up the business in terms of business plan development, business registration, tax clearance, etc. The business plan was then submitted to the Department of Rural Development where the co-operative received a grant of four million, which came in the form of equipment. LEDA was also instrumental in assisting the co-operative with market linkages. The co-operative came in contact with LEDA through the Department of Agriculture which had long term links with the family from previous projects. LEDA's role is regarded as instrumental as it was suggested that the co-operative would have not acquired the grant if it was not for the

business advisory services provided by LEDA. The business plan process took about three months while the grant took about five years from application to actual disbursement. Even after approval, it took some time for the grant to be processed and released. Consequently, the funding model was based on prices which were out-dated by five years at the time of disbursement. The co-operative initially applied for a grant worth eight million and eventually, four million was approved. There were significant deviations from the initial application, more pressing was the out-dated pricing model. The co-operative had to prioritise in terms of equipment, a lot of essential machinery were not covered which has hampered the operational potential of the co-operative. Long turnaround times were a contributing factor to the shortfall in funding.

6.4.1 Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?

Institutional challenges in delivering ED support

The grant, business advisory and training services provided were reported as helpful, however there needs to be improvements in turnaround times. There appears to be instances of institutional capacity issues in terms of numbers or skills and sometimes both. Similarly, Bartlett and Bukvič (2001) reveal that inefficiencies are at times caused by institutional configurations that are disabling and not conducive to the optimal servicing of citizen needs, which could be the case, especially in institutions that have heavy-handed bureaucracies. Furthermore, it was evident in this case that the grant assistance did not fully meet the needs of the co-operative as there were significant levels of shortfall which if improved, would result in improved functioning of the co-operative. The co-operative has over 100 hectares of land with over two thirds of that not in operation due to a shortage in resources. Such shortfalls lead to an underutilisation of enterprise potential which could be accounting for a lot if quantified.

Collaboration and integration of ED institutions

There were high levels of co-ordination in terms of activities between the Department of Agriculture, LEDA and the Department of Rural Development. The co-operative received co-ordinated support which was complementary in relation to the functioning of the co-operative. The referral of the co-operative to LEDA by the Agricultural Department, signals some level of co-ordination in enterprise development interventions. Although *ad hoc*, there needs to be a more systemised co-ordination of such interventions in order to ensure the success of enterprises in Limpopo. Enterprise development interventions need to be more integrated instead of being treated as isolated efforts by different stakeholders of government in Limpopo. Mbedzi (2011)

acknowledges that product duplication, mandate duplication and lack of policy coherence could be the leading cause of inefficiencies in relation to SMME support institutions, thus leading to observed instances of SMME under-performance in Limpopo.

6.4.2 Evaluation Question 3: Are enterprises benefiting from the EDP intervention?

Enterprise benefit from EDP programme

Since receiving the grant, the co-operative has become more efficient in its farming activities. It is able to service customers without any interruptions. Secondly, the number of employees have doubled from five to about ten employees, which are a very positive signals, opposing Rogerson's (2013, p. 135) critique of describing survivalist enterprises as mostly showing no evidence of significant growth and expansion into employment creation entities, describing them as showing new signs of "jobless growth". These are evident signs of business growth as members of the co-operative have gained confidence in their products and are now competing in farming competitions, which is a result of improved product quality. The co-operative now qualifies and entered the Woman in Business, Young Inspiring Farmers, and the Female Farmer of the Year competitions, which are competitions that the co-operative previously did not qualify to enter. One of the business partners within the co-operative won the prize money of R50 000-00 in 2016 and R45 000-00 in 2017 for winning the Young Inspiring Farmer and the Female Farmer of the Year competition.

Lessons to be learned from the case in strengthening ED interventions

There are key lessons to be learnt on the potential of co-ordinating enterprise development interventions. Partnerships, although *ad hoc*, need to be neutered to form more systematised enterprise development support. Furthermore, this case has clearly outlined some of the hardships faced by local enterprises as a result of slow turnaround times. Assessments of grants and loans should be based on a consideration of the needs of local enterprises. A lot of economic developmental potential is being lost to shortfalls in enterprise development support. More resources (human and financial) should be channelled towards harnessing the province's enterprise developmental potential, tapping into the province's strategic positioning in terms of economic opportunities.

6.4.3 Evaluation Question 4: Are resources being allocated/used optimally?

Delayed disbursement

As already described in detail in this case study, the fact that this beneficiary had to wait for a number of years to finally gain access to the funding approved and allocated by the department, created additional challenges for the farming enterprise. In sensitive industries such as farming, any form of procurement or funding delays has a direct and dire impact on the operations, efficiencies and effectiveness of the business. As an example, the case study highlighted challenges in further delayed ploughing and subsequent harvesting of the primary produce. This in turn, meant the business was late in taking its produce to market. At the time of the study, the business was sitting with harvested, but unsold crop which was already showing signs of damage. The enterprise owners describe how the situation translated into delays in managing the repayment of debts and general management of operations (obligations, such as salary payments).

This phenomenon is a common feature in most of the enquiries made in this evaluation. This common occurrence was also highlighted during FGDs and again confirmed by key informants across the various departments and agencies working at an operational level.

Finding from Case 2 – Parks Med

Description of business

The owner of Parks Med is a pharmacist who has worked in the pharmaceutical industry across government and NGOs. The push towards establishing his own pharmacy was sparked by a desire to run his own company after years of working for other entities. The owner currently owns two pharmacies in Limpopo, one in Laddana and the other situated in Polokwane's CBD. The main customers are in the local community, providing convenience and accessibility, also catering for employed people who may have busy schedules during the day.

Description of support received

The owner of Parks Med received a loan from SEFA towards purchasing a pharmacy in Laddana which became his first pharmacy branch. He later pursued another loan to purchase another pharmacy which then became the second branch, located in Polokwane. Both loans are running concurrently according to the agreed upon repayment schedule, with the owner attempting to reduce the loan period through increasing repayment amounts. Despite having a personal contribution of about 15% to the total purchase amount, the owner received the exact requested

amount as per offer to purchase. Since it is common that enterprises do not usually get exactly what they ask for (as witnessed in the previous case study), the owner attributes this to an articulate business plan which LEDA assisted in refining.

6.4.4 Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?

Collaboration and integration of ED institutions

SEFA referred the business owner to LEDA in order to refine the business plan to relate to SEFA requirements. The referral indicated a healthy working relationship between SEFA and LEDA as the owner indicated:

“...they even knew each other, they could say ‘ow it’s from this, talk to this.’ I could see that they have a relationship and work together”.

The owner was sensitised to both agencies through word-of-mouth as the owner was considering procuring the pharmacy through commercial banks. On average, the turnaround time for approval was two months. The owner indicated that the requirements were very stringent, requiring well-articulated business plans with clear financial projections. The consultant who assisted in the process received acknowledgement of being very knowledgeable and helpful in all processes. According to previous research in this area, there are various factors which influence the relationship between business advisors and SMMEs and thus, contribute to effectiveness. The former comment made by this owner relates to one of the factors which is, “Advisor business skills covering the knowledge and expertise in areas such as marketing, planning, financial management and human resource management” (Mazwai, 2009, p. 127). This confirms the effectiveness of the service provided by LEDA. In addition, one of the principles which informed the design and management of the Enterprise Development Programme, according to the Limpopo Government, is that “All SMME development services are carefully targeted, demand oriented, responsive, and integrated” (Limpopo Provincial Government, 2009).

It is clear from the comments made by this owner that there was integration in the services provided by SEFA and LEDA. This also confirms another principle which informs the design and management of the Enterprise Development Programme: “Wherever possible, all actors engaged in the SMME sector – public, private and community, as well as national, provincial and local agencies, and the SMME sector itself (as represented by business membership organisations) – work together to ensure their actions are complementary and co-ordinated” (Limpopo Provincial Government, 2009). This suggests that not only are these agencies fulfilling

their mandates; they are doing so in a co-ordinated manner which clearly leads to the effectiveness of the services they provide. Research studies have found a significant amount of evidence showing the importance of co-ordination of development services to the success of SMMEs and Co-operatives in the country (Netshandama, 2006). Co-ordination of agency services has been mentioned in both research studies and government papers as one of the key challenges hindering the growth and development of SMMEs and Co-operatives in the country (Maebane, 2015; Netshandama, 2006; Limpopo Employment, Growth and Development Plan, 2009- 2014; Rogerson, 2013). Although *ad hoc*, the co-ordination of services by SEFA and LEDA suggests that the province is making an effort to improve the delivery of services to SMMEs and Co-operatives in the province and further provides evidence for the effort being made by the Limpopo Department of Economic Development, Environment and Tourism (LEDET) in playing an effective co-ordinating role in Enterprise Development.

6.4.5 Evaluation Question 3: Are enterprises benefiting from the EDP intervention?

Enterprise benefit from EDP programme

The business employs a total of eleven (60% male and 40% female) permanent staff across the two pharmacies. Depending on need, an average of about five part-time staff is utilised, particularly during peak times and weekends. The recruitment model applied is one of walk-ins and word-of-mouth, when the need arises to recruit staff members. The business mainly consists of pharmacists, pharmacist-assistants, administrators and cleaning support staff, who are all permanently employed. The Laddana branch was launched in 2013 and reported an average annual turnover of R4 million in 2016, rising to R5 million in 2017, with profit estimated at 10%. The pharmacy in Polokwane has been in operation for one and a half years, and its turnover is just below a million, estimated at around R900 000.

In acknowledging the quality of service received from the two agencies, the owner has referred about three of his close acquaintances towards seeking enterprise development support. When comparing SEFA to commercial banks, the owner reflected on SEFA as having more leniency on loan terms, especially through allowing for more flexible loan periods. However, in relation to interest rates, there were no significant differences observed. Research shows that one of the primary reasons SMMEs do not utilise or apply for loans from commercial banks is because of the high interest rates (Rogerson, 2008). Therefore, there should be a distinction in the lending requirements by Development Finance Institutions (DFIs), of which SEFA is one.

Key distinguishing features of the case

The key distinguishing factor defining the business from its competitors is in their strategy and strategic location. Most competitors are usually located in malls or very busy places where people cannot park, whereas Parks Med is strategically positioned on an easily accessible location with parking. Similarly, the pharmacy's working hours are friendly on the schedules of working class clients with operations even on weekends. The most important aspect of a pharmacy business is in giving good quality service to clients. Pharmacies mainly deal with the life and health of their clients, thus pharmacists should be sensitive to the health of clients; promoting professional and ethical standards in carrying their health and wellness function. In instilling such ethical standards and competence of its staff, Parks Med enrolls pharmacist assistants to training and up-skilling courses towards ensuring that staff comply with pharmaceutical regulations governing the practice. Research studies have found evidence showing that "management competencies... are necessary for the success of the enterprise" (Chimucheka, 2013, p. 787).

A major part of the pharmacies' success could be attributed to the active role played by the owner in the operations of all pharmacies. The owner is very involved, ensuring that all pharmacies operate at an optimal level, with proper working systems. The hands-on leadership style ensures that the owner is kept abreast of any operational issues that may arise, thus ensuring timely relief to issues in ensuring the optimal functioning of businesses. In business, growth is identified as the key indicator of success and one of critical contributing factors to successful growth is strategic leadership (Chimucheka, 2013).

Lessons to be learned from the case in strengthening ED interventions

The owner reflected on challenges faced by entrepreneurs, especially those who are not well-versed on financials. This justifies the need to consider providing support services to enterprises that may require assistance in areas where they find difficulties. Research studies, including a study on the success and failure of government-funded businesses in South Africa, have found that "there is a great need for appropriate entrepreneurship education and training, as well as mentorship programmes" (Rankhumise & Lehobye, 2012, p. 5604). Other research studies have also found that business training is one of the most dire needs expressed by SMMEs (Mazwai, 2009) as well as a barrier to their success (Donga, Ngirande & Shumba, 2016). The national government has also identified better access to skills and leadership training as key strategic components in creating an enabling environment for SMMEs (Rogerson, 2008). According to Rogerson (2008), globalisation has created a need for what is coined "learning-led" competitiveness which means that there needs to be an improvement in enterprises' levels of

knowledge and skills. Thus, the role of training and skills development is seen as essential to enable SMMEs to grow (Rogerson, 2008).

A key recurring theme across the case studies is one of the importance of integrating enterprise support interventions. This case has once again outlined the importance of synergy across role-players. It becomes clear from the two case studies that enterprise support outcomes tend to improve when there is a level of consultation and synergy between stakeholders involved in the enterprise development support scene. Integration between such actors is highly beneficial for enterprises as interventions are delivered in a coherent manner instead of an isolation of interventions. More energy and resources should be channelled towards developing innovative methods to enable a more systematic form of co-ordination between role players involved in the provincial enterprise development scene.

Findings from Case 3 – Mora Technologies



An image displaying the outside view of Mora Technologies

Description of Business

Mora technologies was registered in 2012 and subsequently started trading in 2014. The business is based in Jane Furse (Sekhukhune District) and mainly focuses on hardware and software supply, installation, repair, upgrade and support. The business mainly services other local small businesses, providing mainly hardware repair and supply services. The business works with a local motor spares company, supplying toners for the company's printers. The business makes most of its revenue through selling computer hardware products, such as desktops. The plan is to establish a contractual relationship with local small businesses that are sold hardware products, which opens doors to a much broader partnership not only based on hardware trading, but also incorporating repairs and other related services. This again points to the earlier mentioned tendency of preferential resources allocation to survivalist

enterprises (in instances where SMME`s and co-operatives are funded) with little innovation and growth potential (Henrekson & Sanandaji, 2013).

Figure 18: An image displaying the inside view of Mora Technologies



This business is another case of a survivalist enterprises operating within a sector with an established market and little innovative space, especially for a smaller enterprise operating in a remote and relatively underdeveloped district in Limpopo (Hurst & Pugsley, 2011). The business mainly competes with the more established IT companies which are well resourced and have credibility in the technological space thus disadvantaging smaller players as Mazwai (2009, p. 61)

notes: “...big organisations use their size to compete in the marketplace and this is usually to the disadvantage of their smaller competitors”. Furthermore, the more established entities receive preference in access to finance and credit as finance institutions consider transactional costs involved when providing credit and finance, which may be a potential cause of biases and difficulties faced by SMME`s and co-operatives in accessing financial assistance, both in the public and private sector (Mazwai 2009, p. 62).

A key challenge faced by the business has been in securing long-term contractual relationships with local businesses. In observing client behavioural patterns, the owner of Mora Technologies has realised that clients tend to be open to long-term contracting when the business shows clear signs of establishment with a decent office environment. The challenge faced by Mora Technologies lies in local businesses not taking the business seriously as its office space does not show any signs of establishment. The business used to employ three people, one lady and two females who were recruited through walk-ins. A range of people come looking for employment, even university graduates who have recently completed their qualifications. Recruits go through a screening process where the employer recruits mainly people who show a basic understanding of the IT environment. However, due to the closure of the office, the business has taken a more consulting function, focusing on drafting proposals for tendering processes, thus minimising walk-ins. Smaller entities such as these competing with established competitors, tend to prefer competing through public procurement systems as this becomes the most likely space to get

business as governments, especially in Limpopo, have targets in terms of prioritising smaller black-owned businesses through preferential procurement policy frameworks. The business plans to hire more people once proposals have been accepted and approved, going back to playing its original function. Over the years, the company has maintained an average monthly revenue of about R50 000. Of the R50 000, about R30 000 covered operational costs.

6.4.6 Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?

Institutional challenges in delivering ED support

Monitoring processes were reported as being disruptive to the operation of businesses as they occur suddenly and are treated as obligatory by officials who do the actual monitoring. Furthermore, there were concerns of bias in terms of enterprise development support. The suggestion is that there tends to be preferential treatment which favours more affluent areas of the province. This is further reflected by the quantitative data where over 50% of respondents were from an affluent section of a district in Limpopo. There is also a practice of support originating from provincial offices, even in areas where there are local branches, thus signalling a need to capacitate local branches to be more responsive and accessible, even in the less affluent regions of the province.

Collaboration and integration of ED institutions

There are perceptions of competition between agencies and departments, especially in Imbizo's which are used as platforms for the competitive behaviour; agencies showcasing that their services are superior than other agencies. Similarly, there is an indication that there is limited communication between agencies which hampers the potential of interventions making meaningful changes in the operations and livelihoods of local enterprises.

6.4.7 Evaluation Question 3: Are enterprises benefiting from the EDP intervention?

Enterprise benefit from EDP programme

SEDA provided the business with marketing material even though the turnaround time was slow. LEDET provided a R10 000 voucher towards refurbishing the roof at Mora's headquarters. The initial request was that of printers, but was later changed after the realisation that the company needed renovations to the roofing. The company was promised some financial support from LEDA when participating in its "*Adopt a youth programme*", however they were provided with laptops instead. The previous cohort was given laptops together with R20 000 financial support thus there were more expectations from the cohort subsequent to that,

however only laptops were supplied. This did not address the needs of the business as it required printers instead of a laptop. A lot of resources were spent in terms of gathering business people from all over Limpopo and booking accommodation in Musina, only to supply stationery and award certificates for achievements which were unknown to the recipients. Certainly, the support given was not in line with the needs of enterprises in the programme. A blanket approach was used in providing support. It is said that vocal people are most likely to receive support as a mechanism of silencing dissent. Processes of enterprise monitoring are also said to be not engaging, the reporting is aggregated and does not reflect the unique challenges faced by varying businesses in the province. It is observed as being a “tick-box” exercise rather than a learning process.

Lessons to be learned from the case in strengthening ED interventions

Co-ordination still remains a challenge, especially in the less affluent regions of the province (Ladzani, et al., 2009). More concerning are the biases in resource and capacity allocation among the various districts in Limpopo. Certainly, the less affluent regions (where support is at the highest demand) are neglected favouring the more affluent regions of the province. Ladzani et al. (2009) use their study to show the high levels of inaccessibility of enterprise support services and information in Limpopo’s rural areas, with nearly 80 per cent of the respondents, in their study, indicating notions of finance being perceived as inaccessible. Enterprise support needs to follow a more equitable pathway, signalling a changing focus towards the less affluent regions where enterprise development goals of poverty alleviation need to be directed. This case once again signals the need for more co-ordination between enterprise development stakeholders towards eradicating existing instances of disabling competition among them. Certainly, there needs to be careful consideration of distinct enterprise needs in providing the most appropriate support to enterprises rather than casting a blanket approach, as seen in this case.

6.5 Findings from Case 4 – Rostock Engineering

Description of business

Rostock Engineering is an engineering and metal fabrication company based in Lebowakgomo and Burgersfort. The enterprise was founded in 2011 by three entrepreneurs from engineering and academic backgrounds with a combined experience of more than 60 years. The company is a level 1 BBBEE contributor and is 100% black owned. The Managing Director is from an educational background with teaching and mining experience. The company was founded from a passion in the fields of mining and engineering. The company is said to be providing efficient

and effective engineering, manufacturing, fabrication, hydraulics and welding solutions to the mining, manufacturing and automotive industries. The company aspires towards becoming the leading hydraulics and steel fabrication organisation in the SADAC region, providing excellent customer service and quality products. The company subscribes to values of integrity, team work, fairness, commitment to excellent quality services.

The main customers of the enterprise have been mines, after realising that most contractors servicing local mines in Limpopo make use of companies from outside Limpopo. The company used to hire 34 employees however the number is now reduced to 18 employees due to financial challenges faced by the company. The business model of reliance on mines on envisioned long-term relationships has led to the resultant challenges in finance. The closure of a mine which was the main client led to shortfalls in revenue generation as the company`s monthly revenue was reduced from about a million rand a month to less than a hundred thousand. The financial challenges have affected workers as the company did not have enough resources to service its operational and remuneration costs, resulting to inconsistencies in the release of staff remuneration. Similarly, the company services historical debts inherited from its former operation. In realising the financial challenges experienced through a reliance on one business, other family members of the Managing Director have opened other businesses in other sectors as a means of sustenance in events of business deterioration. The company`s recruitment model has been one of reliance on databases from the Department of Labour in recruiting the most skilled employees towards providing good quality services to clients.

6.5.1 Evaluation Question 2: Do institutional arrangements foster integration, collaboration and cohesion?

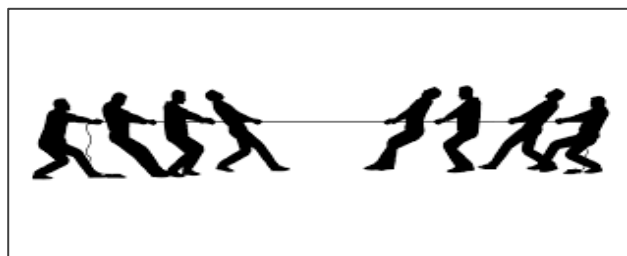
Institutional challenges in delivering ED support

(Developmental role or sustainability?)

In relation to stringency of requirements, the managing director from NEF reflected that:

“one thing that disturbed me is that this is Rostock engineering as an entity, but they will say ‘we want your marriage certificate’ if you are married in community of property...that is very frustrating because you cannot advance a single application....this is a form of NEF, if you do not want to give them a copy of your bond certificate, they won` t give you money.”

This reflects a very stringent stance from some agencies that are established to play a developmental role, which is more oriented towards risk than commercial financial institutions. Furthermore, this stance is best explained by a perceived *tug-of-war* through tensions between playing one of two competing roles, a developmental role through being risk averse or wearing a sustainability hat which is more concerned with ensuring that enterprise development resources are sustained through enforcing stringent requirements. The state needs to clearly define the fundamental role of state-funded enterprise development stakeholders which clearly distinguishes the developmental significance of such institutions as opposed to private sector players. The issue of a need for clarifying priorities is not new as Rogerson (2004) identified increasing levels of confusion in three developmental imperatives namely: “*economic (competitiveness), welfare (poverty alleviation) and political (black empowerment) objectives*”, which was said to have resulted in indecisiveness in relation to the government’s positions in decisions affecting enterprise development



programmes. South Africa, as a developmental state, should drive the agenda on envisioned socio-economic transformational imperatives which the NDP and thus the LDP intend to address through enterprise development (Gumede, et al., 2011; Scott, 2008).

This case again highlighted frustrations on turnaround times, which tend to be lengthy when dealing with government institutions (Pretorius, 2009). Government systems need to be more efficient and responsive to the needs of local enterprises in order to propel them. There were also frustrations raised on the lack of communication between agencies and clients. The relationship between agencies often shows one of information asymmetry, an issue mostly affecting the rural parts of the province (Ladzani, et al., 2009). Certainly as found by Bartlett and Bukvič (2001), the institutional framework governing the interaction of enterprises with customers, government and each other had an influence on the economic performance of Slovenian enterprises. Enterprise growth and expansion was found to be compromised in regions where there was particular prevalence of heavy-handed bureaucracies, with particular instances in both West and East European economies.

The managing director chose not to pursue financial support from government institutions subsequent to the assistance mentioned earlier which was received from the DTI, due to perceived notions of strenuous bureaucratic processes which are said to be hampering efficiency. This further emphasises Bartlett et al.’s (2001) point in terms of the consequences of having

disabling bureaucratic structures in terms of key enterprise development support institutions. When mentioning instances relating to effectiveness, the managing director mentioned that there is a level of scepticism as to whether the funding institutions were actually benefiting anyone. He further stated that:

“...you hear people saying they have funded somewhere, but without proof of that. It is like hearing that someone won a lotto in KZN but without actual proof of that.”

This reflection indicates that there may not be enough local business people being seen to be receiving support, especially financial support from government agencies.

Collaboration and integration of ED institutions

The MD reflected on duplications in business support services as SEDA provided training on PASTEL which they had previously received from Productivity SA. The duplications in enterprise support initiatives indicates a recurrence of a lack of co-ordination and communication among private and public sector enterprise development institutions rendering such support to the province`s enterprises. Instances of double-dipping are caused by apparent gaps and competitive behaviour displayed by enterprise development stakeholders in the province. It is evident that there is a lack of consultation in decisions around the type of support offered to enterprises by stakeholders within the same geographical areas.

6.5.2 Evaluation Question 3: Are enterprises benefiting from the EDP intervention?

Enterprise benefit from EDP programme

The company was assisted by various government institutions, with the former Limpopo Business Support Agency (LIBSA) assisting the company through funds directed towards purchasing of machinery and company furnishings. In 2016, the Department of Trade and Industry (DTI) assisted the company in contributing a portion towards the purchasing of a fork lifter. Productivity South Africa (SA) was also instrumental in offering business advisory services in improving the functioning of the company. Productivity SA appointed a company known as Innovation towards assisting the company. The mine that the company was providing services to also appointed a mentor in assisting the company towards positioning to be more efficient and compliant. In relation to SEDA, the Managing Director reflected on the dissatisfaction from the service offered by the agency. Although SEDA assisted the company through training, the agency do not fulfil its promise of assisting the company in ensuring that there is compliance to national and international service standards.

In reflecting on whether enterprise development interventions have been effective in delivering the much needed support to enterprises in Limpopo, the managing director exhibited disappointment. Like the Mora technologies case, there were concerns that resources were not used efficiently as there was a particular incident where business people were gathered for a supposed “industrialist programme” which did not yield any benefits in terms of assisting entrepreneurs. It seems that there may be a recurrence of cases where entrepreneurs are gathered in processes meant for engagement, however these are not yielding results for entrepreneurs when those are done for political and compliance purposes rather than addressing the genuine needs of local enterprises.

Lessons to be learned from the case in strengthening ED interventions

The issue of competing priorities mentioned earlier also surfaced during stakeholder interviews as to the actual role and support that LEDA should be prioritising in their business model. The tensions have been around choosing between offering more grants which is more developmental or credit which is more of a sustainability option. Undoubtedly, the more developmental option of providing grants has lost the battle to credit as it is perceived as more sustainable in terms of revenue generation. This has been a major point of contention especially for LEDA staff interviewed, suggesting that the amalgamation with LEDA compromised some of the grant offering budget that was offered to enterprises previously by some entities who were later amalgamated to the consolidated body. Similarly, the non-financial support services have also borne the brunt as the budget for non-financial support was said to have been reduced, post amalgamation. It appears that the option of sustainability has been pursued at the expense of its supposed developmental role. This is not only exclusive to LEDA as it would be a potential area for consideration, especially for developmental agencies providing support services that are revenue creating. There also seems to be a lack of monitoring and evaluation of interventions to ensure that interventions yield envisioned results as there were numerous reported cases where resources were channelled towards programmes and events which did not yield any material benefit to entrepreneurs. This could be addressed through strengthening M&E processes and improving consultation towards ensuring that resources yield intended results.

The managing director made consistent references to the former LIBSA, showing levels of association more towards LIBSA than the later amalgamated LEDA. There are also legacy challenges caused by the amalgamation to LEDA as comparative reflections from a range of business stakeholders point to the deterioration in effectiveness and efficiency post amalgamation to LEDA. Similarly, less focus is said to be given to SMME`s, with preferential

treatment going to co-operatives, thus frustrating SMME`s. Co-operatives, by their nature are more collaborative and involve a number of business partners in comparison to most SMME`s. Public sector preference seems to be more inclined towards co-operatives as the philosophy is more towards giving support to greater numbers of business people as targets are mostly communicated through numbers. This then triggers trade-offs between a focus on numbers rather than innovation.

7 CONCLUSION

In this section, a summary of carefully selected key findings is provided. These key findings are the basis of the key recommendations listed in the next chapter. The key findings are organised according to the various evaluation questions.

- ✓ **Are institutional arrangements supportive to the programme reaching its objectives?**
 - LEDET, due to capacity constraints, does not monitor/regulate how the grant for ED is spent by LEDA.
 - LEDA is largely using funds allocated by the ED directorate to subsidise money-losing programmes in transport, housing and mining, etc.
 - SEDA, SEFA, NEF and IDC seem to be largely following their mandates; however, they are mainly based in Polokwane, so SMMEs/Co-operatives in rural districts struggle to access their services.

- ✓ **Do institutional arrangements foster integration, collaboration and cohesion?**
 - The OTP lacks the capacity to effectively carry out the suggested monitoring and co-ordination role in ED.
 - The planning and monitoring and evaluation functions in the OTP work in silos with limited communication between them.
 - LEDET suffers from capacity issues and seems to be abandoning its policy role; instead, it is competing with implementers.
 - The OTP has limited authority, especially in co-ordinating national DFIs.

- ✓ **Are enterprises benefiting from the EDP intervention?**
 - LEDA is the least effective agency in providing non-financial support.
 - LEDA is the least impactful agency.

- Benefitting from ED seems to be conditional on geography.
- ✓ **Are resources being allocated/used optimally?**
 - There is an absence of an integrated management system which can lead to double-dipping, and unnecessary duplication of programme efforts
 - Most of the financial allocation from LEDET to LEDA goes to salaries and other overheads, less to ED programmes
 - Resources are allocated to activities not deemed value-adding to ED (over-emphasis on training, launches, seminars, etc.)
 - Procurement for business inputs is made through unnecessary “middle-agency” or rigid suppliers
 - This often leads to high transaction cost and,
 - It also leads to acquisition of sub-standard products for targeted enterprises
 - There are consistent report of delayed disbursement of allocated funding (anything between six months to five years)
 - Often business needs to change rapidly, so this creates duplication of equipment
 - This also causes delays in production and puts pressure on interest repayments (very common in farming enterprises).

8 RECOMMENDATIONS

In this section, a summary table of all findings is provided. The findings are organised according to the different evaluation questions. For each set of findings, recommendations are offered.

<p>Are institutional arrangements supportive to the programme reaching its objectives?</p>	<p>LEDET, due to capacity constraints, does not monitor/regulate how the grant for ED is spent by LEDA.</p> <hr/> <p>LEDA is largely using funds allocated by the ED directorate to subsidise money-losing programmes in transport, housing and mining, etc.</p> <hr/> <p>SEDA, SEFA, NEF and IDC seem to be largely following their mandates; however, they are mainly based in Polokwane, so SMMEs/Co-operatives in rural districts struggle to access their services.</p>	<p>R1: The ED directorate at LEDET should: (1) focus on its neglected role of policy development and co-ordination and stop implementing programmes and (2) be properly capacitated to effectively play its monitoring role.</p> <p>R4: The ED unit should be moved out of LEDA and separately incorporated to provide financial support for SMMEs/Co-operatives.</p>
<p>Do institutional arrangements foster integration, collaboration and cohesion?</p>	<p>The OTP lacks the capacity to effectively carry out the suggested monitoring and co-ordination role in ED.</p> <hr/> <p>The planning and monitoring and evaluation functions in the OTP work in silos with limited communication between them.</p> <hr/> <p>LEDET suffers from capacity issues and seems to be abandoning its policy role; instead, it is competing with implementers.</p> <hr/> <p>The OTP has limited authority especially in co-ordinating national DFIs</p>	<p>R2: The planning and monitoring and evaluation functions in the OTP should be properly capacitated and merged.</p>
<p>Are enterprises benefiting from the EDP intervention?</p>	<p>LEDA is the least effective agency in providing non-financial support.</p> <hr/> <p>LEDA is the least impactful agency.</p> <hr/> <p>Benefitting from ED seems to be conditional on geography</p>	<p>R5: One-stop shops, which should include office space for all the agencies, should be established in all municipalities in the province</p>

Are resources being allocated/used optimally?

There is an absence of an integrated management system which can lead to double-dipping, and unnecessary duplication of programme efforts

Most of the financial allocation from LEDET to LEDA goes to salaries and other overheads, less to ED programmes

Resources are allocated to activities not deemed value-adding to ED (over-emphasis on training, launches, seminars, etc.)

Procurement for business inputs is made through unnecessary “middle-agency” or rigid suppliers

- o This often leads to high transaction cost and,
- o It also leads to acquisition of sub-standard products for targeted enterprises

There are consistent report of delayed disbursement of allocated funding (anything between six months to five years)

- o Often business needs change rapidly, so this creates duplication of equipment
- o This also causes delays in production and puts pressure on interest repayments (very common in farming enterprises).

R3: Non-financial support should be moved out of LEDA and a service level agreement should be signed with SEDA to implement non-financial support programmes for SMMEs/Co-operatives.

9 REFERENCES

- Aronson, J. (1995). A pragmatic view of thematic analysis. *The qualitative report*, 2(1), 1-3.
- Aliber, M. De Swardt, C. Du Toit, A. Mbhele, T. & Mthethwa, T. (2005). *Trends and policy challenges in the rural economy*. Cape Town: Human Sciences Research Council
- Appleyard, L. (2011). Community Development Finance Institutions (CDFIs): Geographies of financial inclusion in the US and UK. *Geoforum*, 42(2), 250–258.
- Audretsch, D. B., Grilo, I., & Thurik, A. R. (2007). Explaining Entrepreneurship and the Role of Policy: A Framework. In *Handbook of Research on Entrepreneurship Policy*. Cheltenham: Edward Elgar.
- Tjulin, Å., Stiwne, E. E., & Ekberg, K. (2009). Experience of the implementation of a multi-stakeholder return-to-work programme. *Journal of Occupational Rehabilitation*, 19(4), 409.
- Bartlett, W., & Bukvic, V. (2006). Knowledge Transfer in Slovenia: Supporting Innovative SMES through Spin-Offs, Technology Parks, Clusters and Networks. *Economic and Business Review for Central and South-Eastern Europe*, 8(4), 337.
- Bank, J. (2012). *Theory-Based Approaches to Evaluation: Concepts and Practices*. Toronto: Canadian Government Printer.
- Basit, T. (2003). Manual or electronic? The role of coding in qualitative data analysis. *Educational research*, 45(2), 143-154.
- Beyers, L. J. (2015). The Relationship between Small, Medium and Micro Enterprises and Financial Institutions in Limpopo Province, South Africa. *Journal of Economics*, 6(3), 260-268.
- Beyers, L. J., & Ndou, P. M. (2016). The Dichotomy between Small, Medium and Micro Enterprises and Financial Institutions in Thohoyandou. *Journal of Economics*, 7(1), p. 31-37.
- Birckmayer, J. D. and Weiss, C. H. (2000). Theory-based evaluation in practice: what do we learn? *Evaluation review*, 24(4), 407-431.
- Calice, P. (2013). *African Development Finance Institutions: Unlocking the Potential* (AfDB Working Paper Series. No. 174). Tunis, Tunisia.
- Chimucheka, T. (2013). Overview and performance of the SMMEs sector in South Africa. *Mediterranean Journal of Social Sciences*, 4(14), 783.
- Clarke, V., & Braun, V. (2014). *Thematic analysis*. In *Encyclopedia of quality of life and well-being research* (pp. 6626-6628). Dordrecht: Springer.
- Dane, A. V., & Schneider, B. H. (1998). Program integrity in primary and early secondary prevention: are implementation effects out of control? *Clinical psychology review*, 18(1), 23-45.
- Dasgupta, N. (2000). Environmental enforcement and small industries in India: Reworking the problem in the poverty context. *World Development*, 28(5), 945-967.

- Davidsson, P. (1991). Continued entrepreneurship: Ability, need, and opportunity as determinants of small firm growth. *Journal of business venturing*, 6(6), 405-429.
- Department of Trade and Industry (DTI). (2004). *Review of Ten Years of Small Business Support in South Africa 1994 – 2004*. Retrieved from http://www.dti.gov.za/sme_development/docs/10_year_Review.pdf
- Dickinson, T. (2013). *Development Finance Institutions: Profitability Promoting Development*. Paris: Organisation for Economic Co-operation and Development. Retrieved from <http://www.oecd.org/dev/41302068.pdf>
- Donga, G., Ngirande, H., & Shumba, K. (2016). Perceived barriers to the development of small, medium and microenterprises: A case study of Thulamela Municipality in the Limpopo Province. *Problems and Perspectives in Management*, 14(4), p. 61-66.
- Etzkowitz, H., de Mello, J. M. C., & Almeida, M. (2005). Towards “meta-innovation” in Brazil: The evolution of the incubator and the emergence of a triple helix. *Research policy*, 34(4), 411-424.
- Fakir, E. (2009). *Politics, state and society in South Africa: Between leadership, trust and technocrats*. Governance Working Paper Series One. Pretoria: Development Bank of Southern Africa.
- Fatoki, O. & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: a principal component analysis approach. *African Journal of Business Management*, 4(5): 729-738.
- Feld, B. (2012). *Startup Communities: Building an Entrepreneurial Ecosystem in Your City*. New York: Wiley.
- Fereday, J., & Muir-Cochrane, E. (2006). Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. *International journal of qualitative methods*, 5(1), 80-92.
- Fransen, L. (2011). Multi-stakeholder governance and voluntary programme interactions: legitimation politics in the institutional design of Corporate Social Responsibility. *Socio-Economic Review*, 10(1), 163-192.
- FinMark Trust (2006). *FinScope Small Business Survey Report* [online]. Available: <http://www.finmarktrust.org.za> [Accessed: 15 November, 2009].
- GEM (Global Entrepreneurship Monitor). (2016). *GEM South Africa 2015 – 2016*. Retrieved from <https://www.gemconsortium.org/report/49537>
- Gnyawali, D. R., & Fogel, D. S. (1994). Environments for entrepreneurship development: key dimensions and research implications. *Entrepreneurship theory and practice*, 18(4), 43-62.
- Govori, A. (2013). Factors affecting the growth and development of SMEs: Experiences from Kosovo. *Mediterranean Journal of Social Sciences*, 4(9), 701.
- Gumede, W., Govender, M., & Motshidi, K. (2011). *The role of South Africa’s state-owned development finance institutions (DFIs) in building a democratic developmental state* [Policy Brief]. Retrieved from <https://www.dbsa.org/EN/About->

[Us/Publications/Documents/Policy%20Brief%20No.%203%20The%20role%20of%20South%20Africa%E2%80%99s%20state-owned%20development%20finance%20institutions%20\(DFIs\)%20in%20building%20a%20democratic.pdf](#)

- Henry, C., Hill, F., & Leitch, C. (2005). Entrepreneurship education and training: can entrepreneurship be taught? Part I. *Education+ Training*, 47(2), 98-111.
- Henrekson, M., & Sanandaji, T. (2013). *Billionaire entrepreneurs: A systematic analysis* (No. 959). IFN Working Paper. Stockholm: IFN.
- Herrington, M., Kew, J. & Kew, P. (2014). *GEM South Africa Report: South Africa: The crossroads – a goldmine or a time bomb?* University of Cape Town, Cape Town South Africa, 2015.
- Hove, P. & Chikungwa, T. (2013). Internal factors affecting the successful growth and survival of small and micro agri-business firms in Alice communal area. *Journal of Economics*, 4(1), 57-67.
- Hurst, E. & Pugsley, B. W. (2011). *What do small businesses do?* (No. w17041). Washington, DC.: National Bureau of Economic Research.
- International Finance Corporation (IFC) (2005). *A Synthesis Evaluation of Four IFC-Supported Small and Medium Enterprise Facilities*. Washington, D.C. Retrieved from <http://www.ifc.org/oeg>.
- International Labour Office (ILO). (2015). *Small and medium-sized enterprises and decent and productive employment creation* (Report IV). Geneva, Switzerland: ILO Publications.
- International Labour Organisation (2015). *World Employment and Social Outlook Trends 2015* [Online] Available at: http://www.ilo.org/global/research/global-reports/weso/2015/WCMS_337069/lang--en/index.htm
- Isenberg, D.J. (2010). How to Start an Entrepreneurial Revolution. *Harvard Business Review*, June: 2010.
- Jackson, B. M. (2006). *Strategic conversation: rules-based lending for DBSA*. Midrand, South Africa: Development Bank of Southern Africa.
- Jagganath, G. (2015) .Highly Skilled Professionals on the Move: The International Migration of South African Indians, *Migracijske i etničke teme* 30 (2), 215–236
- Karen, L. (2013). Making the connections between transport disadvantage and the social exclusion of low income populations in the Tshwane Region of South Africa, *Journal of Transport Geography*, 19(6), 1320–1334.
- Khanka, S. S. (2010). Micro Finance in India: Its Growth, Challenges and Prospects. *KAIM Journal of Management and Research*, 2(2), 41-48.
- Kraak, A. (2009). The need for alignment between industrial and skills development policies. *Sectors and skills: the need for policy alignment*. Pretoria: HSRC.
- Kroon, J (1998). *Entrepreneurship: start your own business*. Pretoria: Kagiso.

- Ladzani, W., & Netswera, G. (2009). Support for rural small businesses in Limpopo Province, South Africa. *Development Southern Africa*, 26(2), p. 225-239.
- Ladzani, M.W. & Seeletse, S. M. (2012). Business social responsibility: how are SMEs doing in Gauteng, South Africa? *Social Responsibility Journal*, 8(1): 87–99.
- LEDA (Limpopo Economic Development Agency). (2017). *LEDA 2017 Annual Report*. Retrieved from http://www.leda.co.za/Wordpress/wp-content/uploads/2017/09/LEDA%20Annual%20Report%202017_050917_d19.pdf
- LEDET (Department of Economic Development, Environment and Tourism Limpopo). (2017). *Annual Performance Plan*. Retrieved from <https://drive.google.com/file/d/1KaOgm0IgL1UZQkWkOW4foCAuTbsoNQeh/view>
- LEDET (Department of Economic Development, Environment and Tourism Limpopo). (2018). *Annual Performance Plan*. Retrieved from https://drive.google.com/file/d/1ekg9M4-wu_I9lyNAg_TjkYMMiasBsR3H/view
- Lekhanya M.L. (2013). The use of social media and social network as the promotional tool for rural small, medium and micro enterprises in KwaZulu-Natal, *International Journal of Scientific and Research Publications*, 3(7), 1-7,
- Limpopo Provincial Government. (2009). *Limpopo Employment, Growth and Development Plan 2009 – 2014*. Retrieved from www.foresightfordevelopment.org/sobipro/download-file/46-153/54.
- Limpopo Provincial Government. (2015). *Limpopo Development Plan (LDP) 2015-2019*.
- Maebane, M. M. (2015). *The factors influencing the performance of youth entrepreneurship in the Capricorn District Municipality* (Doctoral dissertation).
- Mahlangu, I, B. (2014). *Product Development training as a tool for empowerment in crafts: A focus on training initiatives in pottery factories in the North West province*. Master thesis, Johannesburg: University of Witwatersrand.
- Malefane, S. R. (2013). Small Medium, and Micro Enterprise and local economic-base restructuring-a South African local government perspective. *Journal of Public Administration*, 48(4), p. 671-690.
- Mason, C., & Brown, R. (2014). *Entrepreneurial ecosystems and growth oriented entrepreneurship*. Final Report to OECD, Paris, 30(1), 77-102.
- Masood, R. Z. (2011). Emergence of women-owned businesses in India-an insight. *Researchers World*, 2(1), 233.
- Masutha, M., & Rogerson, C. M. (2014). Small business incubators: An emerging phenomenon in South Africa's SMME economy. *Urbani Izziv*, 25, p. S47-S62.
- Masutha, M., & Rogerson, C. M. (2014). Small enterprise development in South Africa: The role of business incubators. *Bulletin of Geography. Socio-economic Series*, 26(26), 141-155.

- Mazwai, E. T. (2009). *The effectiveness of local business service centres in small business development: A study in Gauteng Province, South Africa* (Unpublished PhD thesis). Pretoria University, Pretoria, South Africa.
- Mbedzi, K. P. (2013). *The role of government agencies in promoting SMMEs in Limpopo: A critical assessment*. Unpublished Masters Dissertation. Stellenbosch: University of Stellenbosch.
- Mthanti, T., & Ojah, K. (2017). *Entrepreneurial orientation (EO): Measurement and policy implications of entrepreneurship at the macroeconomic level*. *Research Policy*, 46(4), 724-739.
- Mutezo, A. T. (2009). *Obstacles in the access to SMME finance: an empirical perspective on Tshwane* (Doctoral dissertation). University of South Africa (UNISA), Tshwane, South Africa.
- National Planning Commission. (2012). *National Development Plan 2030: Our future—make it work*. Pretoria: The Presidency.
- Naudé, W. W. (2013). *Entrepreneurship and Economic Development: Theory, Evidence and Policy*, Page 30 of 31 (Discussion Paper No. 7507).
- Netshandama, M. J. (2006). *The development of small, medium and micro-enterprises (SMMEs) in Limpopo Province*.
- Njoroge, C. W. & Gathungu, J. M. (2013). 'The Effect of Entrepreneurial Education and Training on Development of Small and Medium Size Enterprises in Githunguri District-Kenya'. *International Journal of Education and Research*, 1(8)..
- Oldsman, E., & Hallberg, K. (2002). *Framework for Evaluating the Impact of Small Enterprise Initiatives*. The Donor Committee for Enterprise Development. Retrieved from <http://bdsknowledge.org/dyn/bds/docs/403/AI-EO-KH.pdf>
- Patton, M. Q. (1987). *How to use qualitative methods in evaluation* (No. 4). Thousand Oaks, CA.:Sage.
- Prater, E. & Ghosh, S. (2005). Current Operational Practices of US Small and Medium-Sized Enterprises in Europe. *Journal of Small Business Management*, 43(2), 155-169.
- Pretorius, A. M., & Blaauw, P. F. (2008). Local economic development agencies in South Africa: Six years later. *South African Journal of Economic History*, 23(1_2), p. 155-183.
- Qunta, N. Z. (2015). *A review of the effectiveness of Development Finance Institutions in KwaZulu-Natal*. Unpublished Thesis, Wits School of Governance, University of the Witwatersrand.
- Rankhumise, E. M., & Lehobye, N. M. (2012). Success and failure of government-funded businesses: Evidence from a selected entrepreneurial entity in South Africa. *African Journal of Business Management*, 6(16), 5599-5605.
- Ramukumba, T. (2014). Overcoming SMEs challenges through critical success factors: A case of SMEs in the Western Cape Province, South Africa. *Economic and Business Review for Central and South-Eastern Europe*, 16(1), p. 19-38.
- Reeg, C. (2015). *Micro and Small Enterprises as Drivers for Job Creation and Decent Work*. Berlin: Deutsches Institut für Entwicklungspolitik.

- Republic of South Africa. (2008). *Review of South Africa's development finance institutions (DFIs)*. The Pretoria: National Treasury,.
- Rogerson, C. M. (1999). The support needs of rural SMMEs: the case of Phuthaditjhaba, Free State Province. *Agrekon*, 38(2), 131-157.
- Rogerson, C. M. (2004). The impact of the South African government's SMME programmes: a ten-year review (1994–2003). *Development Southern Africa*, 21(5), 765-784.
- Rogerson, C. M. (2013). Improving market access opportunities for urban small, medium and micro-enterprises in South Africa. *Urbani izživ*, 24(2), p. 133-143.
- Rogerson, C, M. (2014). Reframing place-based economic development in South Africa: the example of local economic development, *Bulletin of Geography*. Socio–economic Series No. 24: 203–218.
- Scott, T. (2008). *The DBSA and the developmental state* (Discussion Paper). Midrand, South Africa.
- Shane, S. (2009). Why encouraging more people to become entrepreneurs is bad public policy. *Small business economics*, 33(2), 141-149.
- Sharma, A., Dua, S., & Hatwal, V. (2012). Micro enterprise development and rural women entrepreneurship: way for economic empowerment. *Artha Prabandh: A Journal of Economics and Management*, 1(06).
- Saldaña, J. (2015). *The coding manual for qualitative researchers*. Thousand Oaks, CA.: Sage.
- Small Enterprise Finance Agency (Sefa). *Sefa Annual Report – 2017*. Retrieved from http://www.sefa.org.za/Content/Docs/sefa%20Annual%20Report_2017.pdf
- Sidhu, K., & Kaur, S. (2006). Development of entrepreneurship among rural women. *Journal of Social Sciences*, 13(2), 147-149.
- Statistics Solutions. (2018). *Chi-Square Goodness of Fit Test*. Retrieved from <http://www.statisticssolutions.com/chi-square-goodness-of-fit-test/>
- Statistics South Africa (2014). *Poverty Trends Report*. Pretoria: StatsSA.
- Swanson & Webster (1992). survey of entrepreneurial needs
- Te Velde, W. D., & Warner, M. (2007). *The use of subsidies by Development Finance Institutions in the infrastructure sector* (Working Paper Series No. 283). London. Retrieved from <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/564.pdf>
- Vadnjal, J., & Nikolovski, L. (2011). The comparative evaluation of SME support program: The case of voucher systems of counselling transferred from Slovenia to Fyrom. *East-West Journal of Economics and Business*, (1), 11–31.
- Venkataraman, S. (2004). Regional transformation through technological entrepreneurship. *Journal of Business Venturing*, 19(1), 153-167.

- Westhead, P., & Storey, D. J. (1996). *Training Provision and the Development of Small and Medium-Sized Enterprises* (Research Report No. 26). London. Retrieved from <http://files.eric.ed.gov/fulltext/ED419936.pdf>
- Wilson, S. J., Lipsey, M. W., & Derzon, J. H. (2003). The effects of school-based intervention programs on aggressive behavior: A meta-analysis. *Journal of Consulting and Clinical Psychology*, 71(1), 136.
- World Bank. (2007). *South Africa: Enhancing the Effectiveness of Government in Promoting Micro, Small and Medium Enterprise* (Report No. 38627-ZA). Washington D.C.
- World Bank. (2010). *Impact evaluation of SME programs in Latin America and Caribbean*. (Gladys López Acevedo and Hong W. Tan, Ed.). Washington, D.C.: World Bank.

10 Annex 1: Data Collection Instruments