

**BLACK ENTREPRENEURIAL DEVELOPMENT IN THE  
TOURISM INDUSTRY: INITIATIVES WITHIN THE  
GREATER DURBAN METROPOLITAN AREA  
[GDMA]**

**BY**

**ALBERT NDLELENI DUPREE VILAKAZI**

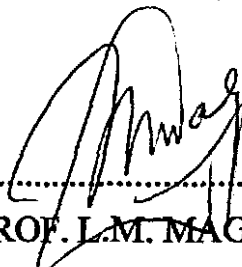
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**APPROVAL**

**SUPERVISOR:**

  
.....  
**PROF. L.M. MAGI**  
Department of Recreation and Tourism  
University of Zululand

**CO-SUPERVISOR:**

  
.....  
**DR. A.T. NZAMA**  
Department of Recreation and Tourism  
University of Zululand

**EXTERNAL EXAMINER:**

**PROF J.P. SHONGWE**  
The Office of the Director  
Tshwane University of Technology

## **DECLARATION**

I declare that this research study entitled: *Black Entrepreneurial Development in the Tourism Industry: Initiatives Within the Greater Durban Metropolitan Area [GDMA]*, except where specifically indicated to the contrary in the text, is my own work both in conception and execution. All the sources that have been used or quoted have been duly acknowledged by means of complete references. It is further declared that this dissertation has not previously been submitted to any institution for degree purposes.

By

Albert. N. Dupree Vilakazi

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## **DEDICATION**

This dissertation entitled *Black Entrepreneurial Development in the Tourism Industry: Initiatives within the Greater Durban Metropolitan Area [GDMA]* is a piece of work written for and entirely dedicated to the following the Vilakazi Clan. In particular, it is dedicated to my parents: Johanna Hluphekile MaDubazana, my mother and Richard Njaninjani Vilakazi, my father, as well as Olivia Lindiwe Vilakazi, Mamgobhozi, my long time partner, who encouraged me to work and grind the wheel even harder. My children, Siphosethu, Lesedi, Loyiso, and the late Nondumiso and Khwezi.

## **ABSTRACT**

Any development, be it tourism development needs to be well planned and executed so as to effectively benefit the broader society in any entrepreneurial environment. Municipalities, such as strategic management model, the national mandate to promote tourism development within their areas with a bias to enhance entrepreneurship and Black economic empowerment. The application of such principles is particularly needed in the GDMA mainly for addressing of basic needs, equity and redistribution of tourism wealth for the benefit of the previously disadvantaged communities.

The main purpose of this study is therefore to advocate for the exploitation of tourism opportunities to the superlative degree by historically disadvantaged individuals. The focus of the study is on the identification of tourism business opportunities around the Durban Metropolitan Area. In addition, to develop strategic management approaches that could be used as a guideline to manage the tourism business and empowerment of the previously disadvantaged communities. Some of the objectives of the study are:

- (a) To reveal the extent of Black people's awareness of tourism entrepreneurial opportunities associated with the study area.
- (b) To establish the levels of stakeholder participation in the tourism entrepreneurial initiatives within the study area.
- (c) To investigate whether the BEE policy contributes towards tourism entrepreneurship within the Durban Metropolitan Area.

- (d) To identify appropriate competitive strategies that can be widely applied in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.
- (e) To propose a strategic management model that can be used as a blue print by entrepreneurs in the tourism industry.

The methodology for collecting data comprised a stratified sample size of 178 respondents, which was distributed in the GDMA as follows: sample consisting of Black entrepreneurs [92], tourism officials [8], government officials [5], tourism business persons [27], local community and public [103].

The findings of the study indicated that, on the whole, a significant number of respondents were not sufficiently in support of many of the hypotheses. The findings of the study established that: (a) Black people are adequately aware of tourism entrepreneurial opportunities associated with the study area; (b) Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area; (c) The present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area; (d) The existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area; (e) There is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area.

In conclusion the study found that there was an urgent need for designing a strategic entrepreneurial development or management model that could be used



as a blue print for tourism delivery in the study area. The study actually put forward a strategic BEE entrepreneurial management model with the hope that it would contribute to the solution of tourism entrepreneurial shortcomings, towards achieving an equitable distribution of tourism benefits to all stakeholders in the Durban Metropolitan Area.

The prospects for future research in this area include: the sustainability of tourism entrepreneurial development initiatives, the community benefits from emerging BEE initiatives in the area, and the adjustment of tourism legislation so as to benefit the BEE infrastructural requirements within the study areas.

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## **CHAPTER 1**

### **ORIENTATION TO THE STUDY**

#### **1.1 INTRODUCTION**

The recreation, sport and the tourism industry has generally been regarded as the leading revenue makers in any country's gross domestic product [GDP] or gross geographical product [GGP]. In support of this assertion, recent writings (Cooper, *et al.* 1999; Bennett, 2002) have argued that tourism has proven to be a lucrative enterprise. Several governments, non-governmental organisations (NGO) and the private sector have taken particular interests in this tourism venture. Researchers (Mwandla, 1998; Magi, 2000, Magi and Nzama, 2002) have also followed the trend and have redirected their interest in investigating and synthesising theories concerning tourism development, sustainability and impacts.

Some government related literary sources (DEAT, 1996; KZNTA, 2001; SAT, 2005) have highlighted the importance of developing tourism through community awareness, business participation and government support towards achieving product development and marketing. These exercises are pursued for the purpose of creating community employment, community benefits and self-preservation. Literature further argues that tourism products have to be developed for the benefit of society or communities rather than individual business people, groups or government interest groups.

The greatest difficulty in the realm of tourism, more specifically in the area of Black entrepreneurial development in South Africa, is that there is scarcity of current and relevant research information. Furthermore, the provision of tourism opportunities to the previously disadvantaged groups, coupled with the usage of the existing infrastructure has been one sector that has been overlooked by local authorities and the private sector. This research study hopes to address some of these challenges.

## **1.2 STATEMENT OF THE PROBLEM**

The South African economy requires co-ordinated and effective policies that combine private sector initiatives and government support to address its structural weaknesses. Coherent strategies are required in industry, trade and commerce to meet the challenges of changing world economy as cited in the Reconstruction and Development Programme [RDP], (ANC, 1994). While it is acknowledged that about 28 percent of economically active South Africans are without employment, [<http://www.labour.gov.za>. (2006)], tourism could become a major source of employment and foreign exchange, and could ease the balance of payments constraints (ANC, 1994: 107).

There is a critical need for support from government, communities and hospitality industry to ensure that tourism brings about a success story to the South African citizens. Without support, this industry would have potentially damaging effects on South Africa's rich and diverse culture and natural resources. Full and transparent environmental impact assessments should be conducted for all major tourism projects. The tourism industry could be a major

industry, and thus should receive greater priority at national and provincial level (ANC, 1994).

Any development, be it tourism development needs to be well planned so as to be effective. Aaronson (2000) defines development as meaning different things, and that it is associated with positive social change, which means moving forward to something that is better than at present. Municipalities, such as the DMA have the national mandate to promote tourism development within their areas with an aim of bringing a positive social change, for example, job creation. This notion of development is also advocated by the White Paper on Environmental Management (DEAT 1997), which sees development as the process of improving human well-being through a reallocation of resources that involves some modification of business policies and procedures. The application of such principles is particularly needed in the Durban Metropolitan Area. Also, included in this thinking is addressing of basic needs, equity and redistribution of tourism wealth for the benefit of the previously disadvantaged communities.

The process of reconstruction and development as well as redistribution must take place within tourism in view of the distortions created by apartheid. In the process of restructuring, a vast potential could be realised, both in terms of the local mass market, and in terms of increased foreign exchange. This would also result in the creation of large numbers of sustainable jobs in tourism and allied industries, and would take advantage of South Africa's extraordinary human and natural resources (ANC, 1994)

There is a critical need for the development of small businesses in the tourism industry, particularly focusing on black entrepreneurs. These entrepreneurs should form an integral part of the national economy and economic policy. Micro producers should develop from a set of marginalised survival strategies into dynamic business enterprises that can provide a decent living for both employees and entrepreneurs. Policies to that end must cover women who are represented disproportionately in this sector, especially in the rural areas of our country (ANC, 1994: 94)

In the chosen area of this study we note uncoordinated participation of rural women in handicraft and other traditional antique items however there are no policies put in place to develop such entrepreneurs for both regional and international markets.

### **1.3 PURPOSE AND OBJECTIVES OF THE STUDY**

Notwithstanding that in the introduction of this study established policies have been referred to, with a view of placing into context the role that Black entrepreneurs are supposed to play in the development of tourism initiatives within the Durban Metropolitan Area, it is important and necessary to outline the purposes and objectives of this research study.

#### **1.3.1 Purpose of the Study**

Tourism is the fastest growing industry in many parts of the world and it presents huge potential for South Africans. Many unique experiences can be offered to foreign visitors, but for these opportunities to be exploited fully, a certain level of co-ordination between the various tourism bodies can be maintained.

Experience has shown that four major constraints face entrepreneurs in South Africa. These are: lack of access to credit markets, skills development, history of business entrepreneurship and supportive institutional arrangements. The rationale for this study is to devise some means of addressing the inadequacy of skills among the historically disadvantaged communities. The study further strives to highlight various financial strategies to be adopted in the establishment of a tourist-related entity.

The main purpose of this study is to establish the extent to which Black entrepreneurial development initiatives are contributing to Black economic development in the study area. This is an effort to improve the state of the historically disadvantaged individuals. The focus therefore, is placed on the identification of tourism business opportunities around the Durban Metropolitan Area of KwaZulu-Natal and then develop a strategic management model that can be used as a guideline to manage the tourism business.

### **1.3.2 Objectives of the Study**

It is of utmost importance that the objectives which underpin this study be stated as they would serve as guidelines and give direction to the study. The objectives of this study are as follows:

- (a) To reveal the extent of Black people's awareness of tourism entrepreneurial opportunities associated with the study area.
- (b) To establish the levels of stakeholder participation in the tourism entrepreneurial initiatives within the study area.
- (c) To investigate whether the BEE policy contributes towards tourism entrepreneurship within the Durban Metropolitan Area.

- (d) To identify appropriate competitive strategies that can be widely applied in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.
- (e) To propose a strategic management model that can be used as a blue print by entrepreneurs in the tourism industry.

Relative to the design of a strategic management model that can be used by some entrepreneurs in the tourism industry, this study seeks to explore ways of adding to the initiative and debate. It is anticipated that this initiative will make a contribution to this research problem, using most of the objectives listed above. As a departure towards addressing these objectives, the envisaged strategic management model will begin with the vision and mission of the tourism entity, the environmental analysis both internal and external, identification of opportunities and threats, strengths and weaknesses. Then comes the identification of appropriate competitive strategies that can be applied globally in the industry, for the benefit of stakeholders. Finally, this process will be followed by how the evaluation process should be implemented.

### **1.3.3 Hypotheses of the Study**

Flowing from the introduction and objectives of the study that are enunciated in the preceding paragraphs, it is important to venture an educated guess about the outcomes of the research study. In the context of these objectives, the research study hypothesises as follows:

- (a) That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area.
- (b) That Black entrepreneurs do not participate significantly in the tourism industry within the study area.

- (c) That Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area.
- (d) That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area.
- (e) That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.
- (f) That there is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area.

Together with the objectives of this study, the validity and assessment of the above stated hypotheses were either supported or rejected in trying to reach the outcomes of the study.

#### **1.4 DELIMITATION OF THE STUDY**

South Africa is a country visited by many tourists. These tourists are attracted by a variety of leisure attractions. Some of these attractions include: the history, natural beauty, flora and fauna and a scenic landscape. KwaZulu-Natal is one of the leading tourist destinations in South Africa. The Province of KwaZulu-Natal is a warm, fertile province bordered in the north by Swaziland, Mozambique and provinces of Mpumalanga, in the west by the Free State and Lesotho and in the south by the Eastern Cape. KwaZulu-Natal is a region of great diversity, ranging from the beaches washed by the warm Agulhas current to the spectacular Drakensburg range in the south-east.



Durban is the main city of KwaZulu-Natal. In its extended form, the Greater Durban Metropolitan Area covers a wide area, geographically covering an area of approximately 2297 km<sup>2</sup>, with a population of approximately 2 749 737. It starts right up North at Port Zimbali and stretches right down South to Scottburgh. The Durban Metropolitan Area provides the tourist with many interesting places to visit in addition to the beaches and game reserves. Its economy is heavily dependent on agriculture and tourism, Durban is a rapidly growing urban area, the second largest in South Africa and the busiest port. The province suffers from a huge income gap between the rural population and the urban dwellers. It is within this area where the study will be conducted to ensure that strategic guidelines in the tourism industry are put in place.

## **1.5 LIMITATIONS OF THE STUDY**

The research study on Black entrepreneurial development in the tourism industry within the Durban Metropolitan Area, is a relatively new field of research endeavour. It is anticipated that this investigation could be breaking new ground in the study of tourism initiatives and the Black economic empowerment issues.

Notwithstanding the study mainly concentrating on the Durban Metropolitan Area, is affected by the following shortcomings:

- (a) The scarcity of information, which is related to tourism in the context of Black economic empowerment initiatives.
- (b) The availability of funding for the study, which was hard to get from the business sector, government departments, para-statal organisations such as the KwaZulu-Natal Tourism Authority, and the academic institutions.

- (c) Since this research programme was registered for to be done on a part-time basis, there was insufficient time for the researcher to complete this study quickly, as well as to get research assistance from the university.
- (d) The actual undertaking of the research survey was a challenge for the researcher in that it was difficult to organise respondents that were not very busy, as well as willing to fit into the researcher's time-work schedule.

In spite of all these shortcomings, the attributes of undertaking this research investigation on Black entrepreneurial development in the tourism industry, paying particular attention on the BEE initiatives, are far more important for the field of recreation and tourism in South Africa.

## **1.6 DEFINITION OF TERMS**

The concepts that are often used in any research inquiry, have to be judiciously explanatory, elucidative, unambiguous and unequivocal, so as to better understand the contextual meaning of these terms and concepts (Magi, 2005). As such, to make some of the terms useful and more applicable to this research study, the following operational definitions are presented:

### **1.6.1 Tourism**

According to Heath and Wall (1992) tourism is derived from the word tour which means a circular journey that returns to the starting point. It is a study of people about fifty kilometres away from their place of residence and work for a period of about twenty-four hours or more but not exceeding one year. This could be for the purposes of business, pleasure, education, and so on, and the whole industry that arises to cater for the needs of such travellers. Tourism is

described as travel for whatever purpose, which results in one or more nights being spent away from home especially in commercial accommodation (DEAT, 1996a). In this study tourism refers to both national and international tourism.

For the purpose of this study *tourism* refers to the temporary and short-term movement of people to destinations outside their locality for purposes of entertainment and enjoyment, with an express view of benefiting the host community. In this regard, tourism is an activity that seeks to contribute to all stakeholders in an equitable manner, achieving this objective through the Black entrepreneurial development and Black economic empowerment [BEE] initiatives.

#### **1.6.2 Entrepreneur and entrepreneurship**

According to Sobel (2008) an entrepreneur is someone who organizes, manages, and assumes the risks of initiating a business or enterprise with the sole purpose of making economic gains. In other words an entrepreneur is an agent of change. On the other hand, the concept “*entrepreneurship*” refers to the process of discovering new ways of combining resources so as to bring about new gains and perspectives. For example, in the context of tourism Black entrepreneurial development process, entrepreneurship relates to when the tourism market value generated in the new policy environment becomes greater and is able to support the previously disadvantaged communities. Sobel (2008) further argues that entrepreneurship has the advantage of converting failure into success and eliminating loss in such a way that tourism resources and opportunities go further and elsewhere. This is the positive side of entrepreneurship.

In terms of Kreft and Sobel (2003) successful entrepreneurs expand the size of the economic pie for everyone. The entrepreneurs achieve this by creating new product, or service, as well as modify the existing products and business. For purposes of this research study the definitions cited above will constitute the basic meaning of the terms entrepreneur and entrepreneurship, used in the context of tourism Black entrepreneurial development for the benefit of the previously disadvantaged communities

### **1.6.3 Black Economic Empowerment (BEE)**

Black economic empowerment is a systematic campaign by business and political groups to improve the financial, social and skills status of previously disadvantaged groups of people in South Africa, by empowering them in areas where they were disadvantaged, neglected, or discriminated (Lubbe, 2003: 271). Financial deprivation caused Black people to fail to acquire better necessities such as decent housing, private transport and education. Poor financial standing of Black people affected their integrity. Where Black people were exposed to business activities, the lack of skills became an obstacle [[www.bmfonline.co.za](http://www.bmfonline.co.za) (2006); [www.gautengonline.gov.za/miscimages/BBBEE strategy](http://www.gautengonline.gov.za/miscimages/BBBEE_strategy) (2007)].

Vilakazi (2005) defines Black economic empowerment as empowering of the majority, with skills essential to participate in management. In addition to skills development, Black economic empowerment mean, the preferential procurement of recruitive business deals. The BEE according Vilakazi (2005) means improving skills among Black people. Limited abilities to embark on entrepreneurship were caused by lack of skills.

The Black Management Forum (2004) defines BEE as an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the number of Black people who manage, own and control the country's economy, as well as significant decreases in income inequalities.

This study views the BEE policy as geared to enable Black people to be promoted into executive positions, providing them a fair share in the company stake, and provides entrepreneurial skills development. BEE also means aspirant entrepreneurs are aware and have access to the available means of production, and marketing of tourism products. The promotion of Black people entrepreneurship is the responsibility of the state, tourism business, and funding organisations.

#### **1.6.4 Broad-Based Black Economic Empowerment**

The Broad-Based BEE Act (2003) defines Broad-Based BEE as the empowerment of all Black people. This definition also includes women, workers, youth, and people with disabilities and people living in rural areas as the targets for empowerment. The process of empowerment is through diverse and integrated socio-economic strategies such as ownership, management, employment equity, skills development, preferential procurement, enterprise development, and corporate social investment.

In the context of this study, the Broad-Based BEE refers to more inclusive and sustainable empowerment of workers, unemployed and self-employed entrepreneur in tourism. The broad-base BEE main target is poverty alleviation through promotion of involvement of previously disadvantaged groups into new

income-generating tourism products. In addition, the generation of new tourism products is expected to bring diversity in the South African tourism industry.

#### **1.6.5 BEE Score Card**

Tourism scorecard is a prescribed measure of Black economic empowerment in a tourism sector. The Score Card indicates the percentage share of Black people ownership, preferential procurement, and capacity building in a tourism entity per specified period (Spykes, 2002).

The tourism scorecard is a guide towards that level which BEE in implementation must achieve over a specified time in years. Included in the scorecards is the period as well as the number of Black people in percentages that must be incorporated in the economy of the sector.

#### **1.6.6 Recreation**

*Recreation* has recently been defined in many ways to include behavioural, institutional and psychological meanings (Magi, 1986). A more relevant definition by Torkildsen (2001) has been adopted for this study, which states that recreation is any activity pursued during leisure, either individual or collective, that is free and pleasurable, having its own immediate appeal, not impelled by a delayed reward beyond itself. It is important to note that people engaged in gambling are not only satisfied by the gaming process but look forward to getting the “delayed reward”. As a result the gambling recreational experience does not have an immediate appeal, as it is not always free and pleasurable. Consequently recreation can be seen as an attitude of the mind regarding leisure behaviour which has a direct influence on personality creation

(Torkildsen, 1983). The psychological interpretation of recreation suits this study.

#### **1.6.7 Community**

The term *community* refers to a group of people who live together sharing the same geographical area, in which, to a great degree residents are homogeneous with respect to income, ethnicity or race, (Abrahamson, 1980). In this study, *community* refers to delimited residential areas within the study area. There are chances that each residential area may comprise, a homogeneity of residents. To a large extent the communities in the study area would tend to be demarcated along ethnic lines, because to this day communities in South Africa have tended to incorporate the homogeneity or residences on the basis of race and ethnicity.

#### **1.6.8 Community Development**

This concept relates to the process of social action in which people with a common identity work together towards achieving a better quality of living. The notion of sustainable development is the kind of development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

#### **1.6.9 Previously disadvantaged communities**

According to the White Paper on Tourism Development (DEAT, 1996), previously disadvantaged communities are population groups that were largely excluded from mainstream tourism activities by apartheid legislation and policies. As for the content of this study, this definition refers specifically to Black people who reside within the borders of the greater Durban Metropolitan Area.

#### **1.6.10 Stakeholder**

The term stakeholder, in the context of tourism, is a broad term usually used to refer to all participants in varieties of tourism activities. According to the Tourism Vancouver Island [[www.tourismvi.ca/org/stakeholder](http://www.tourismvi.ca/org/stakeholder), (2008)] and South African Tourism [[www.southafrica.net](http://www.southafrica.net), (2007)] the term stakeholder embraces all tourism industry participants in any place, region or country, without a requirement to pay membership fees. If brought together and working together, it was anticipated that the stakeholders group would accomplish two significant goals: (a) the full representation of the breadth of tourism product available in the region to the consumer, and (b) the participation of all individuals and groups in tourism programmes, which are made available to all members in the region.

In order to be considered a tourism industry stakeholder, an individual or group must fit into one of the categories identified for stakeholders. These may include the following: civic organisations; public interest groups, non-government organisations [NGO]; community based organisations [CBO]; professional groups; private sector groups; business, labour and environmental groups; religious, youth, women and cultural groups. Notwithstanding this list, the present study limits itself to three main stakeholders: the Black entrepreneurs, tourism and government officials, and the local community or public operating within the Greater Durban Metropolitan Area [GDMA].

Some of the benefits of belonging to a stakeholder group include: optimising relationships with all participating groups; greater opportunity to share resources and capitalize on the strength of the entire industry; and accessing of tourism



opportunities such as the tourism entrepreneurial development initiatives [www.theta.org.za, (2007)].

#### **1.6.11 Strategy:**

The concept “strategy” is as old as the history of human interaction and conflict. A strategy is a long term plan of action designed to achieve a particular goal or outcome, most often gaining the upper hand in a challenge or contest [<http://www.en.wikipedia.org/wiki/Strategy>. (2007)]. Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategies are used to make the problem easier to understand and solve. [<http://www.en.wikipedia.org/wiki/Strategy>. (2007)].

A strategy is a plan to conduct a major or minor phase, or a campaign. A strategy is the basic idea of how a specific campaign shall develop, and how components shall be fitted together to contribute most advantageously to achieve its objectives. Strategy leads to is organisations doing well in the business, for periods of time in conditions of relative stability, low environmental turbulence and little competition for resources [<http://www.en.wikipedia.org/wiki/Strategy> (2007)]. This research study adopts this line of approach in defining the concept of strategy.

#### **1.6.12 Perception**

The term perception refers to awareness, “as individuals, beliefs and feelings, reasoned or irrational, about the complex of the natural and cultural characteristics of an area” (Getis, *et al* 1996:268). Whether one view accords

with that of others, or truly reflects the 'real' world seen in abstract descriptive terms, is not the major concern. People's perceptions are thought to be people's reality. The decisions people make about the use of their lives are based not necessarily upon reality, but on their perceptions of reality.

Magi (1986) has argued that the concepts *cognition* and *perception* can create some confusion for geographers, if they are not well defined, because they may appear to mean one and the same thing. He therefore distinguishes them by pointing out that cognition is recognised as a general term that includes perception. Perception, on the other hand includes both the various sensations of seeing, feeling, hearing, touching and smelling, and the interpretation of these in the light of previous experience (Magi, 1986).

#### **1.6.13    Black**

The concept "Black" is an elusive term in the South African environment. Fundamentally it may relate differences in race and ethnicity of South Africans or the socio-political categorisation of population groups in the pre-Mandela. For purposes of this study the term *Black* refers to the dark-skinned inhabitants of South Africa, which were previously discriminated against during the apartheid period. The term is used synonymously with the term African (Magi 1986).

In defining what an African is, Mazrui (2008) sees the concept as relating to the Black people and other races inhabiting the continent of Africa, and South Africa in this case, also associated with the Black or African diaspora. He goes on to make a distinction between what he calls "Africans of the blood" and "Africans of the soil". He sees Africans of the blood as belonging to the African

race, but not necessarily to the African continent. The Africans of the soil, on the other hand, belong to the African continent, but not necessarily to the black race. He further argues that most black people that reside south of the Sahara, such as in South Africa, are Africans of both the blood and the soil.

For purposes of this research study the terms Black or African are used synonymously to refer to black people that reside in South Africa, are Africans of both the blood and the soil.

## **1.7 RESEARCH FRAMEWORK**

The framework or method of research used in this investigation, not only does it involve the delimitation of the study area as indicated earlier, but also involves the demarcation of the primary research and secondary research sample and sample sizes; and the techniques for collecting and analysing data. In collecting data three methods were used, namely, a self-administered questionnaire, person-to-person interviews, and a survey of the major organisation and authorities concerned with the tourism in the Durban Metropolitan Area. Some of the data was collected from respondents in the public environment.

### **1.7.1 Sample Size**

The total population of the area under study was estimated to be about two million people. A generally accepted sample estimation is computed around a ratio of 1:250 for the sample versus the population (Isaac and Michael, 1983). Considering the estimated population of two million people, and using the 1:250 ratio, a sample of 8000 respondents is the ideal number. However, in view of financial, time and logistical constraints as well as that the study places a focus on the Black community and entrepreneurs, the sample size of 5 percent, that is 400

respondents, of the estimated Isaac and Michael value was adopted. Notwithstanding, the final sample size of the study worked on, considering non-responses and spoilt responses, the sample size of 235 respondents, which is not necessarily within the minimum required estimated sample population of 400 respondents was adopted. The sampling technique selected was the stratified random sampling technique, which was utilised in conducting the survey.

### **1.7.2 Primary Research Sample**

The sample size of the research study is an important yardstick for measuring the size of information providers, their type and character is also important. A stratified random sample of 178 respondents within the study area population, comprising the Black community and entrepreneurs was surveyed for purposes of collecting data in the Greater Durban Metropolis. The sample consisting of Black entrepreneurs [62], tourism and government officials [13], local community and public [103] were interviewed and came from the following districts of the Greater Durban Metropolis:

(a)	Durban Central	58 respondents
(b)	Durban South Central	22 respondents
(c)	Durban North Central	23 respondents
(d)	Durban Inner/Outer West	21 respondents
(e)	Township Areas	54 respondents

It was not easy to collect data in a consistent manner from the varied respondents, which were subdivided in a stratified sample type. However, an attempt was made to sample all regional sections of the Greater Durban Metropolitan Area.

### **1.7.3 Secondary Research Sample**

Secondary data will involve a literature study whereby data would constitute a full chapter. The data would encompass among other things various textbooks dealing with the development of tourism both in South Africa and abroad. For the South African part bodies such as SATOUR (South African Tourism Board) and TOMSA (Tourism Marketing of South Africa) the various provincial tourism agencies.

In order that the sample should be considered representative of the various communities and organisations, a random-stratified sample was extracted covering the following components or variables: age, gender, marital status, level of education, occupation and income levels. In addition, the researcher also constructed a questionnaire in which the Black entrepreneurs were interviewed as the main respondents. The questionnaire attempted to cover the following areas of information:

- (a) Town or township / reserve in which the respondent lives
- (b) Socio-economic status of the individual
- (c) Membership participation in tourism or any of its related fields
- (d) Awareness of tourism business opportunities
- (e) Status of the Black tourism entrepreneurial policies
- (f) Type of tourism opportunity than can be anticipated
- (n) Existence of tourism strategic management model.

In order to test the validity and reliability of the questionnaire, a pilot study was undertaken by the researcher. The researcher also interviewed the relevant local authorities' personnel about provision and maintenance of recreation facilities in the Greater Durban Metropolitan Area one official per district.

#### **1.7.4 Collection of Data**

The data to be used in this study was collected from both the Black entrepreneurs and authorities of Greater Durban Metropolitan Area [GDMA]. The researcher in conducting the research also made use of redeployed / retrenched teachers to collect the data for this study. In addition to the questionnaire method, the researcher also conducted field surveys of the area. It was during such field survey where the researcher was able to get an opportunity of interviewing the relevant local authorities. Provision for the budget to collect data, do editing of documents, engaging in travelling and telephoning constituted a major part the research planning strategy.

As mentioned earlier, the collection of data adhered to three types of methods: the self-administered questionnaire; the person-to-person interviews; and authoritative organisations relative to the study area. All questionnaires to respondents were designed mainly to constitute the Likert-type scale set of statements. The statements were presented so that the subject had to respond in terms of one of the following five categories; strongly agree, agree, undecided, disagree, strongly disagree. Personal interviews were conducted amongst those who were illiterate. Questionnaires were distributed in person, house-to-house, and were deposited in mailboxes where possible.

#### **1.7.5 Data Analysis**

Data was analysed using the computer programme known as the Statistical Package for Social Science (SPSS) available at the University of Zululand. This programme has been used to generate frequency tables and graphs, which were

found to be easily interpreted. Responses on each questionnaire were coded in order to facilitate the analysis and interpretation of the data.

The results from each question were used to make graphs and tables. The emerging graphs and tables were constructed in such a way that they could be easily interpreted in a relatively easy way. The outcome of the interpretation facilitated the acceptance or rejection of the various objectives and hypotheses postulated, which facilitated the drawing of relevant conclusions about the problem statement.

#### **1.7.6 Research Budget**

It is important for the researcher to have a proper and adequate understanding of the financial implications for undertaking a research investigation. This research study could have been absolute and covering every individual and facets of tourism in KwaZulu-Natal, especially the Greater Durban Metropolitan area, had it not been for financial shortcomings and time available to conduct it. It is hoped that a fair and adequate representation of the population make up of the Province and the Metropolitan area that is the focal point of the study. It is further anticipated that it fairly covers the envisaged stakeholders whose input is critical to the study. An effort was also not spared to make the research study representative of the geographical outlay of the Greater Durban Metropolitan Area [GDMA] that it has tried to focus on.

It is noteworthy that the budget available was sufficient to come up with this work and give one a synopsis and understanding of issues and subject pertinent to the study. Needless to say various stakeholders, friends, family and students were engaged in the study more so to collect data for further analysis. The latter

group was paid travel allowance to go to the field and further commission for every interview and questionnaire completed. Negotiations were made in order to cut costs and other people had to be paid in kind to operate within strict budget.

The research was entirely financed by the author/researcher himself. External funding could not be secured hence the criticality of the subject cannot be left for chance. However the availability of external funding more especially from reputable research institution could have gone a long way in improving the quality of the study. Be that as it may, the study itself would assist in luring further investments and attraction from these institutions to fund courses of this nature

## **1.8 STRUCTURE OF THE STUDY**

This research study is written to follow a regular structure which makes it easier for the reader to understand. This is done to comply with organizational procedure which necessitates the researcher to fully describe the way the research has been planned, structured and executed in order to comply with scientific criteria (Magi, 2005).

- Chapter 1 introduces the reader to the general outline and purpose of the study as it relates the research problem.
- Chapter 2 lays the theoretical background of the study which helps the reader to understand the theoretical basis for the material or data that was put under process of analysis and interpretation. The chapter also laid a theoretical foundation on subject-matters associated with Black



entrepreneurial development initiatives in the tourism industry in the country as a whole.

- Chapter 3 introduces the reader to the study area, the boundaries, the physical landscape, climate conditions and recreation and tourism infrastructures already in existence in the study area. These physical features are fully described with a view of helping the reader to acquire a mental picture of the study area.
- Chapter 4 presents the analysis and interpretation of data collected. The outcomes of the analysis lead to making conclusions about the acceptance or rejection of the various objectives and hypotheses postulated.
- Chapter 5 draws the final conclusions based on the analysis and interpretation of data. Recommendations about the state of the study area are finally made.

The purpose of this outline is to present to the reader the nature and type of a document that is both logical in structure and well organized in thought. In addition, this outline forms the spinal column of the discussions, which have taken place in each chapter, as well as what may be contained in each and every chapter.

## **1.9 CONCLUSION**

In this study an assessment of various behaviour approaches of stakeholders about their participation in tourism entrepreneurial opportunities and initiatives. Furthermore, the study also looked at the needed policy changes and restriction blocking entry by Black Entrepreneurs in the tourism industry. To achieve these

aims this chapter has set out the orientation of the study, giving appropriate objectives, hypotheses, definition of terms and the research methodology.

In conclusion, this chapter has attempted to set the tone of what is to be investigated by also focusing of elements of the study that cover the following areas of relevance:

- Tourism business opportunities in the Durban Metropolitan Area
- The attitudes and expectations of Blacks towards tourism in the area of study.
- The extent as to the exposure of Blacks to various types of tourism other than in the area of study
- Handwork craft in the beachfront.
- African cultures as affecting the exposure of entrepreneurs to different types of business connection attitudes of general Black community towards tourism.
- Authorities – provision policy / programmes

In conclusion, this chapter has attempted to describe the procedure followed in mapping out the aspects of the entire research study to be investigated. In other words, the chapter sets the scene of what is to be covered or focused on in the process of investigation, hence the chapter heading: ‘orientation to the study’. At the end of that chapter, the next chapter, chapter 2, is constructed to focus on the ‘theoretical framework’ of the study as a whole.

## **CHAPTER 2**

### **THEORETICAL FRAMEWORK REVIEW**

#### **2.1 INTRODUCTION**

Curiosity has always been an inherent character trait of human beings. It is their curiosity about other parts of the world that has made people to leave their places of residence to explore and experience other parts of the world, to discover new places and the unknown and enjoy exotic experiences. This has always happened because no two places are alike in terms of natural and cultural phenomenon, otherwise there would be no reason to travel [[www.en.wikipedia.org/wiki/tourism](http://www.en.wikipedia.org/wiki/tourism), (2007)]. For this to happen successfully and comfortably, there has to be a totality of phenomena and relationships related directly or indirectly to entry, stay and movement within and outside the destination region or city (Towner, 1996). In the context of this kind of tourism, it is important to recognise that tourism that is sustainable and of benefit to the entire community has to be advocated for.

As a result of technological advancements and improvements in communication, tourism has become one of the fastest growing industries today, and it is expected to continue to expand because people are beginning to discover more and more new destinations. Some of these destinations have realised that tourism is a generator of opportunities and a great money-spinner. As such, for tourism to have long-lasting economic yield for the destination regions, it has to

be humanised and not just driven by market forces. The participation of local communities, and attempts to incorporate their cultures and tradition in planning, suggests that there should be respect of these host communities (Mowforth and Munt, 1998). The benefit of South African communities from tourism during the pre-democracy period, has dominated by policy of separate development or apartheid. The Black population groups have been the least to gain from tourism during this period.

In the post-democracy period, after 1994, the new democratic government of South Africa brought major socio-economic reforms aimed at reconstructing the country into a new viable political and economic force. The new socio-economic reforms sought to introduce reconstruction programmes that would address economic imbalance among the people of South Africa. In order to facilitate economic redress, the adjustments were made in various policy documents, such as the Reconstruction and Development Programme (RDP) (ANC, 1994), and the Black Economic Empowerment policy (DIT, 2004a, 2004b; SAGG, 2004).

## **2.2 DEVELOPMENT OF TOURISM IN SOUTH AFRICA**

Without doubt historical development of tourism in South Africa has played an important role in characterising tourism entrepreneurship in the country. It is perhaps from this perspective that the nature of Black entrepreneurial development in the tourism industry has been constituted or structured. There are possibly three broad historical periods that characterise the evolution of tourism in South Africa in the last few decades. These periods range from the pre-Mandela period, which was characterised by apartheid, through the Mandela

period of national unity and finally to the post-Mandela period, which was largely characterised by the Mbeki presidency in South Africa (Magi and Nzama, 2002).

### **2.2.1 The Pre-Mandela Period**

What has been observable in South Africa, particularly during the pre-democracy period or the pre-Mandela period (1970-1990), is that most of the tourism resources and facilities have been the sole preserve and privilege of White South Africans. This was not achieved and encouraged by discriminatory legislation alone, but also by the socio-economic inequalities prevalent in South Africa. This was in spite of the reality and argument that tourism was recognised as common human needs, the satisfaction of which must be equitable and not specific to limited individuals, social or ethnic groups (Magi 1986; 2003; Khuzwayo, 2002).

The pre-Mandela period was thus characterised by restricted and exclusive domestic tourism and very little international tourism due to anti-apartheid sentiments from Black South Africans and the international community. For example, tourism as a discipline and industry was planned, managed and predominantly utilised by White South Africans. The mechanism for achieving tourism development and delivery was through national-socialistic and centrally planned government policies. This policy set-up resulted in tourism remaining limited and underdeveloped in South Africa as against the rest of the world. The Tourism White Paper refers to this situation as “missed opportunities” (DEAT, 1996). Some of these missed opportunities include the fact that:

- There was a limited flow of international investments on tourism facilities thus the industry was protected from foreign competition.

- The movement of tourists was limited to certain areas, which were for the White population group.
- There was a limited variety of tourism products geared towards satisfying the needs of a specific group of consumers therefore the industry was protected from itself and from demanding long stay tourists.
- The resources that South Africa has were not used to their full potential, they were monopolised by a certain section of the society to an extent that it was perceived as a “White man’s thing”.
- The tourism industry was dominated by the privileged class both as service providers and as consumers.
- There were limited opportunities for entrepreneurship directed at creating new services that would drive other sectors of the economy, strengthen rural development, generate foreign exchange and lead to job creation.
- The majority of the South African population was marginalised and therefore neither participated nor benefited in any way from tourism.
- The society was then characterized on one hand by abject poverty spread across the majority of the people mainly in rural areas and on the other by lavish wealth.
- There were glaring socio-economic inequalities among the citizens of South Africa.

### **2.2.2 The Mandela Period of National Unity**

The Mandela period (1990-1999) in tourism was characterised by the demise of apartheid and a transformation of the entire social and political system into new democratic values, principles and policies. The tourism landscape was remodelled on the basis of the “Reconstruction and Development Programme” (ANC 1994) and “Tourism White Paper” (DEAT 1996) policy framework

which identified weaknesses or “missed opportunities” (DEAT 1996) in the industry. A broad summary of these weaknesses include (a) inadequate funding directed towards tourism; (b) deficient tourism education and training; (c) limited involvement of local communities; (d) ineffective safety and security measures and crime prevention; and (e) the lack of integrated national, provincial and local tourism development and management structures. New principles and policies aimed at achieving responsible tourism; community-driven tourism; integrated and sustainable tourism and tourism assessment and accountability were initiated.

During this period the tourism industry underwent a number of changes. The government recognised that recreation and tourism provided a means of empowering people economically and had the potential to contribute to the GNP significantly. It had to strike a balance between international competition and providing tangible benefits for local communities. The post 1994 tourism growth was phenomenal jumping from 735 000 overseas tourists to 1.2 million in 1995, 1.3 million in 1996 and 1.57 million in 1997 leading to what is famously referred to as the “Mandela bump” (Cluster Consortium, 1999).

Essentially the greatest achievement of the Mandela period of national unity was the transformation and setting up of the fundamentals of values, principles and policies. The planning, management and utilisation of recreation and tourism resources and facilities had now passed joint governance by all population groups. This period began to indicate that there was potential in collaborative work among various groups, agencies, businesses and policy-makers. Furthermore, it was during this period when the fundamental tourism policies

and regulations pertaining to Black entrepreneurial development or Black Economic Empowerment were initiated in South Africa.

### **2.2.3 The Post-Mandela Period**

Roughly the post-Mandela period (2000-onwards) can be estimated as starting at the beginning of the new millennium. It is a period strongly identified with new visionary principles of a transformation-based delivery, the African renaissance and the African Recovery Programme. These new plans saw tourism as playing a significant role in achieving economic growth, development and increased employment, reduction in poverty and inequality, enhanced international competitiveness, and increased African integration (MAP 2001). The main contributors to these initiatives are the public and private sectors and academic institutions. Details in this regard are given later in this chapter.

The post-Mandela period has spawned an accelerated pace and change in the tourism industry. There has been a rapid upsurge of new tourism businesses and existing ones have expanded their capacities and developed new products, which they use in an attempt to become more competitive. However, this economic growth within the tourism industry has not fully realised the empowerment of Black entrepreneurs and fully supported the policy of Black Economic Empowerment [BEE] (DIT, 2004a, SAGG, 2004). The influence of both exogenous and tourism-related components cannot be underestimated. This period also known as 'new millennium period' can be seen as an awakening period characterised by factors such as macro economic trends, vigorous destination marketing, destination branding and competitiveness, competitive positioning and the use of new technology-based promotional vehicles. Most of these components are interlinked and interconnected and, as such accelerate



the pace of tourism transformation. Predicted demographic and technological changes coupled with recreation and tourism-specific components such as recreation and tourism attractions, community recreation/tourism management, tourism destinations, transportation and accommodation, food service (gastronomy), safety and security, education and training, service excellence, and domestic tourism, will continue to influence tourist behaviour patterns and the tourism industry as a whole.

The pace and change in tourism is clearly set to continue into the new millennium. This change is expected to bring about an obvious rapid upsurge of tourists into fragile lands and remote natural environments around the world. The influence of both exogenous and tourism-related variables cannot be underestimated as the driving force pushing the change. Technological changes coupled with tourism-specific variables such as creative packaging and changing consumer tastes and perceptions stand out as most prominent factors influencing the behaviour patterns tourists and the tourism industry as a whole. It is important to note that factors such as the global economic slow-down and the September 11th, 2001 New York disaster are serious detractors to the growth of international tourism.

### **2.3 TOURISM PLANNING AND POLICIES**

Tourism is an agent of change and development, which, if properly planned, will yield different benefits attributable to variations in the economic structure of destination regions and their geographical locations. If not properly planned, tourism can lead to more costs than benefits in terms of environmental and cultural degradation. Tourism is a means of introducing new growth to

declining economies, as well as that it introduces new opportunities for the previously disadvantaged groups of society. The much needed hard currency from the more affluent countries that the tourists bring is essential for major investments.

It should be noted that the decade following the democratic elections saw the development of various policies and programs designed to bring about more investment in tourism, an equitable and non-discriminatory society (Spenceley, 2004; Viljoen, 2007). One of the key priorities of the South African government was to improve the quality of life of the Previously Disadvantaged Individuals (PDI). To achieve this goal the government introduces policies and strategies which sought to create opportunities of economic development, poverty alleviation and community participation. According to Rogerson & Visser (2004); Spenceley, Goodwin & Maynard (2004), some of the most important policy documents include: the White Paper on the Development And Promotion of Tourism in South Africa (DEAT, 1996); Tourism in GEAR (Growth, Employment and Redistribution Strategy (DEAT, 1998); the Transformation Strategy for South African Tourism (DEAT, 2000); the Responsible Tourism Guidelines (DEAT, 2002); the Broad-Based Black Economic Empowerment [BBBEE] (DTI, 2004b; SAGG, 2004) and Tourism Growth Strategy [SA] 2008-2010 (SAT, 2004). These policy initiatives were the basis for tourism change in South Africa, and Pigram & Wahab (2000: 28) have argued that “change is a powerful and positive force which, when harnessed constructively, challenges individual, groups and organisations to perform to their optimum capability.”

Tourism can also supplement the national balance of payment, create job opportunities, lead to infra-structural development and inter-sectoral linkages. It

is a major export industry with multiplier effect, which means that the income earned through tourism can provide salaries to thousands of people who will then spend it in other sectors of the country's economy. It expands horizons for host countries as it breaks the regional barriers, leading to acculturation. It de-regionalises people and offers them opportunities to learn and develop as they participate in the industry. The interest of tourists in the cultural artefacts, has led to the revival of handicrafts and cultural tradition, which has resulted in the extraordinary combination of modernity and tradition. The renewal of culture helps in achieving self-identity and national pride, which is in line with the state policy of African Renaissance (de Kadt, 1979).

According to Mathieson and Wall (1989), tourism only flourishes and become sustainable under certain appropriate conditions, such as a sophisticated level of planning and organization. The ability of a particular destination to attract tourists depends on the diversity of facilities and standards, quality of services provided, environmental characteristics, accessibility and political situation. In additions, proper planning which harmonises development with nature, is essential to ensure that progress does not become synonymous with assault on nature and culture. The higher standards of living can therefore be achieved without alienating the people from their heritage, and without despoiling nature's freshness and purity essential for their very lives

Lickorish and Jenkins (2000) argue that only properly planned tourism can be a sustainable boon to destination regions. Tourism planning is about the conversion of tourism assets and other developments into a marketable state. Before tourism planning stars, it is important to set tourism objectives, which will outline what the plan sets to achieve. The objectives are then formulated

into a tourism policy statement, setting parameters or guidelines, which steer planning and future developments. This policy then becomes a point of reference against which planning decisions should be made. It is in this context that the policy and planning of the development of Black entrepreneurial activities can be initiated.

### **2.3.1 Steps in tourism planning**

According to Lickorish and Jenkins (2000) and McIntosh *et al.* (2000) the following steps are important to tourism planning:

- Definition of the system in terms of type, character, size, market and the purpose of the development.
- Establishment of tourism objectives to give the project direction and sustainability.
- Data collection to find out how the local people will receive the development, and also to analyze existing facilities and identify target markets.
- Consultation of policy guidelines to make sure that the development does not deviate from the national plans.
- Spell out the implementation program to ensure that the plans are carried out within the planned time period.
- Put monitoring mechanisms in place, to assess if the development plans meet its objectives.
- Review and evaluate progress, to revise and refine the objectives as required.

This procedure represents one of the mechanisms through which strategic planning and management models can be designed or structured for the purpose of meeting one of the objectives of this research study. One of the fundamental

needs in assessing the tourism industry in South Africa, is to structure a system if not policy, which should be able to reverse the long standing negative effects of the tourism inequalities established by apartheid. In addition, there is great need to reinforce or support some of the already existing Black economic empowerment [BEE] policies, which are meant to encourage Black entrepreneurial development in the South African tourism industry, and more specifically within the Greater Durban Metropolitan Area (DTI, 2004a).

According to Mowforth and Munt (1998) tourism development should reflect the unique circumstances of the region. The style and scale of development are the basis for planning. The tourism policy should precede planning, as it provides the framework within which planning and development will take place. This manner of thinking also suggests that the market forces should not dictate tourism development. Furthermore, Mowforth and Munt (1998) argue that tourism should be humanised, and not be driven by greed and ambition of the developers. This implies that it is important that the local communities participate from the very early stages of planning, so as to ensure that their culture and traditions are not ignored. This is one of the methods of forestalling the greed and failure within the system to promote Black economic empowerment and the encouragement of Black entrepreneurial development in the tourism industry in South Africa (DTI, 2004a).

### **2.3.2 Tourism planning and development**

In addressing the planning and development of Black economic empowerment and Black entrepreneurial development in the tourism industry, Lickorish and Jenkins (2000) have argued that tourism planning should also be able to address matters such as:

- The type and scale of tourism products to be developed or supplied.
- The manner in which tourism will be marketed in the economy.
- The marketing segmentation, which depends a lot of the facilities that the destination has on offer.
- The likely impacts arising from the policy choices, also relating to benefits of the local community.
- The various people or groups that are going to be developed so that they can benefit significantly from tourism in their region.
- Policy guidelines for future development should be in place.
- How the barriers to development are going to be removed to encourage tourism.
- How the negative effects such as crime, overcrowding, environmental degradation, and other matters are going to be mitigated.

The tourism policy is a reasoned consideration of alternatives of how to best allocate the scarce resources, opportunity cost involved in using resources this way and not the other. It has been argued that the policy on tourism is the prerogative of the government, and in this manner it should be able to benefit all the people of the land. Policy is a dependant variable, depending for its nature on the socio-economic, environmental and political systems. A country that aspires to be a tourist destination should strive to achieve the right policy for the right goals, and policy should not be value-free. There are national values embedded in policy, so if care is not taken, the nation will be stripped off its value system through tourism. It is through such values that the inequalities of apartheid in South Africa can be addressed, and Black economic empowerment [BEE] policies, which are meant to encourage Black entrepreneurial development, can be established, supported and sustained (DTI, 2004a).

## **2.4 THE ECONOMICS OF THE TOURISM PRODUCT**

The economic potential of tourism as the key driver of development in South Africa is well documented (Ashley & Roe, 2002; Viljoen & Kholadi, 2006; Viljoen, 2007). As such tourism activities should be related to the overall life-worlds, life cycles and lifestyles of the visitors, if their visit and stay is to be meaningful. The visitor-generating region is as important as the destination region. The host communities play a very important role in the quality of the overall tourism experiences, and their support of the visitors has created labour demands and opportunities. The experience of the visitor to the destination can help shape environments back at home. A good example of this is the idea of villas and chalets in South Africa, which reflect tastes nurtured by foreign travel.

According to de Kadt (1979) tourism is a peculiar product, an export consumed by the non-citizens in the exporting country. This helps to create employment opportunities. It also broadens the horizons of the local people as they interact with people from other countries. It also results in accelerated acculturation, and lots of opportunities to learn. In the case of South Africa, tourism reduced the post apartheid neurosis of brooding over the past, instead of venturing into the future. Encounter with many tourists would also remove the inferiority complex, as the local people feel that what they do attracts people from other countries and that they are able to interact with them as they provide for their needs.

If properly planned to complement the lives and culture of the local people, this industry will help to preserve traditional values, objects and behavioural patterns

for tourist consumption. Aspects of culture such as folklore, crafts and other relics, can be transformed into consumable form and presented as characteristics of contemporary culture. The interest of tourist in cultural artefacts has led to the revival of handicraft and cultural tradition, as well as the extraordinary combination of modernity and tradition. This revitalization of culture will help towards the development of self-identity, which in the case of South Africa tends to manifest itself in people wearing traditional attire every opportunity they get nowadays. Tourism has provided expanding markets for local artefacts, attire, beadwork, and so on. It has also increased the value of cultural objects, which were regarded as inferior in the apartheid era, because they were produced by black people.

Tourism can have an appreciative and protective relationship with the environment because it is an industry based on the appreciation and enjoyment of particular places and people. It has led to places that would otherwise have remained unknown like the Ukhahlamba-Drakensberg Mountains and the Isimangaliso Wetland Park being given the status of 'World Heritage Sites'. Tourism has a unique way of expressing environmental values and interaction with the land free from the demands of economic necessity. However, without proper planning tourism can be cynically commercial, with the ability to reduce the land and its people to measurable and marketable consumables.

If properly planned, tourism can also help to conserve the natural environment and the species of flora and fauna through the creation of botanical gardens and nature reserves (Price, 1996). Tourism that has not been planned properly, or that is not based on a sound policy can and will have 'corrosive' effects on the cultural as well as natural environment of the host countries. The people may



lose their dignity and self-respect, as they are expected to perform sacred rituals and dances for tourists and then benefit very little or nothing out of it. The exploitation of the host community can be ameliorated by initiating the Black economic empowerment [BEE] policy scheme, which is meant to encourage Black entrepreneurial development in the study area.

As mentioned earlier by Lickorish and Jenkins (2000), tourism planning and development, in the socio-economic context, should be guided by carefully planned policies, based on the ideals and principles of human welfare first, and then on profits later. If there are no clear policies in place, tourism falls into the hands of the ambitious developers and businessmen, which leads to tasteless and ubiquitous development that will exceed the carrying capacity of the resource, and degrade the very environment that is meant to attract tourists in the first place.

Price (1996) has argued that tourism as a 'double-edged sword' which has a potential to destroy that which it originally set out to enhance. In this regard communities have been advised to decide exactly what they want out of tourism before tourism development even begins. Unplanned tourism results in the construction of massive infrastructure, which then greatly alters the ecological and social balance of the area in question. Tourism can have a corrosive effect on culture, and socio-cultural activities could get degraded as they are commercialised for tourist consumption. Some cultural artefacts are produced in large amounts, which lead to their quality being compromised for quantity. The tourists' superior economic wealth rapidly erodes the sensuous and aesthetic wealth of cultures that have developed in isolation from the western world (Mathieson and Wall, 1987).

The economics of tourism study the choices that people make using their limited resources to meet their needs and wants. With regard to tourism, the economy of any country will thrive if there is equality of resource sharing, which relate to natural attractiveness, accessibility, infrastructure, value of its products in terms of international indicators. The resources that are available to the tourist depend on the tourist's ability to travel, and the amount of disposable time and income available for travelling. If the individual tourist is short in any of these resources, the chances to travel will be limited (Cook *et al*, 1999). There is a wide spread belief that tourism can yield rapid and considerable returns on investments, and that it can be a positive force in remedying economic problems for many countries. It is such a notion that has made Black economic empowerment [BEE] and Black entrepreneurial development to be perceived as the most appropriate mechanisms of addressing the scourge of poverty and unemployment in South Africa.

The notion expressed above is supported by Lickorish and Jenkins (2000) who argues that tourism is a noticeably resilient industry, which is less prone to economic fluctuations than other sectors. It is further assumed that there are no unforeseen reasons that would make this industry to decline dramatically in the future. The Department of Environmental Affairs and Tourism has been recorded as planning to use tourism as the main provider sustainable jobs and thus contribute in giving a better life for all in South Africa. The department also plans to use tourism to harness skills, experience, as well as knowledge about the environment (DEAT, 1997). Some other writers believe that the goals of the Department of Environmental Affairs and Tourism can be achieved through the Black economic empowerment and the Black entrepreneurial

development initiatives in South Africa and more especially in the Greater Durban Metropolitan Area (DTI, 2004a).

Tourism in South Africa is placed firmly on the national agenda of priorities. For example, the three-year tourism action plan also contains strategies for opening emerging markets for tourism to South Africa and building of world-class travel and tourism. The eight world heritage sites recently declared in South Africa have boosted travel and tourism to South African. Some of the main ones are Robben Island in the Western Cape, the Cradle of Humankind at Sterkfontein in the Gauteng Province, and more specifically, the Isimangaliso Wetland Park and the Ukhahlamba-Drakensburg in the Province of KwaZulu-Natal. These world heritage sites have promoted the triangle of tourism growth relating to: the tourism-travel, conservation and nation building. The new tourism directions have focused on the establishment of Transfrontier Conservation Areas with the Southern African Development Community [SADC] neighbouring countries playing an important role (Magakgala, 2003).

## **2.5 SOUTH AFRICAN TOURISM STRATEGY**

Tourism is all about experience and a very good experience acquired by the traveler. Tourism is about good memories, which are the output of its product. The absence of such a product means that good memories and good experience will not be there and as such, no tourism business (Lubbe, 2003). The foregoing statement suggest that there must be good packaging of tourism experience which will appeal and attract people local, national and international to make frequent visits to tourist destinations. It suggests as well that a replication is the

cornerstone of the success of tourism business. This is the replication of good experiences, even from the feedback from the tourists themselves.

On the point of packaging, it denotes a vast collaboration of different tourist activities. For example, there is a dire need for complementation of skills in tourism that will include the augmentation of human resources within the sector. This means that tourism business run by inexperienced and inefficient people is directly doomed for total failure. It is the view of this research study that South Africa, as a country, has not reached its peak, in terms of tourism experience, capacity and skills. The introduction of good strategy is essential in order to make tourism become viable for all stakeholders in South Africa, more particularly those that have been previously disadvantaged.

#### **2.5.1 Tourism strategy and infrastructure**

Strategically, there must be good infrastructure to the tourist destination which will boost profits and efficiencies of the business. Good roads will ensure that there is mass flocking to these destinations promoted by good road signage and lighting. There must be good communication facilities including telephone connection, broadband and internet (banking, purchasing and getting relevant information and email contacts). There must be well organized tourism service providers. For example, informal service providers in South Africa who are part of tourism interface are struggling to make sales of the wares to international tourists who prefer to utilize electronic payments due to insecurity and crime rate in the country. Lots of business opportunities and profits are lost to these shortages of advancements [www.transport.gov.za/projects/msa/msareport. (2008)].

Any thriving tourism business enterprise would significantly depend on the existence of a sound tourism transport strategy. The strategy would be to enliven travel from one area to another within South Africa and KwaZulu-Natal in particular. The transport component of tourism needs to be planned systematically so that it could improve tourism delivery and related business opportunities. For example, there is need for new road constructions, airports, railways infrastructure and related tourist facilities. These infrastructural improvements are expected to stimulate Black tourism entrepreneurial development opportunities [www.transport.gov.za/projects/msa/msareport. (2008)].

### **2.5.2 Tourism strategy and legislation**

In order to achieve a viable tourism system in terms of infrastructural development, business and entrepreneurial development, and the tourism service sector, there is urgent need for government legislation to be put in place a sustainable tourism industry. In terms of the post-apartheid transformation process taking place in South Africa, it is important that this legislation should bring into the sector the previously disadvantaged groups. This must be done in such a way that ordinary people are assisted in every facet of the tourism business, including skills and financial assistance [DEAT, 2006].

The legislative transformation, which has brought about what has come to be called Black Economic Empowerment [BEE] and Broad-Based Black Economic Empowerment [BBBEE] policies, are important for tourism equalization of opportunities and redress [IDT, 2004a, 2004b]. These policies are regarded by some, as important for promoting tourism development and tourism businesses as advocated in the government's tourism growth strategy. The tourism growth

strategy aims at contributing to the increase of the gross national product [GNP], create jobs and improve the redistribution and transformation of our economy and society (SAT, 2004; IDT, 2004a; IDT, 2004b; DEAT, 2006]. These policy initiatives were the basis for tourism change in South Africa, and Wahab and Pigram (2000: 28) have argued that “change is a powerful and positive force which, when harnessed constructively, challenges individual, groups and organisations to perform to their optimum capability.”

According to South Africa Tourism (SAT, 2004) the tourism growth strategy has been founded on a set of five key objectives, which are:

- Increase tourism volume at high and sustainable rates.
- Increase total spent by tourists in South Africa.
- Optimize length of stay to maximize revenue yield to South Africa.
- Improve volume and spend distribution around the country and throughout the year.
- Improve activity and spend patterns to enable transformation and promote Black economic empowerment.

In closing this section it may be mentioned that the implementation of the tourism growth strategy may be regarded as the expansion of tourism activities for the sustainable development the tourism industry. The strategy is pivotal to South Africa as a country, and as the custodian of the African renaissance and the welfare of the African continent (MAP, 2001). In this regard, South Africa will be required to learn more about the cultures, landscapes and social aspects of these African countries. It may also be argued that Tourism South Africa can learn a lot from companies like MTB, Murray & Roberts, Vodacom and Eskom, who are making great business strides in the continent and beyond. These

companies have been actively promoting business in the continent, and thus encouraging the policy of Black economic empowerment. The implementation of the BEE policy in Africa is an important test ground for the policy to be implemented here in South Africa.

## **2.6 AFFIRMATIVE ACTION VERSUS BLACK ECONOMIC EMPOWERMENT**

An attempt at achieving economic well-being and balance between the communities in South Africa was initially thought to be through the Affirmative Action policy. Despite the good intentions of the Affirmative Action policy, it faced some criticism from the public. According to Nzimande and Sikhosana (1996:44):

The Affirmative Action programmes are limited to de-racialisation, the prohibition of discrimination, and the eradication of race and gender based inequalities in South Africa.

Such programmes are not broad enough to address the economic problems in Black society. A comprehensive restructuring and broader socio-economic transformation cannot be addressed by the Affirmative Action policy alone. Matola (2004) points out that a connection between Black economic empowerment [BEE] and affirmative action [AA] rests on the fact that BEE aims mainly at compensating for the shortcomings of AA by addressing broader socio-economic imbalance in the tourism sector. In addition to affirmative action the Black economic empowerment policy intends to promote economic status of the Black people. In terms of BEE, the promotion of Black people

economically can be achieved by introducing them into the mainstream of the economy (Glennie, 2004).

Black economic empowerment [BEE] is driven by legislation and regulation. It is an integral part of the BEE Act of 2003 and has a sector-wide generic scorecard, which measures companies' empowerment progress in four areas:

- (a) Direct empowerment through ownership and control of enterprises and assets.
- (b) Management operating at senior level.
- (c) Human development and employment equity.
- (d) Indirect empowerment through: preferential procurement, enterprise development, and corporate social investment.

This scorecard, as well as a scorecard for multinational companies, is defined and elaborated in the BEE codes of good practice.

Furthermore, Matola (2004) views Black economic empowerment [BEE] as a means to transform tourism industry and improve the quality of life among Black people. The success of BEE can only be achieved if beneficiaries from the industry are Black people, and the emphasis is on the broad or wide Black society. Lalu (2004) suggest that BEE policy implementation must be in line with the important pillars of BEE framework. These important pillars of the policy are stated as follows:

- Fast tracking the entry of Black people in major economic activities,
- The promotion of black employees,
- Affirmative action procurement and
- Skills development.



These pillars of BEE suggest that Black entrepreneurs must be urgently introduced to, in the tourism industry. The pillars also suggest in all White-owned businesses, deserving Blacks must be given a chance to take up strategic management positions, preferably on merit. Also suggested is the improvement of management skills among Black people. Skills shortage is the major setback towards the involvement of Black people in tourism economic activities.

The introduction of the broad-based BEE policy was mainly to compensate for shortfall of the BEE. The idea of broadening the BEE came about because of complaints about the BEE delivery towards Black people. The BEE was accompanied by insufficient inclusion of the Black people. There has been conflict of interest where only the Politicians enjoyed BEE benefits. Apart from conflicts of interests, the people have conflicting perceptions about Black Economic Empowerment policy. Some people perceptions were that BEE hardly makes a dent on the chronic unemployment Lalu (2004). The contributions of BEE policy towards Black people are sometimes marred by controversial deals. Politician's enjoyment of BEE benefits overshadows advantages to the wide sector of Black population. However, the majority of stakeholders viewed BEE as the viable policy to address inequality.

The BEE implementation must follow guidelines as specified in the BEE policy document. The Department of Trade and Industry (DTI: 2004), suggests that private and public companies must interpret and employ BEE programmes with emphasis on core areas of the policy. The BEE policy stresses the following important areas:

- Equity ownership, which give employees a stake in the company.

- Preferential procurement, which ensure that there is money available for BEE procurement while preventing the problem of fronting.
- Skills Development with the purpose to develop capabilities and to empower people to be able to make decisions and build confidence.
- Employment equity, which accelerates equity in the workplace and implement affirmative action.
- Enterprise development, which focuses on Black entrepreneurship growth and the need for White-owned companies to collaborate with emerging Black companies thus ensuring skills transfer.

South Africa has a capitalist economy that may undermine the BEE policy in some instances. There is still a contention, that currently beneficiaries of the policy, as Dawes (2004: 3) argues, that the labour unions community views BEE as benefiting only an “elite black”. Dawes (2004) further opposes what he calls the conflict of interest, where only the prominent black politicians benefit from Black empowerment initiatives. A limited number of Black people involvements can also be blamed on the lack of business management capacity and experience. However, limitations can be dealt with through skills development programmes with support from all stakeholders.

## **2.7 INVOLVEMENT OF BLACK PEOPLE IN THE TOURISM INDUSTRY**

The broad-based Black economic empowerment [BEE] involves Black people through diverse and integrated socio-economic strategies such as ownership, management, employment equity, skills development, preferential procurement, enterprise development, and corporate social investment. The White Paper on

Tourism Development of Department of Environmental Affairs and Tourism (DEAT, 1996) acknowledges that there are hindrances towards the full involvement of Black people in tourism industry. The BEE challenges show that there is a need to develop further plans in order to ensure that BEE is more inclusive.

The DTI (2004b) findings reveal that BEE has not adhered to the aims of its foundation. There is less involvement of Black people in tourism businesses. If the BEE implementation pursued its intentions were going to make business opportunities are accessible to more Black people. It has been argued that access to opportunities should be more inclusive. The inclusive BEE allows the entrance of Black people while maintaining the existing tourism businesses. The inclusive BEE according to the DTI (2004a) stands to meet the following set of objectives:

- Promoting economic transformation to enable a meaningful participation of Black people in the economy.
- Achieve a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises.
- Increasing the extent to which Black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training;
- Promoting investment programmes that lead to broad-based and meaningful participation in the economy by Black people in order to achieve sustainable development and general prosperity;
- Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills, and;

- Promoting access to finance for Black economic empowerment

The inclusive BEE further ensures that women, workers, youth, and people with disabilities gain better positions from tourism sector. The more inclusive BEE is referred to as the Broad-Based BEE. As stated in the Broad-Based BEE Act of 2003, the Broad-Based BEE means the empowerment of all Black people. Further the Broad-Based BEE Act of 2003 emphasis the inclusion in BEE programmes of women, workers, youth, people with disabilities and people living in rural areas. Inclusive BEE programmes would be very helpful in the study area because the level of unemployment mainly of the youth and women, is high [[www.en.wikipedia.org/wiki/broad\\_based\\_black\\_economic\\_empowerment](http://www.en.wikipedia.org/wiki/broad_based_black_economic_empowerment) (2007)].

In the context of this study, the broad-based BEE is viewed as a more inclusive and sustainable economic empowerment of Black workers, promotion of tourism entrepreneurship and self-employment among Black people. The broad-based BEE main target must be poverty alleviation through promotion of involvement of Black people into new income-generating tourism products. The broad-based BEE also strongly emphasises economic empowerment of people through integrated socio-economic strategies in the following ways:

- Increase the number of Black people that manage, own and control enterprises and productive assets
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises.
- Human resource and skill development.

- Achieve equitable representation in all occupational categories and levels in the work force.
- Preferential procurement and investment in enterprises that are owned or managed by Black people.

The broad-based BEE strategically eliminates the problematic areas, address issues such as lack of information, skills, finance, business, and government support. This study views broad-based BEE as a comprehensive empowerment strategy. This strategy is likely to have observable life enhancement in the Greater Durban Metropolitan Area through the improvement of economic opportunities. The current low level of education and entrepreneurship skills in the study area impedes on achievement of the broad-based BEE (Impact, 2003). The outcome of this strategy will depend on firm entrepreneurial education and skills development plans.

## **2.8 BLACK PARTICIPATION AND BUSINESS OWNERSHIP**

Participation and ownership are one of the most important components of Black Economic Empowerment. A tourism company compliance with BEE can be measured in terms of the percentage of Black people involved in its participation and ownership. Black people participation and ownership are thus one of the various complementary focus areas of BEE. Participation and ownership cannot be used as the sole measure of BEE, but can be assessed together with others [www.gautengonline.gov.za/miscimages/bbbee/bbbeestrategy (2007)]

Participation and ownership consider the inclusion of women and the disabled as stated in the broad-based BEE Act of 2003. The Act stresses the importance of

promotion and substantial involvement of women and the disabled in the management and business ownership. In the study area, some women and disabled play a breadwinner roles in a number of families. Therefore, the promotion of women and the disabled people can enhance economic status for many people (Government Gazette, 2004). These intentions of the Act, were to make Black entrepreneurial empowerment a reality, which should benefit most of the previously disadvantaged communities in South Africa.

### **2.8.1 Defining Black Ownership of a company**

Black ownership is defined as the percentage of shares owned by Black people in a tourism company. The BEE policy separates Black company ownership into the following categories:

- A "Black company" is one that is 50,1% owned and managed by Black people.
- A "Black empowered company" is one that is at least 25,1% owned and managed by Black people.
- A "Black influenced company" is one that is 5-25% owned and managed by Black people.
- An "engendered company" is one with at least 30% representation of Black women within the Black equity and management portion.

If Black ownership shares are used to measure implementation of BEE, very few tourism companies in the study area can be regarded as Black empowerment companies. The percentages of Black ownership may need adjustment overtime to increase level of Black people ownership in tourism businesses. The special small business funding for BEE can improve participation by Black people in tourism businesses (Spykes, 2002).

### **2.8.2 Categories of Company Ownership**

There are several types of existing companies in South Africa. Spykes (2002) listed five distinct categories of company ownership as follows:

- Companies that are 100% foreign-owned.
- Wholly owned subsidiaries of public listed companies, either on the Johannesburg Stock Exchange or an offshore exchange;
- Companies independently listed on the Johannesburg Stock Exchange
- Companies privately owned by mainly South African interests; and
- Companies wholly or partly owned by the government or state-owned enterprises.

In each of these categories, there are distinct issues to be taken into account when measuring Black people ownership and each has its own constraints on increasing that ownership. The BEE policy provides guidelines and the process to be followed by each type of tourism enterprise in order to become BEE compliant.

### **2.8.3 Constraints on Black ownership of companies**

Constraints regarding BEE company ownership, on the one hand, relates to concern with the company's compliance with the BEE policy. On the other hand, it relates to deficiencies with regard to Black people. One of the challenges facing BEE is concern with foreign companies can be expected to prioritise their interest and may not consider South Africa as a suitable place for investment if they disapprove of the BEE policy. The government can turn the situation around by introducing certain incentives for foreign BEE compliant companies. The government must avoid making BEE look like an obstacle, but

BEE should be made attractive, accompanied by incentives such as reduced tax for complying businesses.

Foreign companies often cite lack of suitable Black empowerment companies to form a partnership with. Companies need partnership with local empowerment company with excellent record of accomplishment and finance. So far, there are relatively few Black empowerment companies able to meet these conditions. The shortage of BEE companies hampers many willing foreign investors to meet the terms of the BEE policy.

The challenge facing the Black people apart from a lack of BEE information is a lack of capital. Black Empowerment partners need the means to finance their investments. There are few Black people with a strong financial position to buy shares in big tourism enterprises. Stakeholders in tourism need to encourage Black people to participate in tourism businesses because Black people still show a low level of interest in the tourism industry. Black people tend to acquire finance and invest in other sectors of the economy rather than in tourism (Spykes, 2002).

In this study, additional constraints against the increase of Black participation and ownership in the tourism industry are identified as follows:

- The existence of corrupt practices in the tourism industry.
- Access to opportunities of politically connected Black people. There is less focus on the wide society.
- The Black people's attitude towards the tourism sector. Tourism is considered as White people's thing.
- The material resources required to acquire ownership are expensive.



- The access to finance remains a challenge.
- Literacy level among the Black people is low.
- The lack of entrepreneurial skills, in particular among the Black population.

Regarding the Black economic empowerment [BEE] policies and Black entrepreneurial development initiatives, in the context of the Greater Durban Metropolitan Area, there are unequal tourism infrastructural provisions. In some White suburban areas there are adequate infrastructural developments. But in Black suburban areas there is a lack of infrastructure such as access to roads, electricity, running water and modern communication technology. The lack of infrastructure in these areas, inhibit tourism entrepreneurship potential that is only possible in the main city.

The stakeholders in the tourism industry have a challenge to ensure the elimination of constraints towards achievement of BEE. Ideal implementation of BEE in tourism should attract foreign investment and promote Black people's entrance in tourism businesses. The BEE should ensure that Black people owned business develop without difficulties in Towns, Townships, and Rural areas. Poverty among the Black people will be alleviated. Diversity of tourism business will be attained. The current skewed socio-economic situation can be turned around. As a benefit, unemployment among the Black people can be reduced through facilitation BEE in tourism.

#### **2.8.4 Black access into tourism opportunities**

An important question which needs to be asked, on the poor participation of Black people in the tourism industry, is whether Black people have the means to

access, participate and succeed in this industry. Do Black people have the opportunities, skills, facilities and land to practice tourism activities in the first place. The South African Government land reform programmes have taken huge strides in getting people to invest on the land. There has been remarkable and accelerated delivery programmes in the restitution and redistribution of land parcels to the previously disadvantaged. The major challenge however, has been the tenure reform especially on 13 million African people living in the former homelands and the ex-South Africa Development Trust (SADT) areas under conditions of insecure tenure.

It is the view of this research investigation that government should play a legislative and facilitative role in promoting the BBBEE policies and Black tourism entrepreneurial development. The absence or lack of Black participation, attainable opportunities, skills, facilities and land resources, presents a challenge to the researcher. The latter is the fundamental objective of this research study: to reveal the awareness and participation level of Black people in the tourism entrepreneurial opportunities; and to investigate the implementation of policies and strategies for the delivery tourism entrepreneurship in the study area.

## **2.9 EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT**

Current trends in employment equity highlight the alignment of skills development in achieving the objectives set out in the National Skills Strategy of the South African government. From these trends, it is clear that the management profile of Black people and women in the top echelons of decision-making are still very small. To determine the situation of employment equity

[EE] in the study area is not an easy task. Williams and Shaw (1998:) revealed that employment in tourism is difficult to measure on the basis of official statistics. The direct employments such as in Hotels, Restaurants and Transport have do not have accurate statistic records, and therefore, it become more difficult to determine the employment in indirect tourism businesses. However Vivian and Hall (1994) have established that the majority of jobs in tourism, especially those of low skill and wage are occupied by women. There is a need to enable women to occupy jobs in higher positions.

In other sectors of the economy the lack of EE is evident. The common justification from companies for the lack of EE is that it is frequently difficult to find suitably skilled Black people. Hence the training and developing of people is fundamental to the success of Employment Equity through investing in skills development. The development of tourism in South Africa, skills will result in attaining competency levels that would enhance productivity and growth of the economy. It has been argued that the low percentage of Black people in tourism management positions mean that BEE policy is clearly moving slowly. There is also a perception that the private sector is not taking the issue of Employment Equity seriously. The BMF (2003) suggests two key areas that must be achieved. These areas include,

- (i) Monitoring compliance with Employment Equity and
- (ii) Training and developing people.

The BMF points out that the current monitoring mechanism by government has failed to meet BEE objectives. This kind of conclusion has serious implication for the development of Black entrepreneurship objectives of the state and metropolitan local authorities.

Aligning Employment Equity with the development of skills is essential to achieving the objectives of the National Skills Strategy. An effective mechanism to monitor the actual empowerment of individuals within the Black people should be established and efficiently monitored. Preferably, an independent institution could serve such a purpose. The Department of Trade and Industry makes provision for a labour inspection to check conditions under which employees work (BMF, 2003).

A labour inspector has authority to enter, question and inspect businesses as provided in the Basic Conditions of Employment Act. The labour inspector may request and obtain a written undertaking from a designated employer within a specified period. If the Inspector has reasonable grounds to believe that the employer has failed to comply with the Act or sections of the Act, a compliance order must be issued to a designated employer (BMF, 2003). The similar actions can be taken to monitor implementation of BEE and EE in tourism.

### **2.9.1 The Prohibition of Unfair Discrimination**

In terms of the Employment Equity Act of 1998, (Government Gazette, 1998) every employer must take steps in promoting employment equal opportunities in the workplace. This practice is believed to eliminating unfair discrimination in any employment policy or practice. The Act prohibits any form of discrimination on the grounds of, amongst other race, gender, disability, religion, HIV status, political opinion, culture and language. Taking Affirmative Action measures to exclude any person based on an inherent requirement of a job is consistent with the purpose of the Act. The Act prohibits any form of medical testing of employees including the testing for HIV. The

implementation of this Act is thought that it will promote Black economic empowerment [BEE] policies, which are meant to encourage Black entrepreneurial development within the study area.

To achieve compliance to the Employment Equity Act, so as to promote Black entrepreneurship, the business owners and employers are encouraged to: setting up an employee forum for consultation purposes; providing training to the forum; employment of a senior manager to drive the affirmative action process, defining roles and responsibilities; conducting the employment equity audits; and setting up an employment equity plan. This employment equity strategy is anticipated to assist the tourism industry to achieve Black entrepreneurial development.

### **2.9.2 Equity Employment Plans**

The Black economic empowerment [BEE] policies and Black entrepreneurial development were designed to ensure that suitably qualified individuals from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce. An employer must prepare and implement an employment equity plan, which will achieve reasonable progress in employment equity and Black economic empowerment (SAGG, 1998).

The plan must state among other issues, affirmative action and Black economic empowerment [BEE] policy measures to be implemented. The employer needs also to prepare a subsequent plan before the end of the term of its current employment equity plans. Employers need to submit reports to the Director-

General at designated times that, the Department of Trade and Industry has set for different employer groups (BMF, 2003).

## **2.10 TOURISM ENTREPRENEURSHIP OPPORTUNITIES**

In economic terms an 'entrepreneur' is a person who undertakes to search for business opportunities, bringing together various factors of production such as people, capital, raw material and technology, managing them to achieve desired results and profits (Bowler, 1995). In the context of this study entrepreneurship, refers to the people's ability to think creatively about the tourism business as well as to attempt to create new ideas in a tourism business or improve the existing types of tourism businesses. As such, Bowler (1995) lists three areas that indicate the importance of entrepreneurship in the economy as follows:

- Entrepreneurship can create job opportunities.
- Entrepreneurship initiates production process.
- Entrepreneurship generates wealth and better standard of living.

It has been observed that the study area has a large unemployment rate and it has been estimated that small businesses have a potential to create more jobs as compared to large companies. Entrepreneurs are responsible for producing goods and services. They combine labour, capital, technology, and raw materials in the production process. Because of this capability of small businesses, BEE chooses to focus on entrepreneur development, which stands to benefit the economy within the study area.

The Black economic empowerment [BEE] policy and objective, is to encourage change of attitude among Black people towards tourism entrepreneurship.

Black people, Africans in particular, are less likely to be entrepreneurs compared to their White counterparts (Entrepreneur South Africa, 2005). The difference is due to that Black people were deprived entrepreneurship opportunities and the probability of being located in the rural areas. The Black economic empowerment [BEE] policy and Black entrepreneurial development initiatives have potential to introduce Black people into the White dominated economic sectors such as tourism. Black economic empowerment [BEE] related entrepreneurship success lies in the capacity of the government to encourage all stakeholders to support Black people's participation in the Black entrepreneurial development initiative.

The Department of Trade and Industry (DTI) initiative encouraged the South African business sector to set targets for achievement of the BEE. Various business sectors including tourism have developed the BEE charters and scorecards. The tourism sector scorecards indicate the targeted BEE percentage to be achieved each year up to the year 2014. Accordingly, De Villiers (2005) acknowledges that current BEE scorecards have a potential ability to produce entrepreneurs, based on that, all scorecards make a provision for developing previously disadvantaged companies. This BEE business trend is likely to produce a number of Black people inventors of new tourism products. De Villiers (2005) further argues that the current BEE need to develop innovative skills, which are the key to a globally competitive and sustainable entrepreneurship activities.

This study acknowledges that there is a lack of entrepreneurial skills development among the Black population in South Africa and in the Greater Durban Metropolitan area, in particular. The lack of skills is considered as a

contributing factor towards the scanty BEE implementation, especially in the Greater Durban Metropolitan area. The tourism industry is believed to possess the ability to provide for tourism business skills through their learner ships programmes in order to benefit those Black people no longer in school learning age. The DTI skills development strategy makes a provision for every industry to have a skills development programme. The promotion of entrepreneurship and implementation of skills development will assist the Black people in the Greater Durban Metropolitan area, to acquire skills and necessary experience to operate within the tourism sector.

Entrepreneurs in the study area are exposed to opportunities but have not made adequate attempts to succeed in that initiative. In the Greater Durban Metropolitan area there seems to be ample entrepreneurship opportunities, but an enormous lack of active entrepreneur participation as well. Bowler (1995) believes that the shortage of Black entrepreneurship activity is caused by the following factors:

- Lack of contacts between upcoming and experienced entrepreneurs and that
- Black people lack knowledge about gathering of finance

According to Bowler (1995:13), the entrepreneur's business success depends on the ability to make contacts with 'centres of influence'. An entrepreneur needs people to help him/her to contact potential additional business. In support, David (1992) also mentioned that where indigenous entrepreneurs emerge, they often come from those with existing links to wider business community. White people in the South African tourism industry enjoy a significant amount of business as compared to their Black counterparts. Contact between Black and



White people, is not readily practiced so that it could encourage Black entrepreneurs to succeed in tourism business. The main reason is based on the on the apartheid history which racially divided the South African society. There is a need to increase the contacts between the Black and White businesses. Increasing the contacts is essential in order to enhance the proliferation of Black business in tourism.

It has been acknowledged that there are high costs involved in starting a tourism business in the study area. Moreover, the regulatory framework in South Africa limits chances of small business start-up and survival. The monopoly in tourism business sector makes the environment to be difficult for a small business to survive. In addition, the government bureaucracy increases the costs of starting and running an enterprise (Bowler, 1995). The financial barriers to entry can be considerable even in less capital-intensive segments of the industry. Association of South African Travel Agents (ASATA) pointed out, that travel agents must put up substantial financial guarantees before the International Association of Travel Agents (IATA) can license them. For many small agents this means bonding their own houses, putting Black South Africans who were denied past opportunities to own property at a disadvantage. The problem is exacerbated by the fact that the retail travel industry operates on extremely small margins of one to two percent, making it unattractive to many Black entrepreneurs (Spykes, 2002)

There is a promise of funding from business and other government funding bodies. The Development Bank of South Africa (DBSA) is one of such organisations. The DBSA is backing Black Economic Empowerment by funding organisations that encourage Black people entrance to the mainstream of the economy. The

bank provide for infrastructure and capital. The DBSA also acts as a catalyst for foreign investment in South Africa. The growth of tourism industry in KwaZulu-Natal and the availability of finance organisation are envisaged to play a vital role in providing essential assistance for Black people entrepreneurial activities (Lubbe 2003).

The White Paper on Tourism Development (DEAT, 1996) suggests the actions that can improve the rate of introduction of Black people into business. The Government could consider improving the access to finance by Black people through:

- Establishment of a dedicated tourism development fund.
- Ensure that the state makes funding to be accessible to the business community, emerging entrepreneurs, micro enterprises, sole traders, and informal sector.
- Ensure that the state creates a subsidised financing facility to accommodate the entry of the Black people in the industry.
- Ensure that technical assistance is provided to potential entrepreneurs.
- Encourage existing private enterprises to assist in guaranteeing loans of small enterprises to assist in guaranteeing loans of small entrepreneurs
- Encourage the reform of land holding and property rights to allow previously neglected groups to obtain collateral to facilitate loan acquisition.

Realisation of these factors can render business environment conducive to start a new small enterprises and BEE will find the fertile ground to broaden its base.

Elimination of problems of capital finance in the study area would contribute to acceleration of Broad-Based BEE. Aspirant entrepreneurs will be able to acquire and use as bond guarantee their land and set up enterprises based on business plans that are professionally developed. The improvement of the status quo cited above can only be achieved through skills development for Black entrepreneurs.

## **2.11 CHALLENGES IN TOURISM BUSINESS DEVELOPMENT**

The White Paper on Tourism Development (DEAT, 1996) mentions the following constraints towards tourism development:

- Limited integration of local communities and previously neglected groups into tourism
- Inadequate tourism education, training, and awareness.
- Lack of inclusive, effective national, provincial, and local structures for the development, management, and promotion of the tourism sector.
- Lack of information and awareness, lack of expertise and training, lack of interest on the part of existing establishments to build partnerships with local communities and suppliers.
- There is the concern from the Black people that tourism is white man's thing and not for them, tourism is perceived as catering to the predominantly white upper middle classes, not within reach of the previously neglected.
- The majority of South Africans have never been meaningfully exposed to tourism industry. Communities have reduced access to natural and cultural resources.

- Lack of knowledge and understanding of what tourism really is. There is a perception that tourism refers only to people travelling around and staying in hotels.
- Wider opportunities offered by tourism are not appreciated. Lack of training opportunities affectively limits participation in tourism industry.
- Lack of involvement, the majority have not been involved in planning, decision-making, investment, development or promotion of the industry. Inequalities and past abuse of power have led to the exploitation of local cultures and community groups
- Language barriers: English language is predominant in tourism communication, effectively excluding the majority of population where there are eleven official languages.

From the above factors, tourism education and training can be considered as the core of the solution towards involvement of the Black people in the tourism industry. The implementation of the Government's official language policy for eleven languages, can enhance access to information and better understanding of the reality of tourism by all races.

## **2.12 THE ROLE OF STAKEHOLDERS**

In tourism, stakeholders include: the public, tourism business associations, finance institution and the Government in facilitation of BEE implementation. These tourism stakeholders have a duty to implement BEE. The success of Black Economic Empowerment implementation depends on understanding that stakeholders complement each other.

### **2.12.1 The Role of Tourism Business**

According to Aylward and Lutz (2003:15) the private sector's share of the tourism industry is about 88% as compared to 11% of the share of the public sector. The private tourism businesses can use their share in the industry to influence BEE accomplishment. They are therefore expected to play major role in the BEE implementation. The tourism Business Council of South Africa (TBCSA) recognises various existing tourism associations at national and local municipal level. The majority of tourism associations support and play active role in Black economic empowerment. However, some of national tourism associations find it difficult to implement BEE, suggesting that the nature of their business is a limiting factor.

The smaller White owned tourism businesses may not afford to comply, as they still have to adapt with changing environment. The clear period of reference as stipulated on the tourism business charter and scorecard, give sufficient time for planning as advised by the DTL. It has been suggested that the Tourism Business Council of South Africa should consider developing a strategy to assist those businesses finding BEE implementation difficult because of their nature. Such strategy will work if business themselves are the part of the solution. Tourism businesses that cannot implement BEE should consider sharing expertise with the upcoming Black people owned ventures.

The Tourism Business Council of South Africa together with the affiliated tourism business associations should focus on the following matters:

- Formulation of the charter of empowerment and transformation in tourism industry.

- Participate in DEAT's transformation forum, promoting BEE
- Promote enterprise support, encouraging the development of appropriate tourism product.
- Marketing of South African tourism.

These matters of business focus need to place the BEE as the priority. New enterprise development has to ensure compliance with the BEE. Initiation of Black people tourism enterprises should be supported by existing marketing structures developed to market tourism in KwaZulu-Natal. The tourism business commitment to the transformation process is essential for fair distribution of available opportunities in the sector. This approach is necessary if the Black economic empowerment and the Black entrepreneurial development initiatives are to succeed in South Africa and more especially in the Greater Durban Metropolitan Area.

According to Spykes (2002), tourism businesses associations in South Africa have shown commitment to transformation. There is a particular interest in introducing affirmative procurement. Nevertheless, there are indications that these companies have some difficulty complying with BEE. Some of the complications faced by the tourism businesses include the following:

- The lack in empowerment procurement measurement.
- Smaller companies do not have procurement departments.
- Affirmative procurement entails establishing new information systems, modifying existing ones, or reorganising the company's procurement function.

These challenges demand further financial resources from tourism businesses that may not be available. Nevertheless, complications can be eliminated over a long period of time, through interaction between the business and the Government. The Government should look at supporting those businesses committed to transformation and implementation of the BEE.<sup>8</sup> The DTI should encourage all economic sectors to plan for BEE. The tourism sector planning for BEE should include a charter and the scorecard that is used to measure BEE progress overtime.

### **2.12.2 Charter of Empowerment**

The Department of Trade and Industry (DTI, 2004a) defines charters as the documents of a particular economic sector, which include specific guiding mechanisms to achieve BEE objectives in a comprehensive and appropriate manner, as well as measurement indicators and targets to the sector.

The transformation charter of the tourism private sector is a means towards enhancing black entrepreneurship in tourism business. The final outcome of tourism transformation charter will be the proliferation of black tourism business as more business engages Black people in entrepreneurship training. The Government and tourism business have a role to play in ensuring that Black entrepreneurs are made and there is transformation of the tourism industry.

The Department of Trade and Industry (DTI, 2004a) presented the following important background facts about the essential interaction between Government and private sector, as well as the nature of private sector Transformation Charters:

- Government recognises that its BEE strategy will not be effective without the support of the private sector. Partnership for the formulation and implementation of BEE program consists of government, the private sector, including trade unions and community-based organizations. These organized groups represent a key ingredient at different levels and in different sectors of the economy.
- A partnership is the structured collaboration between government and the private sector for the sustainable achievement of BEE. Government will actively seek the establishment of innovative partnerships with the private sector, built around the specific circumstances of different sectors and enterprises. The complexity of the different sectors requires a flexible approach that will allow each sector to determine the form and manner in which it contributes to BEE within the broad parameters legislated.
- Charters are an approach partnerships could assume. The charters would need to include mechanisms to achieve BEE objectives in their relationship. The Broad-based Black Economic Empowerment Act, no. 53 of 2003 provides for the formulation of transformation charters for particular sectors of the economy.

From the above facts, one learns that the government cannot unilaterally implement BEE; but has to form partnership with the private sector. Different sectors have different problems to be considered during BEE implementation. Diversity of tourism business means there is a need for modified approaches towards BEE implement, because each type of business is unique in nature. As one of the difficulties in implementing BEE, some tourism associations mentioned the nature of the tourism business. The role of the government is to



make it imperative for tourism sectors to ensure that a charter of empowerment is in place, as an indication of commitment towards BEE implementation.

### **2.12.3      Enterprise Empowerment Plans**

Empowerment plans entail formation of enterprise charters or economic empowerment plans. All tourism businesses are encouraged to develop their own enterprise charters or economic empowerment plans as part of their commitment to Black economic empowerment. The following are the expected contents of enterprise charter:

- An enterprise charter contains a detailed plan by the enterprise to achieve the objectives the BEE Act, the Strategy and the Codes of Good Practice.
- An Enterprise charter presents evidence of the voluntary commitment of an enterprise towards Black economic empowerment.
- An enterprise charter contains the generic scorecard.

The Tourism Business of South Africa (TBCSA) has already created a tourism charter of empowerment and a scorecard. Tourism scorecard indicates the percentage share of the Black ownership and the period for achieving this percentage. The assessment of the charters of BEE benefits is that they presently provide a significantly less achievement rate than generally expected.

The TBCSA on the 29th June 2001, communicated about the need for empowerment and transformation. The tourism industry made a commitment to work individually and collectively to ensure that the opportunities and benefits of the industry are extended to previously disadvantaged South Africans (Spykes, 2002). There is no significant indication that this commitment is adequately put in place in the Greater Durban Metropolitan Area where Black

economic empowerment and the Black entrepreneurial development are needed most. The history, culture, conferencing, and beauty of nature and beaches of the Greater Durban Metropolitan Area can attract tourists, thus enabling the local communities to benefit economically and achieve Black economic empowerment and the Black entrepreneurial development.

The tourism industry leaders and players made a pledge towards empowerment and transformation of the sector. However, promises are one thing and actual implementation of promises is another (Spykes, 2002). Commitment is based on a belief that BEE in the industry will greatly contribute to its growth and sustainability at company and at sector level. In signing the Charter, industry leaders committed themselves individually and collectively to develop and support initiatives in key areas identified and furthermore agree to participate in an industry wide reporting and information sharing process on progress made. The key areas of focus for empowerment plans are: business ownership, business development, management opportunities, and community development. The government and funding organisation encourages people to form cooperatives based on sound business plans. Loans are made available to cooperatives with a potential to sustain their business activities.

#### **2.12.4 Role of the Government**

The Government creates a suitable climate for empowerment to take place. Government is involved in four important areas, namely, legislation, training, marketing and also as the consumer. The government also acts as the legislator and regulator in tourism industry via legislation. The laws are laid to fast-track changes in ownership and procurement practice. The state is the large consumer

of tourism services. The state can choose to spend on empowerment tourism products and make regulation towards that effect (Spykes, 2002).

The Government supports training and skills development in tourism. The South African government facilitates the function of the Tourism, Hospitality, Education and Sport Training Authority (THETA), which focus on the development of the National Qualification Framework (NQF). The NQF focuses on increasing tourism capacity in services, hospitality, gambling, conservation, sports, recreation and leisure.

The government monitor and evaluate the proceeds of current empowerment programs. Identify progress and shortcomings and decide on alternatives. Loxton (2006) mentioned that the government acknowledges and utilise research findings and responded accordingly. The government from research findings identified that Black people lack to access to finance, too much red tape and persistence of unemployment among the woman and young people. The people who are affected form part of the second economy.

The government introduced a new empowerment strategy known as, the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The aim of ASGISA is to bridge the gap between the two economies existing in South Africa. These two economies comprised of the well off and privileged in the first economy and the poor, unemployed and marginalized in the second economy. Another character of the second economy is that needed to access funding (DEAT, 1998).

The National chamber of commerce is optimistic about ASGISA and that 100 000 new businesses per year can be established with availability of loan amounts between R10 000 and R250 000. The tourism industry is regarded as the priority and has potential to grow and contribute from 8 per cent to 12 percent and add up to 400 000 jobs by 2014. The current initiatives in tourism hope to benefit from implementation of ASGISA (Loxton, 2006).

With reference to neighbouring municipality areas, the generalised government mandates and initiatives, including the Black economic empowerment and Black entrepreneurship development initiatives, have been considered for implementation. The new employment equity plan was adopted setting realistic targets for achieving a broadly based entrepreneurial development scheme or policy. To achieve these targets it is essential that there should be training and development of councillors and officials associated with the tourism industry. Such municipal implementation strategies are trying to meet their 2010 tourism objectives. Without exception the Greater Durban Metropolitan Area has the same challenges to contend with as a municipality. It is through such mandates that the Black economic empowerment and the Black entrepreneurial development initiatives can be met [<http://www.durban.gov.za> (2006)].

In its hypothesis this research study views the participation of Black people in tourism business as significantly inadequate in the study area. Yet it is to be understood that the participation of Black people in the Black economic empowerment and the Black entrepreneurial development are essential. Presently the beneficiaries in tourism industry are hotels, resorts, transport companies and hospitality companies, where there are fewer Black people involvement and in control.

The Government's poverty alleviation programmes, including rural development programme, integrated security programmes and extended public works programmes and job creation, have appealed for partnerships with business and community based organisations. This cooperation could lead to a more effectively managed Black tourism entrepreneurship initiative, which would benefit the previously disadvantaged community. Community participation in decision-making is paramount in ensuring the acceptability of tourism goals, and this is a universally accepted strategy (Wahab, 2000). According to Cowan, et al, (2003) there are various strategies being pursued in South Africa, which seek to ensure socio-economic redress and compensation in South Africa. Some of these include: initiation of community-based enterprises; active participation in tourism development; empowerment of community structures and community involvement in planning, implementation and management (DEAT, 2006).

## **2.13 CURRENT VIEWPOINTS BY BEE VISIONARIES**

There is a general perception among the young, up-and-coming, Black potential entrepreneurs that the BEE initiative is not going very well. A significant number of business people and writers (Bain, 2006; Lediga, 2006; Mabotja, 2006; Monama, 2006; Ryan, 2006, Sikhakhane, 2006, Jack, 2008; Milazi 2008) argue at various levels that if BEE is to thrive and be sustained, then the government and the private sector have to play a more meaningful role in this initiative.

According to Lediga (2006) notwithstanding that there has been some progress in the participation of Black people in the South African economy, the process has been fraught with some major shortcomings. The shortcomings include the following:

- That there has been a deluge of empowerment deals worth billions of rand, which are not necessarily covering broad-based BEE character.
- There are many senior Black people that are in non-executive directorships, yet there are very few executive directors. The non executive directors are really not involved in the day-to-day running of the business.
- That the main issue is that Black talent is focused on deal-making in already existing companies, rather than Blacks engaging in starting and building their own enterprises.
- That if Black people are to be permanently integrated into the economy, they should be building business for themselves and their future.
- The immense potential of procurement to grow Black business has been seriously undermined by 'fronting': the practice of Blacks acquiring business for White companies, pretending to part of the ownership of that White company.
- Access to skills is a major predicament for the Black economic empowerment and the Black entrepreneurial development initiatives. There is a need to continually improve the managerial skills of entrepreneurs, especially in collaboration with universities.

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In summing up what Lediga (2006:10) has to say about the general problem of BEE policy implementation and its attempt at initiating Black entrepreneurial

development South Africa, is that the BEE charter has shortcomings. He argues (2006:10):

The problem with this is that Blacks are given fish and are not taught how to fish. Empowerment should not happen at the expense of entrepreneurship. We need to ensure that Black operational entrepreneurs play a more meaningful, visible and exalted role.

Other viewpoints from BEE participants with intent to improve Black economic empowerment and Black entrepreneurial development include those from (Bain 2006; Mabotja 2006; Monama 2006; Ryan 2006, Sikhakhane 2006; Milazi 2008), who argue that:

- The empowerment policy is an experiential or learning process – it is evolving based on these tensions. There is no real model anywhere else in the world we can take from. South Africa has continually improved on the existing model in order to achieve ultimate success in several decades (Ryan, 2006)
- The reason the current BEE state of mind is disappointing is that there was hope that BEE forerunners would become role models for the Black youth, showing them that given the opportunity, Black people are as capable as any other group to make it in the business world (Sikhakhane, 2006).
- Based on these shortcomings Black entrepreneurs are inhibited by the following: lack of capital or funding to purchase a stake in existing business; scarcity of start-up capital for your own business; lack of managerial experience to creating own wealth; over-dependence of



government hand-outs to initiate Black entrepreneurial development (Sikhakhane, 2006).

- If empowerment has to be successful and sustained in South Africa, companies need to find imaginative ways to find empowered suppliers to meet procurement aims. These aims have to be in sink with DTI's scorecard which provides 20 points for procurement from BEE enterprises (Ryna, 2006).
- Superior contributors to BEE are companies that display internally a positive commitment to all seven empowerment indicators of the broad-based BEE score card. These include: equity ownership, management and control, employment equity, skills development, preferential procurement, enterprise development and residual factors (corporate social responsibility), (Monama, 2006).
- Empowerment is about choosing White partners very carefully. Empowerment should not be regarded as easy money. It is not selling of a Black skin, but selling of Black brain. Empowerment is a means to an end and not an end in itself (Zungu cited by Bain, 2006)

All these current view points cited by BEE visionaries and commentators suggest that the implementation of a viable and sustainable Black economic empowerment [BEE] policy and Black entrepreneurial development initiatives, need to be considered in relation to the pointers given above. The words of Mandela during the presidential address of his inauguration are pertinent in this regard (Sikhakhane, 2006: 16):

The task at hand will not be easy. But you have mandated us to change South Africa from a country in which the majority lived with little hope, to one in which they can live

and work with dignity, with a sense of self-esteem and confidence in the future.

## **2.14 CONCLUSION**

The BEE policy clearly raises both hopes and concerns among South Africans. The debates are going on about the effectiveness of BEE intentions. The economic transformation and BEE are relatively new, still undergoing implementation phase. In Tourism, the policy implementation is regarded as a very slow process, and as such may not bear fruits as soon as expected. The department of Trade and Industry formulated procedures for formation of charters committing sector stakeholders towards economic transformation. Tourism transformation charter commits tourism business to transformation and the broad-based BEE. However there is concern over who benefits from the BEE.

There is the question whether BEE can really be broad-based in the capitalistic society (Qunta, 2004). There is the concern over the procurement consultants and advisors who are predominantly White who, according to Lalu (2004) stand in the way of the introduction of Black in Economic Empowerment activities. Ending corruption is considered as a one of government's challenges. Apart from the problems of capacity among Black people as the hindrance to enter into BEE deals, the access to finance is another obstacle. Lack of entrepreneur culture and stringent requirements to access funds, interfere with Black peoples entrance to main tourism economic activities.

## **CHAPTER 3**

### **THE PHYSICAL SETTING OF THE STUDY**

#### **3.1 INTRODUCTION**

The previous chapter discussed the theoretical background related to the need to support Black people's participation in Black economic empowerment [BEE] policies, which are meant to encourage Black entrepreneurial development in the tourism industry in the Greater Durban Metropolitan area [GDMA]. The study area largely regarded as the playing field and entertainment world of South Africa, yet on the other hand it is predominantly characterised by inequalities and imbalances of economic opportunities for the various communities in the study area. The Greater Durban Metropolitan area has a great potential for tourism, due to a wide variety of recreation facilities, such as natural beaches, hotels, sports and conferencing facilities. The researcher therefore feels a need to describe the physical setting of the study area as it forms the springboard for tourism entrepreneurial development in the area.

Durban has made tremendous effort in attracting visitors to see their natural resources, wildlife, scenery, landscape, the beaches, the aquarium and so forth. This chapter investigates what has made Durban thrive in attracting its tourists as well as what are the levels of participation in Black economic empowerment [BEE] policies and Black entrepreneurial development initiatives. Also, the sites, objects and monuments that are the attraction in the study area are investigated.

Information regarding this investigation is collected from many authorities who have written about the current history of the Durban Metropolitan area, and its future, particularly, in the heritage and cultural tourism.

There are common characteristics identifiable about most tourism features which attract people in the study area. For example, Mwandla (2002) points out that for both inland dwellers and those who live at the seaside there is a set of images or variations that are temptations for everyone to spend a day on the beach from time to time. This set of images may include the carefree, clear, calm, sunny days of bright blue skies. It is however, important to note that all beaches have their own unique features that make them attractive or centres of recreation. Normally, the physical setting as well as recreation activities and facilities provided in the city and surrounding entice visitors.

### **3.2 HISTORICAL OVERVIEW**

The province of KwaZulu-Natal has a history filled with romance and adventure. It was first sighted by Vasco da Gama in 1497, on Christmas Day, and he named it Port Natal. KwaZulu-Natal is a province with probably the greatest diversity of scenery, variety of resorts, of people and cultures, than any other province in South Africa. The extraordinary scenic diversity encompasses wilderness, sandy beaches, the soaring mountain peaks of the Drakensberg, and the farmlands, towns and the hills of the Midlands.

The Durban Metropolitan Area (DMA) has a long history of human settlement. It is home to three major cultural groupings - Africans, European and Indians, each with its own rich heritage and traditions. The city is a melting-pot of cultural

diversity resulting in a rich cosmopolitan society. These influences have led to a myriad of different architectural and artistic styles as well as cultural and religious diversity including Christians, Hindu, Islam and African traditionalist followers [<http://www.durban.gov.za> (2007)].

It is this diversity that draws millions of tourists into the DMA. Culturally, tourists find cultural resources such as cultural villages; and the religious diversity of the Durban Metropolitan Area is also another attraction. Tourists are keen on viewing religious sites such as old churches, mosque, and other religious traditions with different norms, beliefs and values. It is in the context of all these attractions and the people that participate in them that the policies of the Black economic empowerment [BEE] and Black entrepreneurial development in tourism should be encouraged in the Greater Durban Metropolitan Area.

### **3.3 GEOGRAPHICAL LOCATION**

It is the purpose of this chapter to give a clear location of the study area in a way that will put this study into a physical context. Geographically, the study area is on the continent of Africa, in the country of South Africa and located in the Province of KwaZulu-Natal. The main study area is to be found in the City of Durban and its surrounding urban areas and townships, jointly know as the Greater Durban Metropolitan Area. The greater DMA is the core of various tourism attractions. For example, most heritage attractions that are found in the vicinity of the Durban Metropolitan Area are located at the central part of Durban. Others may argue that this helps tourists to have access to sites and the Durban Central is also a relatively a crime free area as there are many police officers around the attraction sites [Refer to Figure 3.1]



### **3.3.1 The City of Durban**

Many things can be said about the City of Durban. To some people the name of this city is more popular or better known than the name of the province. It is important to understand certain aspects of the city. Durban Metro is the backbone of economic balance and capability in KwaZulu-Natal. It has attracted investments from Southern Africa and a multitude of overseas countries. Durban and surrounds generates revenue from both tourism and investment. It has launched vision 2015 as a programme for gaining international recognition in both sectors. Durban remains one of the two gateways to Southern Africa. The City has been at the cutting edge of trade and tourism from its inception (Mlaba, 2001).

### **3.3.2 Population**

In the Greater Durban Metropolitan Area, population figures total 3,5 million as of 2004. Diverse ethnic groups make for a unique combination of cultures in this truly cosmopolitan city. The groups consist of the Zulu Nation, (a prominent African tribe) with the white population including a majority of persons of English descent as well as substantial numbers of Afrikaans speaking people, while there is also a significant number of people of Indian extraction (UNISA, 2000). Of the eleven official languages of the country, Zulu, English and Afrikaans predominate in KwaZulu-Natal and in the City of Durban in particular.

## **3.4 CLIMATIC CONDITIONS**

It is important to explore the climatic conditions of the Greater Durban Metropolitan Area solely because the tourists are fundamentally drawn to area because of the relatively more favourable climatic regime. Anything that has to

do with the warm Mozambique current and the coast, in one way or another, has to account for the moderate temperatures, rainfall or climatic conditions in general. Tourism Durban (later Durban Africa) (1996:04) points out that Durban enjoys an idyllic subtropical climate that is fairly constant all year round, while inland areas are more temperate. Humidity levels can be high at certain times of the year. Towards the Midlands area, snow often covers the mountain heights with many towns lying in a thick mist belt.

The Greater Durban Metropolitan Area is to be found in a subtropical climatic region with summer rainfalls and within the seaboard areas receiving approximately 1,300 mm of rainfall per annum. The inland hills away from the Greater Durban Metropolitan Area receive more rainfall. During the summer months the coastal areas are generally oppressively hot and very humid. During winter the climate is relatively mild in the Greater Durban Metropolitan Area. Snow occasionally falls on the Drakensberg mountain range. Winter is perceived to be the best time to visit the coastal areas and game reserves.

Furthermore, Tourism Durban (1996:03) reveals that the average winter temperature is about eighteen degrees Celsius, making for prime holiday weather, as winter months are mostly balmy. Swimming can be enjoyed all year, as the warm waters of the Indian Ocean ensure that the temperatures rarely fall below seventeen degrees Celsius. That is also why there is concern about the sustainability of recreation resources on the Durban South Beach because visitors flock there throughout the year. The influx of visitors is encouraged by the climatic conditions which are suitable to people enjoy the beach at any time of the year. An examination of the physical setting of the actual study area follows below.



The study area, Durban Metropolitan Area and its surroundings, enjoys a subtropical climate. The warm Mozambique current has a significant influence on the climate of the Durban Metropolitan Area as it is situated on the East-coast of South Africa. In this way the study area enjoys warm summers and cool winters. This friendly climate is one of the area's strength, making the area to be more attractive to both domestic and international tourists.

Furthermore, the climate in the study area has always drawn floods of tourists as the Mozambique current keeps the area warm in winter. The cool winter temperatures make the area to be popular with tourists all year round. Summer is even more tempting as the beaches attract millions of tourists in the study area. Christmas holidays and school holidays are always characterised by an increase in the number of domestic tourists as they want to visit Durban, especially the beaches.

### **3.5 TOURISM INFRASTRUCTURE**

All forms of physical construction required by an inhabited area in communication with the outside world, which supports and make economic development possible, are regarded as tourism infrastructure. It involved roads and railways, harbours and airports, as well as public utility services. The tourism infrastructure can be regarded as a set of attractions and amenities that are geared to the satisfaction of the needs of a tourist. Tourism infrastructure includes accommodation, communications, transport, recreation facilities, roads, restaurants and souvenir shops (Mwandla, 1998 ).

McIntosh *et al* (2000) believes that a tourist is often more attracted by a facility designed in conformance with local architecture as a part of the local landscape than a modernistic hotel that might be found at home.

### **3.5.1 Roads**

The conditions of the roads in and around the Durban Metropolitan Area are excellent for tourism. The municipality maintains the roads in good order. The huge chunks of annual budget are spent on the construction and maintenance of streets as well as on kerbs, sidewalks and pedestrian walkways and lay-bys. Most of the attractions are accessible through tarred roads. Traffic police are a common sight, which reduces road accidents and bad driving. There are traffic lights (robots) in all major and busy intersections of the roads. However, it must be mentioned that the freeway from the Durban International Airport needs urgent attention. There are many potholes in this area and this has caused numerous road accidents to local people who normally travel to and from the city centre of Durban.

### **3.5.2 Air Transport**

The Durban Metropolitan Area has a fully equipped International Airport. The airport is situated to the south of Durban and offers car hire, air freight handling and tourist information facilities. The Durban airport can be regarded as one of the major access or entrance ports into the City of Durban.

The Airports Company of South Africa (ACSA) recognises and fully accepts responsibility of being South Africa's image bearer to millions of people visiting South Africa. It operates a network of airports and modernizes and improves their service levels. It plays a crucial role of job creation and economic

development in that businesses operating within its airport network generate sizable revenue-ACSA Review 2004.

### **3.5.3 Sea Transport**

The major purpose for the sea transport is to transport ship cargo exported or imported from other countries. However, there are occasional visits of the port of Durban by sea cruise liners. The small craft harbour provides small boats and powerboats for tourists who like water sport and to general public for recreation purposes at an affordable fee.

### **3.5.4 Accommodation**

Accommodation is an important part of tourism because the type of accommodation, the services provided and the price can influence people's choices about where to travel. Accommodation is also an important aspect of every tourist's budget and planning. It is important in that the kind of accommodation fulfils the tourist's needs and fits within the budget. It is important for the accommodation sector to be aware of the changing needs of the tourists.

Accommodation is regarded as one of the oldest components of tourism. The study area, Durban Metropolitan Area, boasts with its different types of accommodation facilities. In the Durban Metropolitan Area there are hotels, bed and breakfast facilities, guest houses, self catering facilities, youth hostels, caravans and tents at camp sites (for camping). All sorts of tourists are accommodated ranging from those who seek a tranquil natural experience to those favouring the boisterous urban lifestyle.

### **3.5.5 The Hospitality Environment**

The term *hospitality* is used in this instance to refer to the courtesy given to tourists by the local community. There is a good rapport between tourists and the local community. Even though crime is prevalent in the area, there are no serious cases that have been reported against the tourists.

Crime and grime are the main issues being tackled by the inner Thekwini Renewal and Management Programme (iTRUMP) in the Durban area. This has been further enhanced by joint working between the city and the private sector in what is known as the Golden Triangle- The areas between uShaka Island, the ICC and the Suncoast Casino- where priorities include improved security enforcement, urban upgrades, transport enhancements and site development. There is need to empower the previously disadvantaged communities to participate in the tourism entrepreneurial development initiative.

The upturn in investment in the Durban CBD area stems from a commitment by council to turn around the core commercial hub in KwaZulu-Natal. Steps included the establishment of the iTRUMP initiative with a focus on the CBD area and the tabling of a series of strategic projects with Durban Growth Coalition- a public private partnership body tasked with removing obstacles to the growth of the Durban economy. But the recent spate of resurgent criminal activities in the Country has also affected the city of Durban. For example case of an exchange student raped at the beachfront in late 2006.

### **3.5.6 Communication and Tourist Information Centres**

Tourist information centres are important in informing the tourist about the area they are visiting, including accommodation, attractions and wide range of other

tourist needs. A tourist information centre offers information about tourist/visitor attractions, facilities and services, and sometimes also offering such services as accommodation reservations. The Durban Metropolitan Area has a well equipped tourist information centre. The tourist information office about Durban Metropolitan Area is located at the Tourist Junction, central part of Durban. It is accessible and convenient for tourists and local residents. This office provides information about Zululand as a whole [<http://www.durban.gov.za> (2007)].

The area also has good telephone and cellular networks with good reception even to international calls. Public phones are found everywhere. Telkom has telephone booths in all tourist attractions in the area, even inside hotels and other places of accommodation.

The flow of information is more important nowadays and it includes features like Internet Café, communication centres which offers fax facilities and telephones (local and international). The tourists visiting Durban Metropolitan Area and surrounding destinations in northern KwaZulu-Natal, need to be in touch with the world. This is more so because some of these tourists are business people who visit the Durban Metropolitan Area. These business people need to communicate with their business partners in their places of origin. The good communication network offered by the Durban Metropolitan Area makes it easier for the business people to communicate. The ease with which communication occurs is pivotal for tourism development in the region since investors can communicate at any time using the state of the art communication networks [<http://www.durban.gov.za> (2007)].

### **3.5.7 The Durban City Hall**

The City Hall was established in 1910. The style is Edwardian neo-baroque and the building houses a museum, art gallery, library and municipal offices (Johnston, 1998). For the historian the main source of interest is the interior design of the City Hall. The designs in the inside have retained much of the classical designs with slight modifications on gallery furniture mainly regarding seats and carpeting. The City Hall is used both for official mayoral and respectable public functions such as graduations ceremonies, special weddings and funerals, conferences and congresses, musical events such as choral, instrumental, classical and traditional music. Recently the hall has also been used for workshops, political, community occasions and other services for the public are also catered for [<http://www.durban.gov.za>, (2007)].

Residents of the Durban Metropolitan Area are aware of this site as just an ordinary site, and not a type of attraction that boosts their standard of living. As argued elsewhere (Johnston, 1998) the Durban City Hall has retained its Edwardian neo-baroque architecture, notwithstanding the modern or newly established flora in the form of tropical palm trees and concrete trash bins [<http://www.durban.gov.za>, (2007)]. These are a deviation from the classical architecture, which have to be appreciated if the Black economic empowerment and Black entrepreneurial development are to make progress in the tourism industry in the Greater Durban Metropolitan Area.

### **3.5.8 The Durban Beach Environment**

One may fervently argue that the beach environment is an important natural and human-modified facility that lures a significant number of people to it. Some visitors enjoy swimming at the beach while others feel comfortable lying on the

sand just next to the ocean. A positive attribute of the beach is that those who cannot swim can enjoy jumping over the waves or running away when the next wave approaches. Other than swimming at the beach, it is also used for surfing and fishing. In contrast to other places, such as the Eastern Cape beach, the Durban beaches, are not hemmed in by steep slopes but have a very open atmosphere and has pleasant scenery. These Durban beaches are part of the famous six kilometres long 'Golden Mile' consisting of numerous beaches, each with its own charm and unique character (Tourism Durban, 1998).

To many visitors to the Greater Durban Metropolitan Area, the beach commands most attention. But then a visitor has to decide on the beach to be visited. Durban has a number of beaches namely Addington, South, North, Battery, Oasis, Thekwini or Laguna and Blue Lagoon Beach. Different reasons could be attributed to the decision taken by the visitor as to which beach is used and perceived more favourably. Among the important factors considered is the availability of recreation activities and services provided along a particular beach. The central Thekwini Beach and South Beach with UShaka Marine, are said to be one of the most picturesque beaches in Durban, boasting diverse recreation facilities and activities. It has been argued that these are a continuum of beaches, with notable recreation facilities and activities. The natural or human-made changes necessitate that these recreation facilities and activities are constantly examined. The following section of the study we explore facilities and activities provided along this beach (Tourism Durban, 1998:36).

### **3.5.9 The uShaka Marine Project**

The uShaka Island is Durban's multi-million rand waterfront investment and part of the city's long-term economic strategy that is aimed at injecting,

rejuvenating and unlocking development potential. To cite the city's long-term economic strategy for Durban includes an ethos of non-racialism and non-sexism. Part of the bigger plan is to meet basic needs thus unwinding apartheid legacy, strengthen the economy and build skills and technology by creating new and investing in the future [[www.themeit.com/thea2004/crushaka.pdf](http://www.themeit.com/thea2004/crushaka.pdf), (2007)].

UShaka Island was opened in 2004 and costing an estimated R700 million it is hoped that it will yield spin-off of around R2 billion in private sector investment in the longer term. The Marine Park project has been identified as a strategic intervention to enhance tourism products of Durban and helping to sustain and grow this sector of the local economy. The construction of the Marine Park itself created around 36 000 construction jobs and envisaged R600 million capital expenditure. It had a strong leverage effect on the wider Point area with the rising property values and increased rates revenue for the Durban Metro Council. This translated into the re-energised property market of Durban's wider beachfront areas, which it is estimated that they generate 7.75% of the total property taxes from Durban's 36 nodes [[www.themeit.com/thea2004/crushaka.pdf](http://www.themeit.com/thea2004/crushaka.pdf), (2007)].

International observations made in respect of the role of several similar developments in re-energising their adjacent CBD areas, one could suggest if the accelerated redevelopment of the Point protected just 5% of the beach area's rates income, and 2,5% of the back of beach area CBD rates income, this would amount to savings of R13, 5 million each year in rates income or some R135 million per annum over 10 years.



The uShaka Island is partly about capitalising and expanding upon a proven record. It is not about a major Waterworld/Aquarium, but it is about using these projects to stimulate a wider Point waterfront redevelopment pattern. According to cost benefit analysis report undertaken by the eThekweni Municipality and Development Bank of Southern Africa, there are three major advantages of the land.

The report spelt out these as it's proximity to Durban's CBD, it will promote spatial efficiency by bringing job opportunities close to the nearby residential areas and lastly that the land is held by one or two owners. The report said over a period of 30 years aggregated financial results revealed the project as a whole is a viable with Internal Rate of Return of 12,86% and a Net Present Value of R314, 3 million at a discount rate of 10%. The report argued that the positive economic results indicated that this project would make a significant contribution to the local economy. The impact of tourism, the report says as the primary tourist attraction it will become the *raison d'être* for people to visit the area for education, entertainment, fantasy, adventure, research, conservation, business functions and events, shopping, leisure and recreation.

International experts have projected that hundreds of thousands of tourists could be expected to visit these areas and in combination with local visitors to ensure financial sustainability. A truly business-like approach to the running of uShaka Island will be what best ensures its ultimate development returns in the wider redevelopment of the Point Area in Durban. The Project also gives support to other "quality of life" objectives of the Long Term Framework Plan (LTDFP) which include:

- Leisure opportunities: the Marine Park is planned to provide world class leisure and entertainment opportunities
- Strong sense of belonging and civic pride: The Marine Park aspires to be icon” development which the citizens of Durban can be truly proud of.

### **3.6 THE TOURISM BASED ECONOMY**

KwaZulu-Natal does not have extensive mineral resources, however, coal is the principal mineral mined with about 10 million tonnes being extracted annually from the northern fields round Dundee, Glencoe and Vryheid. The Greater Durban Metropolitan Area does not only survive with the production of coal. The tourism industry has contributed greatly in the GDP of this city. There are millions of jobs that are created by this industry. Recently, KwaZulu-Natal has been on top list in the tourism sector against other provinces.

Durban also has the biggest and busiest harbour on the African continent and it ranks ninth in the world. As mentioned above, the tourism industry has contributed greatly in this city, with the coastal areas being overwhelmed by up-country visitors during the hot December periods and the mid-winter school holidays. There are over 2 millions tourists who visit Durban annually.

#### **3.6.1 Marketing and Branding**

Durban Africa, the marketing arm of this city, began in 1985 to brand Durban as a cultural capital city. This stemmed from tripartite heritage of the city and KwaZulu-Natal is represented by the Zulu, Indian and Western cultures. The marketing team also capitalized on the city’s cultural attractions including museums, theatres, historic sites, dance, festivals and so forth <http://www.durban.gov.za> [2007]. The city’s cultural diversity has made

tourism bloom. All the three different cultures practice and perform their respective cultures for the benefit of the tourists and that of the local community.

Durban has been defined as a thriving metropolis, which to the British, is known as Durban after Sir Benjamin Durban. The new name EtheKwini means “the place where the earth and ocean meet” to the Zulus people, It is also called ‘Banana City’ to the irreverent, and the “city where the fun never sets” to its marketing Department. (KwaZulu Natal Tourism Authority, 2001). Durban is a home for a diverse cosmopolitan population; Asians, Africans, Europeans - each ethnic group has contributed to the development of the city, and its character is a combination of many cultural influences.

### **3.6.2 Domestic tourism market**

In terms of the study undertaken by KwaZulu-Natal, approximately thirty-two percent (32%) of all domestic tourists that visited KwaZulu-Natal in year 2000, in a typical four-month period, visited the Durban beachfront, according to a study by the KwaZulu-Natal Tourism Authority (KZNTA, 2003). Domestic tourists who make use of the Durban beachfront tend to be residents of KwaZulu-Natal (35%) or Gauteng (36%) KZNTA (2000). However, tourists from Free-State and Northern Cape are also important Durban beachfront markets. Given below is a graph that depicts the Durban beachfront domestic market comparing two years.

### **3.6.3 International market**

The analysis reveals that the destination visited by most international visitors Durban is the beachfront. While visitors come for different purposes to Durban, thirty six percent (36%) visit the Durban beachfront. According to the

KwaZulu-Natal Tourism Authority (KZNTA 2000), the international source markets for the Durban beachfront are as follows: United Kingdom; Germany; United States of America; France and Netherlands. The latter information suggests that part of the active touristic recreation patterns are to be found in the Greater Durban Metropolitan Area. In view of the international market on the beachfront, we learn that the study area plays a vital role in the tourism industry. As a result it becomes necessary to research if these facilities and visitors to the study area have an impact, reinforce or support some of the already existing Black economic empowerment [BEE] policies as well as Black entrepreneurial development in the tourism industry.

#### **3.6.4 Empowerment initiatives**

The long-term empowerment initiatives aimed at encouraging young entrepreneurs to become part of the future business sector of Durban, have yet to receive some economic stimulus. As the empowerment plan is rigorous and specific, this is done in quest to ensure there is transparent participation by previously disadvantaged people. Durban Unicity has put in place an Empowerment Review Panel to oversee the implementation of empowerment and procurement in the Ushaka Island project. This panel looks at issues like job sustainability, skills transfer and training, capacity building and local economic development. The minimum requirement is that there will be at least 30% participation by previously disadvantaged groups. The Unicity's economic development department has provided back-up support to the empowerment programme. The programme is not only about the awarding of contracts to the previously disadvantaged people, but aimed at the long term benefits to the city as a whole.

The Ethekwini's Economic Development and Planning Department and Thekwini Business Development Centre (TBDC) are members of the Empowerment Committee of Ushaka Island. The Committee works closely with the Department of Labour to come on board with funding for basic skills training and Umsobomvu Youth Fund which is targeting the training and employment of youth especially in the establishment of business that can be franchised in this development.

The Department of Public Works is engaged on the training of emerging contractors, which will assist newly skilled men and women in establishing themselves as businesses. A variety of experts and professionals are needed to form their own companies that will provide work for projects like uShaka Island and even compete with traditionally established White companies. This is to be complemented by a developed facility to train people about skills development, that are going to use the facility.

Preference is given to companies based in Durban. Mechanisms to ensure that where overseas skills have been utilised, this investment becomes a catalyst that allows a transfer of skills to local professionals. Empowerment opportunities are generated within the private-public partnerships, the provision of bursaries, skill development and training programmes for operational staff, outsourcing of support service operations and procuring of goods from suppliers. This empowerment is not intended to be a once-off enhancement programme but rather a long-term practice, as argued by Cyril Gwala, the Deputy Project Director of uShaka Island Marine Theme Park Development [<http://www.durban.co.za/factfile>. (2007)].

Today the area within which the Point precinct falls is a hub of investment opportunity and development with capital projects underway or completed value at over R4 billion. These projects include uShaka Island , the container terminal expansion (NPA), Wilson's Wharf, the phase 1 expansion of the ICC, the Suncoast Casino, Victoria Embankment upgrade and the Bluff View site development. Within the greater inner city area opportunities abound for investors seeking to develop or upgrade residential units (all income brackets) and retail facilities (all LSMs) Opportunities include construction and upgrading of commercial offices, hospitality investment (especially in waterfront areas) and also beach and inner city zones, hotels in the Point precinct adjacent to the ICC and on development sites along the Golden Mile, such as the Pavilion site. The expansion of ICC ensures a steady increase of tourists both domestic and international.

As Durban remains South Africa's premier domestic tourism destination and with the expected increase in tourism there will be facility expansions with new markets to be tapped. Appropriate expansion of the housing segment in the inner city also presents the opportunity to have a captive market of young, relatively affluent adults in close proximity , providing a reservoir of opportunity for entrepreneurs.

### **3.7 CONCLUSION**

This chapter has attempted to describe the physical setting and provided information regarding the infrastructure available in the Greater Durban Metropolitan Area. This infrastructure is believed to play a role in the Black economic empowerment [BEE] policies, which are meant to encourage Black

entrepreneurial development in the tourism industry in South Africa, and more specifically in the Greater Durban Metropolitan Area. An exposition of the study area has been made clear. The Metropolitan City of Durban is identified as the core of the study area, which dominates the surrounding areas. A historical record of the tourist attractions, facilities and activities as well as the infrastructure, have been explored. Finally, the chapter can be seen as establishing a basis upon which it would be possible to see if the role and impact of the Black economic empowerment [BEE] policies and Black entrepreneurial development initiatives can be assessed.

One of the fundamental objectives of the study is to establish the levels of Black entrepreneurial participation in the tourism industry within the study area, as well as to investigate whether the BEE policy contributes towards tourism entrepreneurship within the Durban Metropolitan Area. It is therefore the role of this chapter to place into context some of the physical features, and infrastructural provision which make the study area to be a tourist attraction that it is.

## **CHAPTER 4**

### **ANALYSIS AND INTERPRETATION OF DATA**

#### **4.1 INTRODUCTION**

In the context of the subject at hand, on Black entrepreneurial development opportunities, the previous two chapters have systematically dealt with the theoretical and semi-empirical aspects of the research inquiry. These have included the theoretical framework of the study and the physical setting and programme characteristics of the study. At this juncture it is important to note that the analysis of data does not in itself provide answers to research questions, but interpretation of data does go a long way towards providing a clearer picture. "Essentially, interpretation converts the results of analysis and make inferences about the various sections of research design" (Magi 2005: 99). This chapter contains a breakdown, ordering and summarising of data so as to get answers to the research questions. The main purpose of this section is, therefore, to reduce data into an intelligible and interpretable form (Magi, 2005). In this study tabled data was cut down into its constituent parts, connections were made between the concepts, and the basis for new descriptions was provided.

The creation of frequency tables, cross-tabulations, as well as bar graphs was based on the responses acquired from questionnaires. Based on these statistical measures the interpretations and descriptions were made. Gray (2004: 327) suggests that "descriptions can lay the bases for analysis, but we need to go beyond description, we want to interpret, to understand and



explain". Understanding of the statistical values assists in either accepting or rejecting the research hypothesis. Therefore through the analysis of data the new insight was gained and the objectives of the study were achieved. In essence, this chapter seeks to look at the objectives and hypotheses of the study postulated earlier and see if it could come up with answers, relating to the state of Black entrepreneurial development opportunities in the study area.

## **4.2 RESTATEMENT OF OBJECTIVES AND HYPOTHESES**

It should be recognised that the objectives and hypotheses of this study sought to serve as guidelines to what is to be analysed and interpreted, as well as addressing the research question. It should further be understood that the research objectives refer to what the researcher wants to achieve at the end of the research study, and hypotheses provide some estimated outcomes. As presented below, each objective has a matching hypothesis. Both the objectives and the related hypotheses give guidance towards a coherent data interpretation and analysis procedure. Therefore, objectives and hypotheses are restated in this chapter in order to refresh the reader and have a guided data analysis. The study objectives and hypotheses are stated as follows.

Objective 1: To reveal the extent of Black people's awareness of tourism entrepreneurial opportunities associated with the study area.

Hypothesis 1: That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area.

- Objective 2: To establish the levels of stakeholder participation in the tourism entrepreneurial initiatives within the study area.
- Hypothesis 2: That Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area.
- Objective 3: To investigate whether the BEE policy contributes towards tourism entrepreneurship within the Durban Metropolitan Area.
- Hypothesis 3: That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area.
- Objective 4: To identify appropriate competitive strategies that can be widely applied in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.
- Hypothesis 4: That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.
- Objective 5: To propose a strategic management model that can be used as a blue print by entrepreneurs in the tourism industry.
- Hypothesis 5: That there is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area.

In an attempt to achieve the abovementioned objectives and related hypotheses a questionnaire was distributed to various stakeholders as described in chapter one: the community, public, tourism and government officials as well as entrepreneurs. What followed was the analysis and interpretation of data gathered from 178 respondents in the study area. The information gathered is, therefore, presented in tables and graphs as it emerged from the responses of subjects. The interpretation process has tried to give justification for the analytic findings of data.

#### **4.3 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

The stakeholders from whom data was collected consisted of various categories and emerged from various areas of the Greater Durban Metropolitan Area. The respondents varied in terms of, age, gender, education, marital status [see Table 4.1]. In addition, socio-demographic variables such as education qualifications, occupation and income status are dealt with in Table 4.2 respectively.

Information from different stakeholders in tourism was gathered in order to obtain representative views about BEE implementation within the study area. The demographic characteristics of respondents were used in creating frequency tables and cross tabulations, which enabled understanding about each variable. It is anticipated that the emerging attributes of the demographic variables will make the findings of the study to be better understood, when considering the research problem or research objectives. These variables and the corresponding sub-variables were analysed in terms of absolute frequency and their frequency percentage. The emerging results were expected to address statements related to tourism awareness, participation, policy implementation and strategic management of tourism

entrepreneurial development. It is anticipated that this analytical procedure would create a better understanding of the relationship between variables and the various research statements and questions.

**TABLE 4.1: DISTRIBUTION OF DEMOGRAPHIC CHARACTERISTICS**

VARIA- BLE	SUB- VARIABLE	COMMUNITY/ PUBLIC n=103		OFFICIALS n=13		ENTRE- PRENEURS n=62		TOTAL n=178	
		Freq	%	Freq	%	Freq	%	Freq	%
Age	21-35	45	44%	05	41%	13	21%	53	30%
	36-50	40	39%	07	51%	29	47%	105	59%
	51-80	18	17%	01	08%	14	22%	20	11%
	Total	103	100%	13	100%	62	100%	178	100%
Gender	Males	49	48%	09	73%	42	67%	103	58%
	Females	54	52%	04	27%	20	33%	75	42%
	Total	103	100%	13	100%	62	100%	178	100%
Marital Status	Married	69	67%	11	83%	45	72%	110	62%
	Single	26	25%	02	17%	17	28%	50	28%
	Divorced	03	03%	00	00%	00	00%	07	04%
	Widowed	05	05%	00	00%	00	00%	11	06%
	Total	103	100%	13	100%	62	100%	178	100%
Place of Residence	Durban CBD	37	36%	08	62%	21	34%	64	36%
	Durb.Suburbs	29	28%	04	28%	17	28%	53	30%
	Townships	37	36%	01	10%	24	38%	61	34%
	Total	103	100%	13	100%	62	100%	178	100%

[n = 178. Some of the subjects gave more than one response for each sub-variable]

#### **4.2.1 The age variable**

It is important to categorise respondents in terms of age, so that it could be determined whether age has an influence on the various statements in the research study. The age distribution shown in Table 4.1 revealed the outcomes that there was a bias towards the more mature age groups. The middle aged group (36-50) were in the majority (59%) in terms of responding to the questionnaire. The young adult (21-35) respondents were the second

largest in responses (average 30%), whereas about 11 percent of the senior adults (51-80) responded to the questionnaire.

Age has an important influence on tourism business ownership and participation. Torkildsen (2001) argues that the effect of age vary depending on the person and the type of activity. An investigation into the age structure of the population sectors is aimed at revealing the type of stakeholders that frequently engage in tourism business as well as the experiences of officials, entrepreneurs and communities. Clearly the officials with long service and service providers who have owned businesses for a long time have better knowledge of the tourism entrepreneurial activities than their counterparts who have not been in the tourism industry or have been for a short period of time.

The age variable also indicated a concentration of respondents among the young adult officials (41%) and the middle-age (36-50 years) group (51%). The period of service of officials also suggests that officials are likely to be positive about existence tourism policy for entrepreneurial development. It should be pointed out, however, that the experiences of the officials with long service standing could turn out to be valuable if their ideas are considered in the tourism entrepreneurial development of opportunities.

The age variable of entrepreneurs indicated that a substantial majority of them (47%) falls within the middle age group (36-50 years), with the small segment of entrepreneur respondents (21%) in the younger age group (21-35 years). The age structure of the entrepreneurs may have an influence on the type of approach and capacity they have towards Black tourism entrepreneurial development and opportunities.

With regard to the age structure of the local community, a large majority of the community members ( $44\%+39\% = 83\%$ ) fall within the young adult age-group (21-35 years) and the mature adult (36-50 years) age group, respectively. A relatively small sector of the local community members (17%) were in the old-age group (51-80 years). The age distribution suggests that the local community is relatively young and poor as it is made up of more less-educated and less high-income groups, as shall later be seen in the discussion of socio-economic variables.

In conclusion, it should be noted that the age variable in the study area, revealed the dominance of the older generation among all stakeholder groups. The local communities, however, are dominated by the younger adults that are less dependent on high financial resources.

#### **4.2.2 The gender variable**

The question of gender has become important in the South African democracy, particularly as relating to female participation in tourism entrepreneurial development. As such, the analysis of the gender variable was aimed at revealing the dominant gender that holds views about Black tourism entrepreneurial development initiatives, in terms of awareness, participation and strategic management within the study area.

On analysing the gender variable for the entrepreneur-category, it was found that about 73 percent were males and 27 percent were females. Not surprisingly, males were in the majority, since females have extensive family commitments which prevent them from participating in business related activities outside the home (Torkildsen, 2001). World Travel Organisation (UNWTO, 2004), however, has identified changes in gender tourism with

more women being motivated to travel and participate in tourism business opportunities.

The category of tourism and government officials revealed data that shows that almost 2 in 3 respondents (67%) were males and 33 percent female officials. It should be remembered that tourism officials in government and para-statal organisations have always been dominated by males. One of the social objectives highlighted in the Tourism White Paper (DEAT, 1996) is that tourism should be used as a catalyst for human development, focusing on gender equality and the previously disadvantaged groups.

The distribution of gender among the local community revealed that about 52 percent of respondents were females and 48 percents being males. This distribution suggests that there were more females who were prepared to participate in the Black tourism entrepreneurial development survey. Interestingly and in support of this distribution, is the fact that there are more females in the Greater Durban Metropolitan Area, and more specifically in the Durban Metro townships, where the females were far more eager to respond to the questionnaire than males.

#### **4.2.3 Marital status**

For purposes of identifying diversity in business involvement, the respondents were asked to reveal their marital status with a view of establishing their participation in the development entrepreneurial opportunities in the study area. As shown in Table 4.1 the total marital status of respondents indicated that about 62 percent of the respondents in this study area were married. The next largest number was 28 percent indicating that they were single. Only about eleven percent [11%] of the respondents indicated that they were divorced [4%] or widowed [7%]. In the light of the

above discussion, it would be interesting to establish whether the tourism Black entrepreneurial development opportunities as well as their delivery would be influenced by the respondents' marital status.

#### **4.2.4 Place of residence**

The variable on 'place of residence' is important for revealing the number of respondents that came from a particular of the Greater Durban Metropolitan Area. The areas were clustered into three characteristic areas such as the Durban Central Business District [CBD] Area, the Durban suburban areas and the Durban Townships. In terms of the respondents' distribution, there was an even-split between the three areas. These were as follows: Durban Central Business District [CBD] about 36 percent, the Durban suburban areas [30%] and the Durban Townships [34%]. As shown in Table 4.1 one observes that the majority of respondents live in the urban areas, consisting of suburbs, central city and townships, all these were easily accessible.

The main contributory factor for the skewdness of the sample in terms of residences could be attributed to the cluster area sampling method used in this study and that generally the nature of the study area was very urban and metropolitan in character. The next paragraphs begin the analysis of the distribution of socio-demographic characteristics, consisting of education, occupation and income.

#### **4.3.5 Education Qualifications**

Qualifications in education usually play an important role in determining and influencing the understanding and participation of stakeholders in tourism Black entrepreneurial development initiatives. The development, promotion and related delivery practices of tourism business enterprise cannot be taken lightly because it is a mechanism of trying to empower respondents who



were previously disadvantaged. According to Torkildsen (2001) the type of education, the length of education and educational attainment are closely related to upbringing, class, occupation, income and other related factors. As such, the education variable tends to influence the socio-economic status of the respondents in search of tourism entrepreneurial development opportunities.

**TABLE 4.2: DISTRIBUTION OF SOCIO-ECONOMIC CHARACTERISTICS**

VARIA- BLE	SUB- VARIABLE	COMMUNITY n=103		OFFICIALS n=13		ENTRE- PRENEURS n=62		TOTAL n=178	
		Freq	%	Freq	%	Freq	%	Freq	%
Education	Primary Sch.	12	12%	01	09%	04	06%	16	09%
	Secondary Sch.	34	33%	03	23%	13	22%	59	33%
	College Diploma.	39	38%	06	45%	23	37%	68	38%
	University Degree	18	17%	03	23%	22	35%	35	20%
	Total	103	100%	13	100%	62	100%	178	100%
Occupation	Professional	16	15%	02	21%	06	09%	30	17%
	Skilled	13	13%	04	27%	26	42%	43	24%
	Semi-skilled	32	31%	05	38%	19	31%	50	28%
	Unskilled	34	33%	02	12%	07	12%	35	20%
	Unemployed	08	08%	00	02%	04	06%	20	11%
	Total	103	100%	13	100%	62	100%	178	100%
Income	≤ to R5000	23	22%	01	09%	04	06%	29	16%
	R5001 – R10000	34	33%	02	17%	08	13%	80	45%
	R10001 – R15000	29	28%	05	38%	19	31%	44	25%
	R15001 – R20000	08	08%	03	22%	15	24%	16	09%
	≥ to R20001	09	09%	02	14%	16	26%	09	05%
	Total	103	100%	13	100%	62	100%	178	100%

[n = 1784. Some of the subjects gave more than one response for each sub-variable]

The education variable as reflected in Table 4.2 suggested the varied nature of participation in the delivery of tourism entrepreneurial opportunities in the study area. It should therefore be accepted that the level of education has a significant influence on tourism development of any kind (Magi, 1986).

The analysis of responses in Table 4.2, show that the largest segment of entrepreneurs (37%) have had college certificates and 35 percent had university degrees. Lubbe (2003) argues that tourism education and training have to be responsive to the changing needs in the tourism sector. It is admitted though that the number of entrepreneur-respondents interviewed were skewed towards higher education. What is further interesting is that the majority of the tourism officials [45%] were in possession of a college diploma and secondly university degrees [23%]. The reason for such an outcome is that this is a select group which is dictated by the qualification need of the tourism industry.

In contrast to the above findings, it was established that the majority of the respondents [43%] from the local community in the study area had achieved secondary education. Secondly, about 28 percent of the respondents had college diploma. A minority of 12 percent of the respondents had acquired primary education. If the tourism Black entrepreneurial development practice were to excel, then there would be a need to upstage the qualifications and skills of the local communities. The data revealed here is evidence enough that this practice in the Durban Metropolitan Area, needed to be transformed or improved, so as to improve the tourism delivery practices.

#### **4.3.6 The Occupation Variable**

The variables associated with education, occupation and income levels are similarly indicative of a good and high tourism involvement, experience and delivery (Torkildsen, 2001; Bennett, 2002; Nzama *et al.* 2005). Similarly, occupation influences levels of quality of lifestyle, and other related factors. This sub-section is, therefore, aimed at finding out whether occupation variables have an influence on the development of Black entrepreneurial

opportunities available in the various suburbs of the Greater Durban Metropolitan Area.

The data analysis in Table 4.2 indicated that the majority of entrepreneur-respondents [42%] were in the skilled occupational category. Similarly, the majority of tourism officials [27%] were employed as skilled individuals. A further significant number of respondents (mean of 29%) in the various categories are semi-skilled individuals. The reason for these findings are that the respondents interviewed were well-off, educated and high income earners. The occupation structure revealed that a good number of officials [21%] are tourism professionals or specialists in their fields, namely, in hospitality, transport and accommodation.

With regard to the local community category, it was found out that a small majority of community members [33%] were unskilled. The second highest number, were community members [31%], who were in the semi-skilled category. The data for local communities suggests that community members are relatively poor and have to bear the costs of upgrading their skills for getting hold of Black entrepreneurial opportunities available in the Greater Durban Metropolitan Area. This data shows that the financial constraint prevents the community from participating in entrepreneurial opportunities in the study area. These constraints make stakeholders or communities to benefit from the tourism industry. A minority of the community interviewed was found to be professional [15%], skilled [13%] or unemployed [8%].

#### **4.3.7 Level of Income**

It has been mentioned earlier that income levels are significant indicators of effective participation in the acquisition of Black tourism entrepreneurial opportunities available in the Greater Durban Metropolitan Area. In this

regard respondents in the study area were asked to reveal their level of income. What is shown in Table 4.2 is that the majority of the respondents [mean of 45%] were earning between R5001 – R10000 per month among the entrepreneurs, tourism officials and community members. The categories are composed of 13%, 17%, and 28% of respondents respectively. The second largest selected income category was R10001–R15000 per month, consisting of entrepreneurs [31%], tourism officials [38%] and community members [28%]. Since most of them occupy the middle-income category, this outcome suggests that educated and affluent people would invariably be more inclined to be involved in the development of the Black tourism entrepreneurial development initiative.

In general, it would seem that the three categories of respondents: entrepreneurs, tourism officials and community members are all relatively high income earners. A huge contrast is observable among the local communities, where income earnings are relatively lower. The majority of community members [33%] have indicated that they earn an income less than R10000 per month. The findings for local communities in the study area suggest that community members are less educated, are semi-skilled and generally poor. These community members would find it difficult to influence or exert an impact on the utilisation of the Black tourism entrepreneurial development initiative.

#### **4.4 AWARENESS OF TOURISM ENTREPRENEURIAL OPPORTUNITIES**

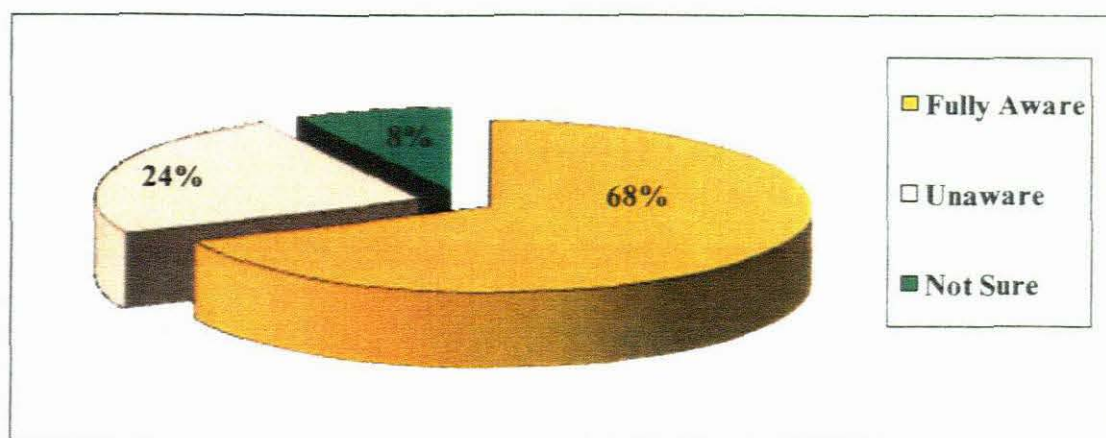
The term ‘stakeholder’ was broadly defined to refer to all participants in varieties of tourism activities or simply as tourism industry participants. The awareness of these stakeholders of Black tourism entrepreneurial

development activities, is vital for the advancement of the tourism industry and the previously disadvantaged communities in South Africa. In this regard, one of the objectives of this research investigation was to establish the extent to which stakeholders are aware of the tourism entrepreneurial opportunities available for Black people in the study area. Perceptions of the stakeholders therefore become important in this instance, since they assist in identifying the expectations of local communities about Black tourism entrepreneurial development possibilities.

#### **4.4.1 Awareness of tourism business opportunities**

To respond to this objective subjects were asked to show their level of awareness of the tourism entrepreneurial opportunities available for Black people in the study area. On the whole (refer to Figure 4.1), a significant majority of respondents [68%] indicated that they were fully aware of the tourism entrepreneurial opportunities for Blacks in the study area. On the other hand, 24 percent and about 8 percent of the respondents indicated that they were not aware and not sure respectively.

**FIGURE 4.1      AWARENESS OF TOURISM ENTREPRENEURIAL OPPORTUNITIES FOR BLACKS**



A significantly large percentage of the positive response [68%] may be accounted for in that the majority of the respondents were fairly well

educated and obviously do read newspapers about what is going on in the tourism industry in the Greater Durban Metropolitan Area. On the other hand, it may be inferred that that the significant number of the respondents who were unaware of the existence of tourism entrepreneurial opportunities in the study area could be from local communities staying in townships, who may be less exposed to BEE related opportunities. The latter is encouraged by the fact that Black entrepreneurs are inhibited by the following: (a) lack of capital or funding to purchase a stake in existing business; (b) scarcity of start-up capital for your own business; (c) lack of managerial experience to creating own wealth; and (d) overdependence on government hand-outs to initiate Black entrepreneurial development (Sikhakhane, 2006).

In view of these outcomes that the majority of stakeholders attested to their awareness of the existence tourism entrepreneurial opportunities in the study area, it is reasonable to conclude that Hypothesis 1, which states: *That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area* should be rejected. It may also be argued that if the BEE policy, supporting the tourism entrepreneurial opportunities for Blacks, were to be successful and eventually beneficial to the people of South Africa, it would have to be better understood and recognised by the local communities, and not only by the government and the business sector, as it is seemingly the case now.

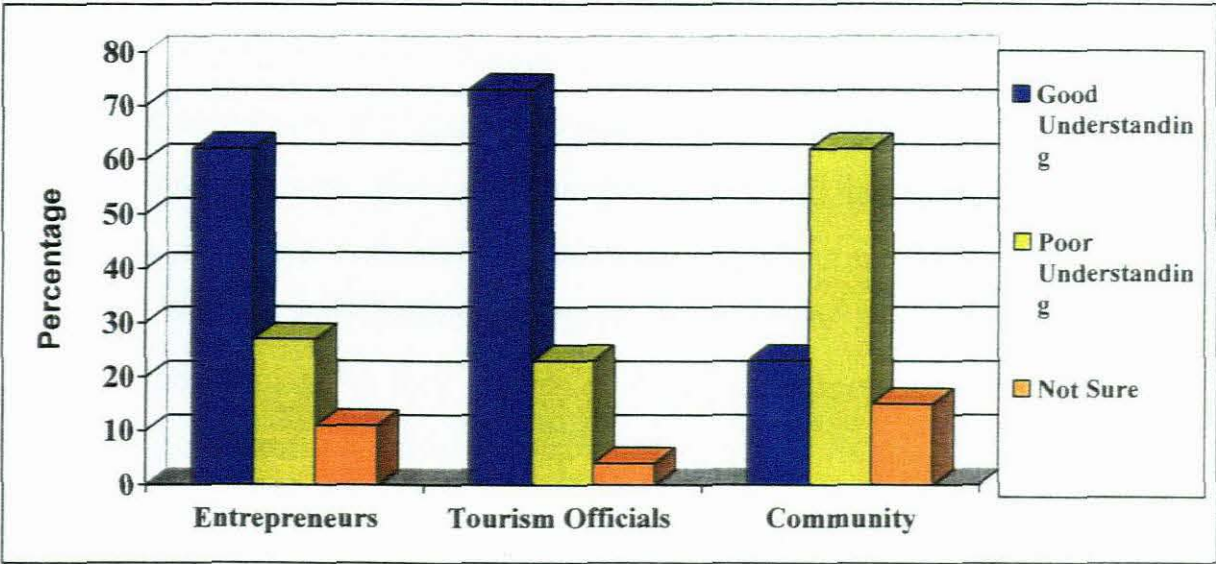
#### **4.4.2     Stakeholder understanding of BEE related entrepreneurial opportunities**

In order that the existence of the tourism entrepreneurial opportunities, as promulgated by the BEE policy should be appreciated as beneficial to the Black community, it is important that it should be well understood by all



tourism stakeholders and particularly the respondents in this study. A well understood tourism entrepreneurial initiative or programme for Blacks, should have many socio-economic spin-offs for the community in terms of job creation and poverty alleviation. In this regard the respondents were asked to indicate their level of understanding about the operations of the tourism entrepreneurial opportunities, as stimulated by the BEE policy.

**FIGURE 4.2: STAKEHOLDERS' UNDERSTANDING OF THE BEE RELATED ENTREPRENEURIAL INITIATIVES**



[N = 178. Some of the subjects gave more than one response for each sub-variable]

The responses shown in Table: 4.2 above indicate that the majority (62%) of the entrepreneur-respondents had good understanding of the importance of BEE related tourism entrepreneurial initiatives in study area. About 27 percent of the respondents had poor understanding of the importance of tourism entrepreneurial initiatives and 11 percent were not sure. The respondents were asked to indicate their reasons for the responses in Table: 4.4. The responses varied according to the tourism knowledge, interest, exposure, experience and perception the stakeholders had. The better

educated entrepreneurs seemed to have a higher level of understanding of the importance of tourism entrepreneurial initiatives because they believe that they are supposed to benefit from the established Black economic empowerment [BEE] policy in place in the study area. They further stated that they believed that tourism entrepreneurial programmes were designed to benefit Black up-end-coming tourism entrepreneurs

Interestingly, tourism officials as respondents from various state and parastatal organisations were highly positive about their understanding of the importance of BEE related tourism entrepreneurial initiatives in study area. The majority of officials [73%] thought that they had good understanding of the tourism entrepreneurship empowerment situation. On the other hand, a modicum [23%] and very few [4%] number of officials indicated that had poor understanding and were not sure, respectively, about the importance of BEE related tourism entrepreneurial initiatives in study area. It may be argued that the officials by their nature of work, more inclined to promote and support governmental initiatives in establishing a viable BEE policy-based tourism entrepreneurial initiative in study area. In that case they are not necessarily in the best position to judge on the delivery or implementation of BEE policies for tourism entrepreneurial development.

In deep contrast to the responses of the entrepreneur-respondents and the tourism officials discussed above, the respondents from the local community showed a negative viewpoint. A significant majority of the [62%] of the community revealed that they possessed poor understanding of the tourism entrepreneurial empowerment initiative in the study area. An additional 15 percent of the community pleaded ignorance or uncertainty about the tourism empowerment initiative in the study area, The most likely reason for this



response is that community members are affected adversely by questions of exposure and education, which normally result in poor level of understanding the tourism industry. Other confounding factors are: the existence of corrupt practices in the industry; access to opportunities of politically connected Black people; material resources required to own businesses are expensive; access to finance remains a challenge and lack of entrepreneurial skills among Blacks rampant.

In the context of Objective 1 of the research investigation and the emerging outcomes of the analysis above, it is reasonable to conclude that the understanding of the importance of the BEE policy-related tourism initiative in study area is viewed differently by the stakeholders. From the perspective of the entrepreneurs and tourism officials, the importance of the initiative is well understood, whereas from the local community's perspective it is poorly understood. On the strength of these outcomes, it is practical to conclude that Hypothesis 1, which states: *That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area* should not be supported, thus be rejected. The basis of rejecting the hypothesis is that on average, the entrepreneurs, officials and community have more stakeholders not supporting acceptance of the hypothesis.

#### **4.4.3     Understanding the aims of BEE entrepreneurial opportunities by age**

Age is an important factor in determining the understanding and participation of Black tourism stakeholders in the BEE related tourism entrepreneurial initiatives in the study area. It has been argued that the younger are more attuned with the policies, politics and bureaucracies of BEE tourism entrepreneurial opportunities. There are also perceptions that the BEE

entrepreneurial initiative and practice favours those that are politically connected. Some token Black persons have been hired to procure lucrative BEE deals (Dawes, 2004). Spykes (2002) also confirms that the problem of fronting has been highlighted in several sectors but still remains difficult to solve, so long as the demand for empowerment of Black business partners exceed their supply.

In an attempt to address the above issues respondents were asked to answer questions which sought to reveal whether they understood the aims of BEE policy and entrepreneurial opportunities. The responses presented in Table 4.3 are cross-tabulated by age, categorised into young adults 15-35; mature adults 36-50; and old age 51-80. The majority of respondents [63%] who indicated that they had good understanding of the aim and intention of the BEE policies for entrepreneurial development were within the age group of 21-35 years. In other words the young adult group was more positive about understanding the aim of the BEE policies.

**TABLE 4.3: UNDERSTANDING THE AIM OF BEE POLICY**  
**BY AGE**

<b>RESPONSE</b>	<b>21-35</b>	<b>36-50</b>	<b>51-80</b>	<b>Mean Response</b>
<b>Well Understood</b>	63%	46%	21%	43%
<b>Poorly Understood</b>	24%	31%	35%	30%
<b>Not Sure</b>	13%	23%	44%	27%
<b>Total</b>	100%	100%	100%	100%

N = 178. Some of the subjects gave more than one response for each sub-variable]

Furthermore, Table 4.3 shows that the minority of the same young adults (13%) were not sure about the aims of the BEE policy. The main

justification of these findings could be that the young adults [21-35 years] are more in step with the new policies of the democratic government in South Africa.

A significant number (46%) of the young adults [36-50 years] also indicated that they had good understanding of the aim of the BEE policies for entrepreneurial development. A larger number [54%], nonetheless showed that they either poorly understood [31%] or were not sure [23%] about the aim of the BEE policies for entrepreneurial development in the study area. With regard to the old-age adults [51-80 years], a significant majority (79%) indicated that they poorly understood [35%] or were not sure [44%] about the aim of the BEE policies for entrepreneurial development in the study area. The possible reasons for this finding is that the old-age adults are either not in tune with BEE policy procedures, are perhaps not politically connected and are on grounds of their age-group disinclined to run after business deals and tenders, as is usually the case in acquiring BEE related tourism entrepreneurial opportunities.

Based on the outcomes of the above analyses, it may be concluded that Hypothesis 1, which states: *That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area* should not be supported, thus be rejected. The basis of rejecting the hypothesis is that on average, the young adults [15-35] and mature adults [36-50] have advocated for good understanding of the BEE policy situation, whereas on the old-age group [51-80] advocated differently. In closing, it must be mentioned that, notwithstanding that the literature seems to reflect negatively about the BEE related tourism entrepreneurial initiative, the majority of respondents think that Black people understand the meaning and aims of Black Economic Empowerment policies.

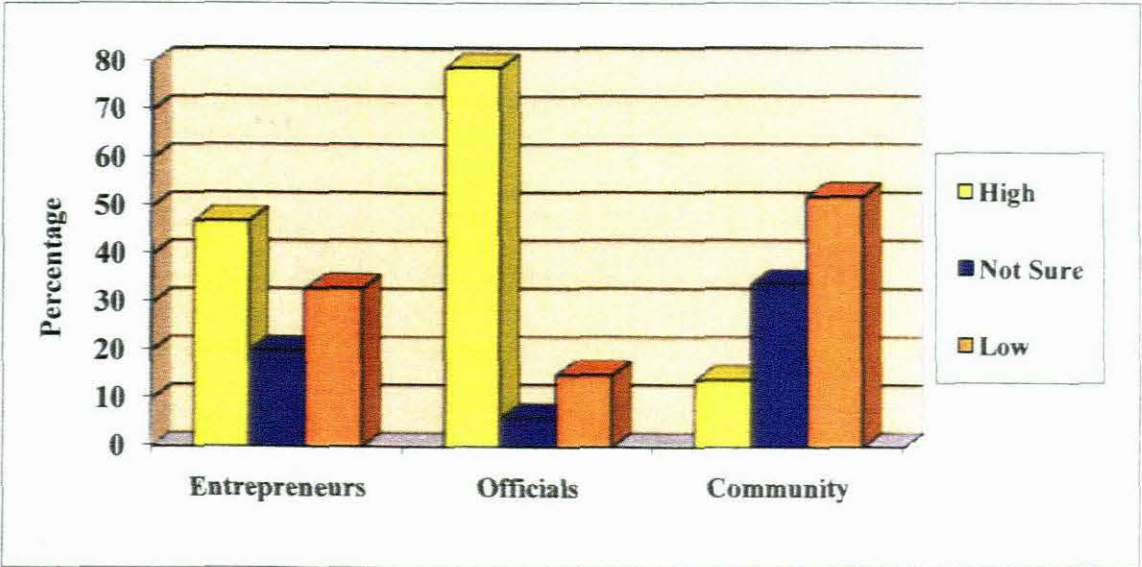
#### **4.5 PARTICIPATION OF BLACK ENTREPRENEURS IN TOURISM**

There are many factors that can limit the meaningful involvement of Black communities in tourism and the tourism industry, particularly as it relates to BEE policies for tourism entrepreneurial development. Some of these factors are stated in the tourism White Paper (DEAT, 1996). These include a complete lack of knowledge and misunderstanding of what the tourism industry is really about, past inequalities, the lack of funding for young entrepreneurs, and lack of involvement in planning, decision-making, promotion and development of tourism. These factors also emerged from the many of the stakeholders and respondents in the Greater Durban Metropolitan Area [GDMA].

The purpose of this research study, among other things, sought to establish how stakeholders perceive the development and promotion of BEE related tourism entrepreneurial initiatives in the study area. According to Pigram (1983) participation can be defined as those activities by which members of society engage in the selection of decision-makers and authorities that would involve themselves in the formation of tourism public policy. This public policy would encourage the community to get involved in tourism and related businesses. On the other hand, Torkildsen (2001) views participation as the core of the experience, the times of encounter with the resource and activity opportunities offered to the local community members or visitors. In other words, in this context, participation may be used to determine the level of community participation or how stakeholders perceive the level of participation in BEE related tourism entrepreneurial initiatives in the study area.

In this regard, respondents were asked to state and rate their level of participation in BEE related tourism entrepreneurial development activities in the study area. The responses of stakeholders are depicted in Figure 4.3 and show that about 47 percent of the entrepreneur-respondents reflected a relatively high level of participation in BEE related tourism entrepreneurial development activities. On the other hand, 33 percent of the stakeholders indicated a low participation level, also made worse by 20 percent of the respondents reflecting that they were not sure. It is important to note that the entrepreneurs did not necessarily base their level of participation on the basis of successes achieved in BEE related projects, but simply that they are on hand to participate. Entrepreneurs have indicated that many are called but very few are chosen, in other words, it remains difficult to get sponsorship.

**FIGURE 4.3   STAKEHOLDER PARTICIPATION IN BEE POLICY  
RELATED ENTREPRENEURSHIP ACTIVITIES**



N = 178. Some of the subjects gave more than one response for each sub-variable]

Not surprisingly, 79 percent of the officials felt that their participation in BEE related tourism entrepreneurial activities were high and positive, since it was their mandate to promote BEE policies in the study area. A negligible

[15%] of the officials indicated that they were not participating in BEE policy activities. Finally and importantly, the local community showed a reverse distribution of what the entrepreneurs indicated. A majority [52%] of the community respondents showed a relatively low level of participation in BEE related tourism entrepreneurial development activities. On the other hand, only 14 percent of the community indicated a high level of participation. There was a significant number [34%] of the community respondents who indicated that they were not sure about BEE related entrepreneurial activities.

The main reason for these negative responses were that many of the local communities were not well educated about and adequately exposed to participation in BEE tourism ventures, as well as about the development and management of the tourism BEE related activities in the study area. According to Sikhakhane (2006) the negativity against the BEE initiative is that the current BEE state of mind is disappointing in that there was hope that BEE forerunners would become role models for the Black youth, showing them that given the opportunity, Black people are as capable as any other group to make it in the business world (Sikhakhane, 2006).

On the basis of the analysis given above, it may be concluded that Hypothesis 2, which states: *That Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area*, should be accepted. The grounds for accepting this hypothesis are that, on aggregate respondents who showed low participation plus those who were not sure, constituted the majority response.

#### **4.5.1 Community Participating in Tourism Activities by Age**

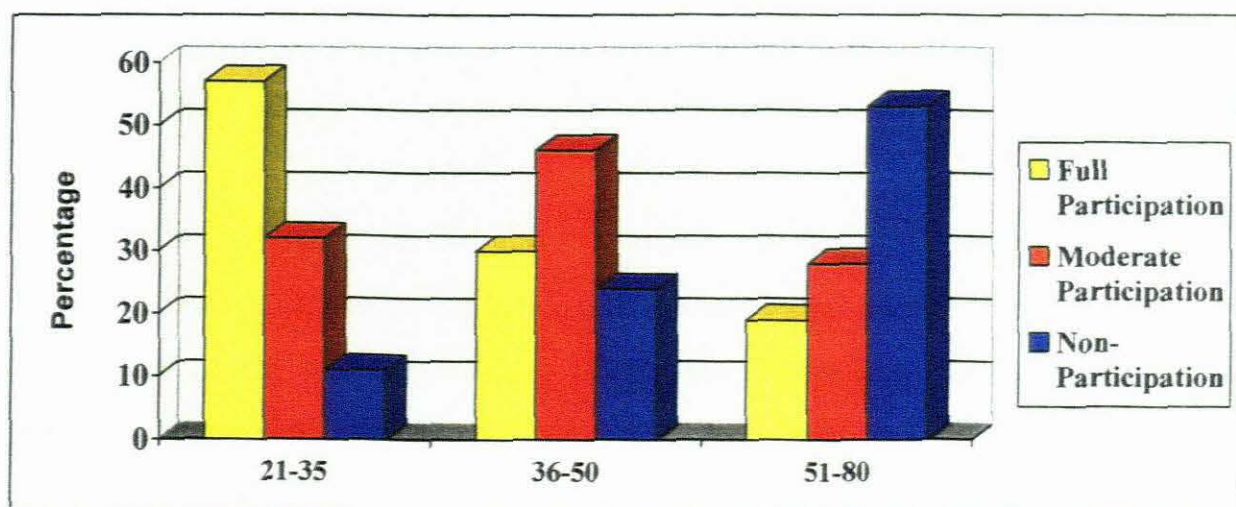
It is worth reiterating that the age variable has been identified by Torkildsen (2001) as an important component of characterising participation in



recreation and tourism activities (Torkildsen, 2001). On the whole, the classification of age in tourism has indicated that the youth participates more in tourism activities than is the case with the mature and older age-groups. The respondents in the Greater Durban Metropolitan Area [GDMA], study area, were asked to indicate if Black stakeholders were participating adequately in BEE related tourism entrepreneurial activities. What is shown in Figure 4.4 are the responses of subjects by age, pertaining to Black entrepreneurial activities. The responses are cross-tabulated by age, categorised into young adults 15-35; mature adults 36-50; and old age 51-80.

As shown in Table 4.4, the majority of the young adults (57%) who were in the age group 21-35 years, indicated that they participate fully in BEE related tourism entrepreneurial activities in the study area. A significant number of these young adults [32%] indicated that they participated moderately in tourism entrepreneurial activities.

**FIGURE 4.4    BLACK STAKEHOLDER PARTICIPATION IN BEE  
TOURISM ACTIVITIES BY AGE**



N = 178. Some of the subjects gave more than one response for each sub-variable]

Relating to the mature adult group (36-50 years), the majority of this group [46%] revealed that they moderately participated in BEE-based tourism entrepreneurial activities. Similarly, a significant number of these mature adults [24%] indicated that they did not participate in tourism entrepreneurial activities.

A totally reversed response was obtained from the old-age group (51-80), where the majority [53%] of the group, indicated that they did not participate in BEE-based tourism entrepreneurial activities. Notwithstanding, a relatively big number of these old-age adults [47%] indicated that they participated moderately [29%] and fully [18%] in BEE related tourism entrepreneurial activities. The main reasons for these age-determined outcomes, which were mentioned in earlier paragraphs, were that the younger adults are more active in business, entrepreneurship ventures and are politically well connected, in contrast to the old-age stakeholders. Some of the more pertinent reasons also include: the tardiness in fast tracking the entry of Black people in major entrepreneurial economic activities; slow promotion of Black employees, particularly the older age group; sluggish affirmative action procurement and lack of skills development particularly for the older age-groups, who have not had corporate and business experience in the pre Mandela period.

Based on the outcomes of the above analyses, it may be concluded that Hypothesis 2, which states: *That Black entrepreneurs do not participate significantly in the tourism industry within the study area*, should not be supported, because the majority of the various age-groups have revealed that they participate in many related BEE tourism entrepreneurial activities. The youth age group have continued to participate actively in tourism activities, for the enhancement of Black entrepreneurship.



#### **4.6 BEE POLICY CONTRIBUTION TO TOURISM ENTREPRENEURIAL DEVELOPMENT**

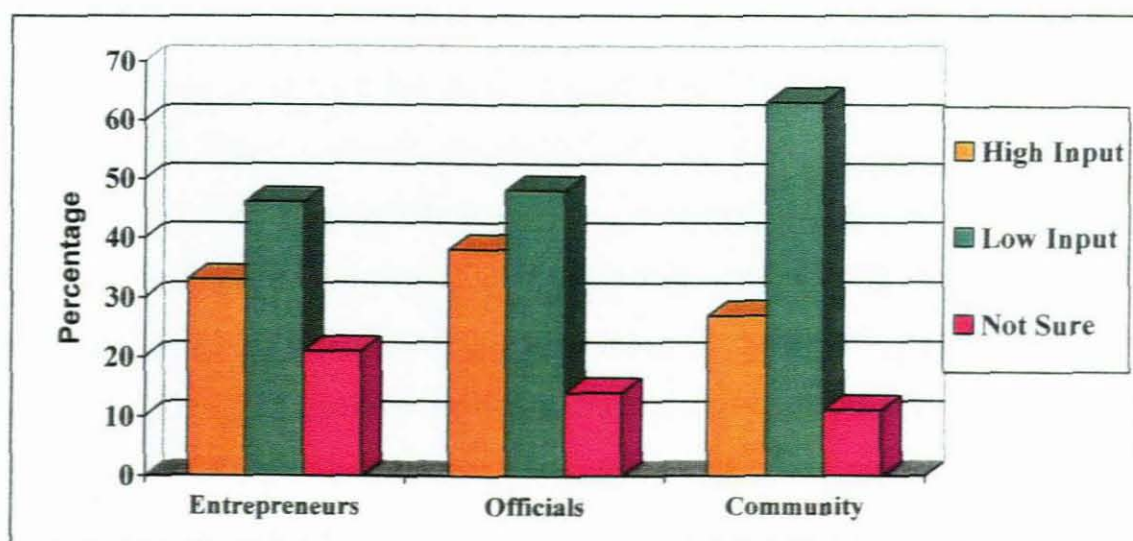
There has been tremendous arguments, contestations, acceptance and rejection, in literature (Dawes, 2004; Lalu, 2004; Matola, 2004; Bain 2006; Lediga 2006; Mabotja 2006; Monama 2006; Ryan 2006, Sikhakane 2006; Jack,2008) for and against of the BEE policy initiative. Some views hold it that the BEE policy initiatives are not successfully contributing to the tourism entrepreneurial development of Black communities. In fact, according to Dawes (2004) there is still a contention that currently beneficiaries of the BEE policy are a selected few. BEE is viewed as benefiting only an “elite black”. Dawes (2004) further opposes what he calls the conflict of interest, where only the prominent Black politicians benefit from Black empowerment initiatives. The apparent limited number of Black people’s involvement in BEE initiatives can also be blamed on their lack of business management capacity and experience.

Pursuant to the argument cited above, this research investigation sought to establish the extent to which the BEE policy contributes to tourism entrepreneurial development within the study area. It sought to assess the hypothesis: “That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area”. In this regard respondents were asked questions which sought to reveal how the stakeholders perceive existing situation within the study area.

What is shown in Figure 4.5 are some of the stakeholders’ perceptions regarding BEE policy contributions towards tourism entrepreneurship in the study area. The question was, are the policy contributions or inputs of a high

order or low order to tourism entrepreneurship? The analyses on the three stakeholder groups: entrepreneurs, tourism officials and community members, reveal results that are focused in one direction. The majority of entrepreneur-respondents [46%] indicated that they perceived the BEE policy inputs or contributions towards tourism entrepreneurship as being low, and a significant number [21%] supported the negative perception by saying they were 'not sure' of the situation. On a similar trend, the majority of tourism officials [62%] supported the low contribution of BEE policies towards tourism entrepreneurship, 48 percent perceiving low input and 14 percent stating that they were not sure.

**FIGURE 4.5** PERCEIVED CONTRIBUTION OF BEE POLICY  
TO TOURISM ENTREPRENEURSHIP



N = 178. Some of the subjects gave more than one response for each sub-variable]

The members of the local community were quite explicit in their response. A large majority [63%] of the community perceived the BEE policy inputs or contributions towards tourism entrepreneurship as being low, and only 27 percent thought they were high. The main reasons for these responses were perhaps that most stakeholders had either experienced some difficulties in

trying to access the BEE related tourism entrepreneurial opportunities. Furthermore, it could be that the negative reports in the media and literature had impacted negatively on many community members. These negative reports relate to: selective and preferential treatment towards accessing BEE deals; dependence on political affiliation, the fronting syndrome, emerging entrepreneurs are not supported, lack of capital or funding to purchase BEE stakes in existing business, , poor skills development plan, over-dependence of government hand-outs, and unemployment (Spykes, 2002; Bain, 2006; Ryan, 2006, Sikhakhane, 2006; Peacock 2007; Milazi 2008).

On the basis of the outcomes of these analyses, it may be concluded that Hypothesis 3, which states: *That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area*, must be supported. The basis of this acceptance of the hypothesis is that the majority of stakeholders in all three groups perceived the Black economic empowerment initiative as fraught with serious difficulties. These respondents seem to support the view that, it is unfortunate that the whole Black economic empowerment trajectory is dependent on giving opportunities to the learned, connected and mighty. It is not meant for the ordinary, the poor, the up-and-coming Black people and with entrepreneurial expectation ideals, therefore much work still has to be done in transforming the business landscape (Dawes, 2004; Lediga, 2006; Monama, 2006).

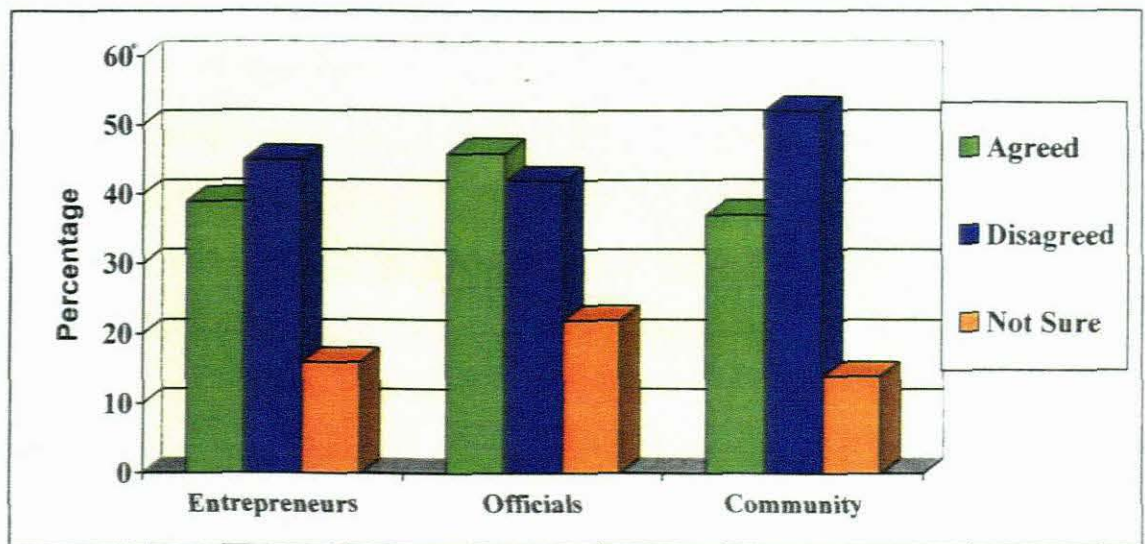
#### **4.6.1 Perceived BEE Policy contribution to Employment and Job Creation**

On the one hand, the BEE policy in South Africa has been identified as one of the leading mechanisms for stimulating job creation and employment. On the other hand, unemployment rates in South Africa, are relatively high in

various national and provincial sectors of the economy. It therefore stands to reason that any new initiative or project that is introduced in South Africa should mainly aim at creating jobs. It also can be deduced that the previously disadvantaged communities in the Greater Durban Metropolitan Area [GDMA] would have positive perceptions towards BEE related tourism entrepreneurship, if they were to see its benefits, such as job creation.

As a means of resolving this problem, respondents were asked to reveal their perceptions about the ability of the BEE policies to contribute to employment and job creation. As indicated in Figure 4.6 the majority [45%] of entrepreneur-respondents disagreed that the BEE policies do contribute to job creation and employment. A minimal number of 39 percent of the entrepreneurs agreed that the BEE policies did contribute significantly to jobs and employment. A significant number [16%] entrepreneurs indicated that they were not sure.

**FIGURE 4.6      THE BEE POLICY CONTRIBUTES TO JOB  
CREATION AND EMPLOYMENT**



N = 178. Some of the subjects gave more than one response for each sub-variable]

In contrast to the perceptions of the entrepreneur, the majority [46%] of tourism officials agreed that BEE policies did contribute to job creation and employment. A significant number [22%] of the officials indicated that they were not sure. The response of the community was similar to that of the entrepreneurs. More than one in two community members [52%] disagreed that BEE policies contributed to job creations. A significant number [22%] of the community indicated that they were not sure.

The main reasons for these negative responses could be that the BEE policies were generally negatively perceived by the media and policy writers. It is evident that the negative reports about the BEE policies, hinging on corruption, political bias and preferential treatment, influenced the stakeholders to report negatively about BEE related entrepreneurial activities.

On the basis of these outcomes, it may be concluded that Hypothesis 3, which states: *That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area*, must be supported. The basis of this conclusion is that the majority of stakeholders perceived the Black economic empowerment initiative as not contributing significantly to job creation and employment.

#### **4.7 STRATEGIES FOR ENHANCING TOURISM ENTREPRENEURIAL OPPORTUNITIES**

One of the leading objectives of this research investigation was to establish the existing competitive strategies for enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area. The enhancement of these opportunities was obviously reliant on the effective implantation of the Black economic empowerment [BEE] policies operating



in the Greater Durban Metropolitan Area [GDMA]. The testing of these competitive strategies is based on two opinions doing the rounds in BEE environment: (a) That notwithstanding a decade's existence of the BEE policies, there has been negative reports and poor achievements from the BEE process (Nzimande and Sikhosana, 1996; Matola, 2004; Lediga, 2005). (b) That the legislation of BEE policies has ushered in some measure of economic benefits to the Black entrepreneurs in South Africa (DTI, 2004a). Furthermore, that the majority of stakeholders have viewed BEE as a viable policy to address inequalities from the past.

To reveal the effectiveness of existing competitive strategies for enhancing tourism entrepreneurial opportunities, stakeholders were asked to give their views on preselected statements on tourism strategies. Some of the tourism strategies seen as leading to the enhancement tourism entrepreneurial opportunities are: skills training strategy, job creation strategy; employment strategy; financing strategy; equity ownership strategy; communication strategy; marketing strategy; service excellence strategy; Black employee procurement strategy and community empowerment strategy. Out of these ten strategies, five were selected for analysis and interpretation.

#### **4.7.1 Skills Training Strategy**

In order that Black people, who are historically disadvantaged, could cope with accessing the BEE related tourism entrepreneurial opportunities, they have undergo and have specialised training. An entrepreneurially skilled person may be regarded as one who has the knowledge, ability, competence and experience to acquire a high level of proficiency in various business or employment sectors. In this regard, respondents were asked to reveal whether there were adequately skills training strategies or facilities that

would enhance their participation tourism entrepreneurial activities in the study area.

As shown in Table 4.4 the majority [58%] of respondents indicated that there were inadequate skills training facilities or related strategies in the study area. Only about 27 percent of the respondents indicated that there were adequate facilities. About 15 percent point out that they were not sure. The main reasons for these outcomes could be that respondents are aware that there are not enough training centres for many of the Blacks entering BEE environment. It could also be that most stakeholders are aware that they as individuals do not knowledge and understanding of what tourism really is about in the context of the BEE policy.

**TABLE 4.4 ADEQUACY OF SKILLS TRAINING FACILITIES AND STRATEGIES IN THE GDMA**

RESPONSE	FREQUENCY	PERCENT
Yes – Adequate	48	27%
No – Inadequate	103	58%
Not Sure	27	15%
<b>TOTAL</b>	<b>178</b>	<b>100%</b>

N = 178. Some of the subjects gave more than one response for each sub-variable]

On the basis of the responses recorded above, it may be suggested that Hypothesis 4, which states: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area*, should be accepted.

These negative outcomes are also supported by view from DEAT (1996) and DTI (2004a) when they argue that the perception that tourism refers only to

people travelling around and staying in hotels, and that the wider opportunities offered by tourism are not appreciated, reflects a serious lack of skills and knowledge. It is common knowledge that the lack of training opportunities affectively limits participation in the tourism industry. The BMF (2003) finally suggests three key areas that ought to be attended to if the skills training strategy were to be successful: The monitoring compliance with employment equity; skills development with the purpose to develop capabilities and to empower people to be able to make decisions; and make funding available for enhancing skills training.

#### **4.7.2 Employment/Job creation Strategy**

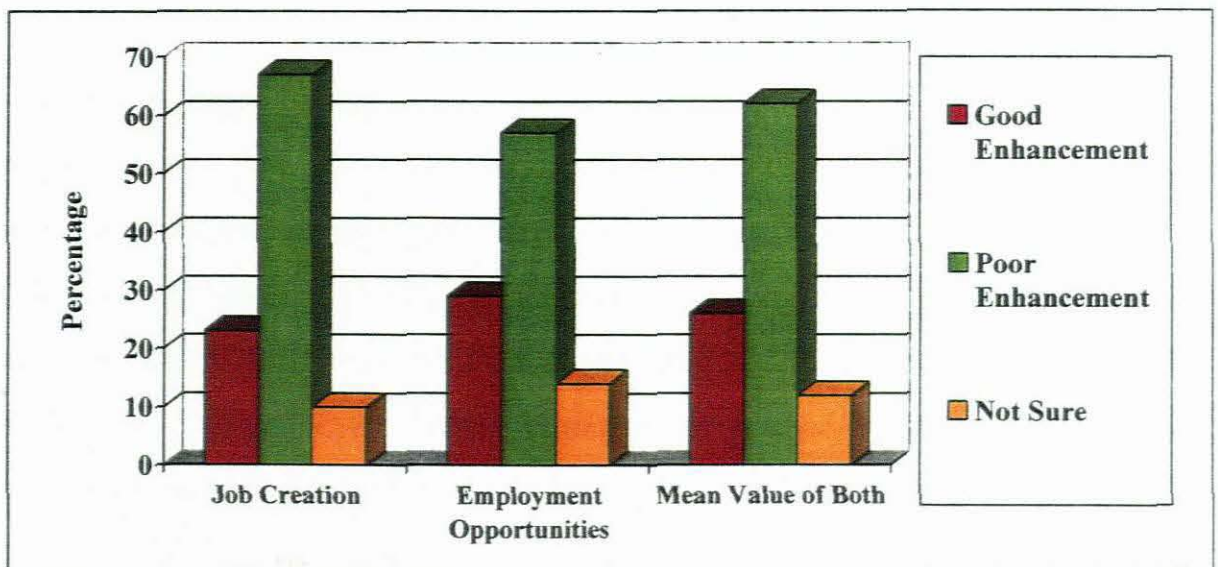
According to the Tourism White Paper (DEAT, 1996) adequate training in tourism will not only increase processes of job creation and employment, but also stimulate the transformation process, particularly in the BEE regime. One of the main principles governing the approach to job creation and employment is to encourage the tourism private sector to increase its commitment to formal training as well as on-the-job training, also called in-service training. The promotion of such a principle makes it possible for the BEE related tourism entrepreneurial opportunities within the Greater Durban Metropolitan Area [GDMA] to be more committed to existing competitive strategies that seek to enhance the tourism industry.

In an attempt to discover how job creation and employment opportunities, as a strategies, would enhance tourism entrepreneurial initiatives, respondents were asked to reveal their feelings on the matter. As shown in Figure 4.6 the majority mean value [62%] of respondents indicated that they were not convinced that job creation and employment opportunities within the study area, were adequately promoting tourism entrepreneurial activities. In other words, the BEE related tourism entrepreneurial activities were not



translatable to more jobs or employment for Black people in the study area. Interestingly, very few respondents [26%] were of the view that that job creation and employment within the study area, were adequately enhancing BEE related tourism entrepreneurial opportunities. Only 12 percent indicated that they were not sure.

**FIGURE 4.7: HOW JOB CREATION AND EMPLOYMENT CHANCES ARE ENHANCING TOURISM OPPORTUNITIES**



[N = 178. Some of the subjects gave more than one response for each sub-variable]

It is interesting to note that both strategies of job creation [67%] and employment opportunities [57%] were both negatively perceived as not really succeeding to enhance BEE related tourism entrepreneurial opportunities within the study area. The possible reasons for these outcomes are that stakeholders are not convinced about increase of jobs and employment in the study area. The high increases in unemployment in the Greater Durban Metropolitan Area account for such negative responses. These responses find support in the views of Spykes (2002) when he argues that some of the challenges threatening tourism businesses are: the lack in empowerment

procurement measurement; smaller companies are without procurement departments; and that affirmative procurement entails establishing new information systems, modifying existing ones, or reorganising the company's procurement function.

Arising from these outcomes, it is reasonable to conclude that Hypothesis 4, which states: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area*, should be accepted.

#### **4.7.3 Financing Strategy**

In view of the fact that progress in the development of the **BEE related tourism entrepreneurial opportunities**, have been largely thwarted by lack of knowledge about gathering of finance; mastering equity ownership and readily available collateral, the scheme has struggled to achieve success. The DEAT (1996) has argued that to improve the rate of Blacks entering the tourism business environment, the following have to be observed:

- The government must improve Black access to finances.
- Establishment of a dedicated tourism development fund.
- State funding must be accessible to the business community.
- Guaranteeing the loans small enterprises and entrepreneurs
- Elimination of corrupt practices in business (Spykes, 2002).

In view of these difficulties stakeholders were asked to indicate their views on how existing financial strategies are able to successfully enhance tourism entrepreneurial opportunities in the study area. As shown in Table 4.5 the majority [67%] of the subjects responded negatively that strategies that would enhance tourism entrepreneurial opportunities in the study area were not available. Only about 21 percent of the respondents thought that there

were adequate financial strategies, whereas about 12 percent point out that they were not sure. The main reasons advanced for this outcome was similar to those cited at the beginning of this paragraph, relating to lack readily available funding, poor knowledge about management of finances and lack of collateral.

**TABLE 4.5      A FINANCIAL STRATEGY ENHANCING  
ENTREPRENEURIAL OPPOTUNITIES**

RESPONSE	FREQUENCY	PERCENT
Yes - Available	37	21%
No - Non- Available	119	67%
Not Sure	22	12%
<b>TOTAL</b>	<b>178</b>	<b>100%</b>

N = 178. Some of the subjects gave more than one response for each sub-variable]

On the basis of the above-mentioned outcomes, it may be inferred that Hypothesis 4, which states: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area*, should be accepted.

#### **4.7.4 Communicating Strategy**

Without proper communication, it can really be impossible to transfer information from the central source to peripheral sources in the form of local communities. This therefore calls for channels of communication to be open at all times. The previously disadvantaged community of the Greater Durban Metropolitan Area have experienced communication breakdown because of the lack or absence of a communication strategy. It is important to point out that to the previously disadvantaged communities English does present itself

as a language barrier, and English is the predominant language in tourism communication, effectively excluding the majority of population where there are eleven official languages.

In addressing the effectiveness of this strategy, Table 4.6 shows that the majority [58%] of the respondents are of the view that communication strategies that would enhance tourism entrepreneurial opportunities in the study area were not available. On the contrary, 33 percent indicated that the communication strategies are available to enhance tourism entrepreneurial opportunities. Only 9 percent of the respondents were not sure.

**TABLE 4.6      COMMUNICATION CHANNELS AVAILABLE  
FOR ENHANCING ENTREPRENEURIAL OPPOTUNITIES**

RESPONSE	FREQUENCY	PERCENT
Yes – Available	40	33%
No - Non-Available	70	58%
Not Sure	10	09%
TOTAL	178	100%

The responses above also showed that the Greater Durban Metropolitan Area officials at times use tourism road-shows and rallies to address the local community as a strategy of communication. Again, this variable makes one to believe or accept **Hypotheses 4**, which states: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.*

The respondents suggested that the government must fund businesses; provide training; provide information and advertise jobs in their environment. These responses further revealed that respondents are willing to be involved in tourism entrepreneurial initiatives, provided that the government is willing to help them. If one were to give an overview of the general response on the strategies used by Greater Durban Metropolitan Area, one would argue that generally, a large percentage of respondents is not aware of the strategies such as financing; training; advertising and communicating within the Durban Metropolis. It would be of great help if the Metropolitan Council would make maximum use of these strategies for the benefit of all the members of the community.

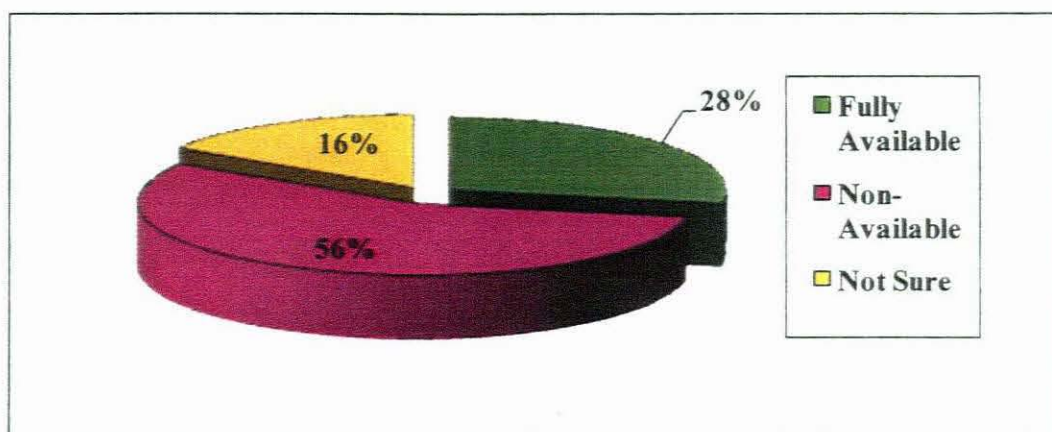
#### **4.7.5 Marketing Strategy**

Marketing can be regarded as the as a form of communication, and therefore it could be argued that without a proper marketing strategy the advancement of the tourism entrepreneurial initiatives could come to nothing. In this regard respondents were asked to express their views about the existence and availability of marketing strategies, towards enhancing entrepreneurial opportunities in the study area. The background to investigating the strategies is based on the five key South African tourism growth strategy to achieved through marketing (South Africa Tourism, 2004): (a) Increase tourism volume at high and sustainable rates; (b) Increase total spending by tourists in South Africa; (c) optimize length of stay to maximize revenue yield to South Africa; (d) Improve volume and spend distribution around the country and throughout the year; and (e) Improve activity and spend patterns to enable transformation and promote Black economic empowerment.

In addressing the effectiveness of this strategy, Table 4.8 shows that the majority [56%] of the respondents were of the view that the marketing

strategy that would enhance tourism entrepreneurial opportunities in the study area was not adequately available. In contrast, 28 percent indicated that the marketing strategy was available and sound to enhance tourism entrepreneurial opportunities. Only 16 percent of the respondents were not sure. The reason for the negative response [56%] indicating that there have not been any effective strategic success of marketing the BEE related policies for the development of tourism entrepreneurial activities in the study area.

**FIGURE 4.8 TOURISM MARKETING AS A STRATEGY TO ENHANCE ENTREPRENEURIAL OPPOTUNITIES**



Advertising seems to be the easiest of all strategies discussed in this research study, because it could be achieved effortlessly through the media, yet there does not seem to be any recorded successes associated with popularising the BEE process or initiative for purposes on enhancing entrepreneurship.

From the information provided above, it would be appropriate to conclude that **Hypothesis 4**, which states: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area*, has to be supported.



#### **4.8 THE STRATEGIC TOURISM BEE MANAGEMENT MODEL FOR ENTREPRENEURS**

By its nature, appearance and design the Black Economic Empowerment [BEE] policy can be seen as a tourism economic model which seeks to channel opportunities from the previously advantaged groups to the disadvantaged. The model as it exists was designed by the Department of Trade and Industries and includes the following principles.

- equity ownership, which gives employees a stake in the company.
- preferential procurement, which ensure that there is more money available for BEE procurement while preventing the problem of fronting.
- skills development with the purpose to develop capabilities and to empower people to be able to make decisions and build confidence.
- employment equity, which accelerates equity in the workplace and implement affirmative action.
- enterprise development, which highlights the need to increase black entrepreneurship and the need for white-owned companies to collaborate with emerging black companies thus ensuring the transfer of skills.

There is general agreement among several writers (Bain 2006; Mabotja 2006; Monama 2006; Ryan 2006, Sikhakane 2006; Radebe, 2008), in the BEE industry or speciality, that it is fraught with challenges. These writers and specialists argue that the BEE policy is an experiential or learning process, which they do not see as completed model. In other words, they see it as a model in construction, which has to be finalised here in South Africa because there is no real model anywhere else in the world, which can be borrowed and used. Sikhakhane (2006) adds that the reason why the current

BEE state of mind is disappointing is that there was hope that BEE forerunners would become role models for the uninitiated entrepreneurs. However that dream has not been possible to achieve.

With a view of testing such sentiments, the stakeholder-respondents were asked to answer questions which sought to reveal their perceptions about the existence of a **strategic tourism BEE management model, which would assist budding entrepreneurs**. As shown in Table 4.7 on average and based on the three statements, the majority of respondents [47%] indicated their disagreement with the statement that there is in existence viable tourism BEE management, implementation or policies in place in the study area.

**TABLE 4.7: THE EXISTENCE OF A VIABLE TOURISM  
BEE MANAGEMENT MODEL**

STATEMENT RESPONSE	Agreed	Dis- agreed	Not Sure	Total
There are adequate tourism BEE management procedures (or model) to facilitate Black participation in the area	28%	41%	31%	100%
The implementation of the BEE tourism entrepreneurial initiatives is efficiently carried out.	32%	46%	22%	100%
There is sufficient policy in the GDMA to facilitate the management of Black entrepreneurial development initiatives.	36%	53%	11%	100%
<b>MEAN TOTAL</b>	<b>32%</b>	<b>47%</b>	<b>21%</b>	<b>100%</b>

On the other hand, about 36 percent of the respondents agreed with the statement. Only a negligible 11 percent stated that they were not sure. On specifically looking at the statement: "There are adequate tourism BEE management procedures (or model) to facilitate Black participation in the area" the outcomes were slightly different. The majority of stakeholders



pointed out that they were in disagreement [41%] and in support 31 percent were not sure. The justification for these outcomes is in concurrence with the findings and reasons expressed earlier in this chapter.

On the basis of these outcomes, it would be appropriate to deduce that **Hypothesis 5**, which states: *That there is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area*, has to be accepted. These findings are also supported by the theoretical accounts and reports cited by writers such as (Spykes, 2002; Bain 2006; Mabotja 2006; Monama 2006; Ryan 2006, Sikhakhane 2006; Milazi 2008; Milazi 2008), indicating that BEE related entrepreneurial initiatives have got too many changes and are under siege. The most recent reports (Milazi, 2008) are indicating that the local and global financial market disturbance is beginning to highlight the inherent problems associated with BEE related empowerment share schemes. The empowerment shares are dependent on borrowed funding and that a basic financial principle, often ignored is that shares cannot be funded by debt, since the ability to repay a fixed debt obligation is dependent on a volatile share price. The BEE funding support is not immune from financial markets that are going wild.

#### **4.8.1 Proposed Entrepreneurs Management Model**

In order to have the BEE related tourism entrepreneurial initiatives achieving their goal of empowerment, as well as safe guarded from the impediments associated with management inefficiencies, scarcity of funding, volatility of financial markets, lack of appropriate skills, as so on, a basic management or implementation model has to be put in place. Its aim would be to make it easier for the ordinary entrepreneur to enter the tourism industry and not be a victim of bureaucratic or management failure. Ryan (2006) has argued that, if empowerment has to be successful and sustained in South Africa,

companies need to find imaginative ways to find empowered suppliers to meet procurement aims. These aims have to be in-sink with the BEE scorecard as a matter of principle.

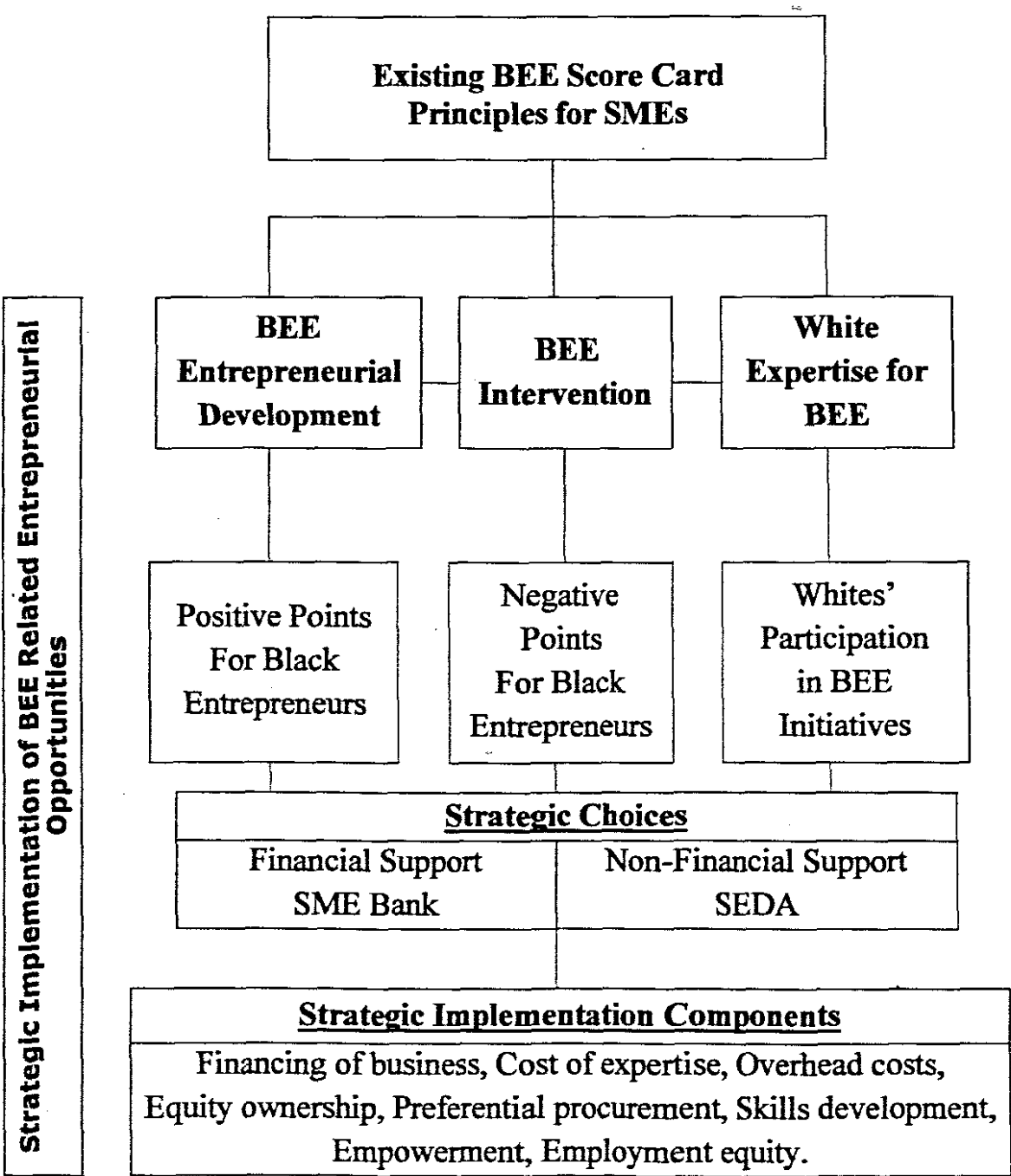
If we consider what is shown in Figure 4.9, we begin to see the emergence of what can be called the BEE entrepreneurial development and implementation model. As described earlier this model proposes to enhance the understanding of BEE related entrepreneurial activities, that is support Black owned enterprises in a variety of ways, including financing, training, investment, extra discounts, advice and mentorship. The proposed model is an integrated adaptation from the works of Evens, *et al* (2003), Terblanche, (2008); Radebe, (2008), all of which want to highlight the benefits BEE principles.

The BEE entrepreneurial management model is categorised into five phases. The initial phase of the model provides the existing BEE Score Card principles for small and medium enterprises [SMEs]. These cover BEE related principles relating to equity ownership, preferential procurement, skills development, empowerment of people, employment equity and enterprise development, which were described in Chapter 2.

The second phase of the model develops from the BEE Score Card Principles (phase one), into (a) the BEE Entrepreneurial Development and the (b) White Expertise for BEE components. These two components are largely influenced by the intervention of the BEE principles. For Black enterprises the intervention affords it the benefits such as equity ownership, preferential procurement, skills development, empowerment, employment equity and so on. For the White experts the intervention benefits them in that the BEE

code would allow White business owner-managers to score points by providing funding and skills management to the struggling Black company.

**FIGURE 4.9      THE BEE ENTREPRENEURIAL MANAGEMENT MODEL**



[Source: Adaptation from Evans, et al. (2003); Terblanche, (2008); Radebe, (2008)]

The third phase of the model shows that from the previous phase there are benefits and shortcomings that are linked to the Black entrepreneurs and White participants. The former include equity ownership, preferential procurement, skills development, empowerment of people, employment equity and so on, whereas the latter consists of Whites providing partnership, skills development, mentorship, in-service training, and general management skills. The negative points for Black entrepreneurs could be accumulated from both the Black and White sector. These range from experiencing management inefficiencies, scarcity of funding, lack of appropriate skills, volatility of financial markets, non-cooperation from White business counterparts.

The next phase in the model process is the strategic analysis operational policies within the case study area. If these policies do not exist then they have to be constructed. The policies have to be aligned with the various attributes which were discussed earlier. Some of these include: development of indispensable infrastructure; utilisation of tourism for integrated development within the centre and periphery; improvement on marketing principles such as of price, length of stay, products, diversity of experience, education and information sources, usage of promotional material; language and the presentation of pre-civilisation cultural stereotypes. The principles or attributes may be managed internally where the involvement of local communities, hence the promotion of Black economic development, and externally in terms of partnerships with government, business and the non-governmental bodies.

The fourth phase of the entrepreneurial management model focuses on identifying the strategic choices, which would make this model a viable proposition. According to Radebe (2008) the strategic choices for

entrepreneurial development, may be divided into two, (a) Financial Support involving the SME Bank, and (b) the Non-Financial Support involving the use of Small Enterprise Development Agency. Financial support relates to providing financial assistance to Black enterprises through what could be called the small and medium enterprise [SME] bank. It has been argued that SME banks are ideal for financing small businesses and not commercial banks. Internationally, SMEs contribute about 90 percent of the GDP, while in South Africa their contribution is estimated at only 40 percent.

It has been proposed that the non-financial support of Black enterprises has to be approached differently. Non-financials such as training in business, technical advice, linkage to markets and mentoring, have to be executed via the Small Enterprise Development agency, which was launched in 2004 in South Africa. Its mandate is to design and implement a standard national delivery network to effectively provide non-financial support services.

The final phase is the strategic implementation of designed or existing BEE related entrepreneurial development components. These include many of those activities and management practices needed by Blacks intending to enter the tourism industry. Some of these components include: financing of business, cost of expertise, overhead costs, equity ownership, preferential procurement, skills development, empowerment and employment equity.

From the discussion above, it may be concluded that the BEE entrepreneurial management model, is of paramount importance in making the BEE policy viable for Blacks wishing to enter the tourism industry. It is also worthy of note that if this proposed model of entrepreneurial development, were successful, then it would be first of its kind in South Africa and elsewhere. Based on the last objective of this research study, it is therefore reasonable to

argue that Hypothesis 5, which states: *That there is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area*, is achievable and may be regarded as having been met.

#### **4.9 CONCLUSION**

This chapter has focused on the analysis and interpretation of variables and statements that discuss the development of BEE-related tourism entrepreneurial principles and procedures in the study area. The analysis was with a view of achieving Black economic empowerment, skills development, employment equity and acquisition of financial assistance, as perceived by stakeholders their area. The analysis and interpretation of data was achieved by utilising the objectives and hypotheses as a way of departure. The demographic characteristics of the respondents (entrepreneurs, tourism officials and local communities) have revealed varying, and at times similar, ways of thinking, about their perceptions of the BEE-related entrepreneurial development of tourism facilities and programmes in the study area.

The analysis and outcomes of various aspects of the research problem, have laid a foundation for making conclusions about, tourism entrepreneurial awareness, participation, policy contributions and management or implementation modelling, as well as tourism benefits for the previously disadvantaged communities. Furthermore, these conclusions are expected to lead to some recommendations presented in the next chapter. The conclusions would also assist the researcher to present a viewpoint about how the BEE-related tourism authorities should engage in planning and setting policies, which would help in the development and promotion of a tourism entrepreneurial infrastructure that seeks to benefit the Black people in South Africa.

## **CHAPTER 5**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

It has become common knowledge that an entrepreneurial environment that is conducive to the growth and development of small and medium enterprises [SME], will be that which follows the prescriptions of the BEE policy to the latter (Radebe 2008). A well managed SME will not only contribute to an increased Black ownership of businesses, but also of the economy of the country. Furthermore, an efficiently managed BEE related tourism entrepreneurial initiative would be able to circumvent negatives such as the lack of knowledge about gathering of finance; lack of appropriate skills, equity ownership and the non-cooperation from White business counterparts.

Some of these theoretical underpinnings have been discussed at length in Chapter 4, this being done through the assessment of objectives and hypotheses of this research study. This chapter therefore, gives a summary of the findings, general conclusions and related recommendations pertaining to the enhancement of Black tourism entrepreneurial development and opportunities within the Greater Durban Metropolitan Area. Put differently, this study examined whether Black economic empowerment in the tourism industry does contribute to the upliftment of Black people. That is, the study looked at the best way(s) in which BEE policies and management principles could be implemented by the

tourism industry and related government agencies such as the KwaZulu-Natal Tourism Authority. Obviously, it is anticipated, as intimated above, that the positive consequences of BEE implementation would be a decrease in unemployment and poverty problems among the Black people.

## **5.2 SUMMARY OF THE STUDY**

The fundamental aim of this study, as indicated in Chapter One, was to assess the role played by Black entrepreneurs and other stakeholders in the development of BEE related tourism entrepreneurial initiatives within the Greater Durban Metropolitan Area. The assessment of this study was based on the following objectives: (a) To reveal the extent of Black people's awareness of tourism entrepreneurial opportunities associated within the study area; (b) To establish the levels of Black entrepreneurial participation in the tourism industry within the study area; (c) To investigate whether the BEE policy contributes towards tourism entrepreneurship within the Durban Metropolitan Area; (d) To identify appropriate competitive strategies that can be widely applied in enhancing tourism entrepreneurial for the benefit of stakeholders in the study area; and (e) To design a strategic management model that can be used as a blue print by entrepreneurs in the tourism industry.

Methodologically, the collection of information for this study done from three main stakeholders involving: the Black entrepreneurs, tourism and government officials, and local community and public. The data was collected from area of the GDMA such as the Durban South, Central and North, the Durban Inner and Outer West, the CBD and the Township Areas. Finally, it should be stated that the type and source of data collected had a significant influence on the findings.



A thorough and detailed analysis and interpretation of the research question, came up with the following findings that: (a) Black people are adequately aware of tourism entrepreneurial opportunities associated with the study area; (b) Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area; (c) The present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area; (d) The existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area; (e) There is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area. It is the researcher's dream that this BEE entrepreneurial development model could initiated in this instance.

On the whole the findings of this research investigation have been negative and disclaiming most of the contributions of the BEE related tourism entrepreneurial initiatives. It is anticipated that the summary of these findings would lead to suggestions and recommendations from the comprehensive interpretation of the data. The suggestions and recommendations are presented as a contribution towards the formulation of a management model that is aimed at enhancing the tourism entrepreneurial opportunities for the benefit of stakeholders within the study area.

### **5.3 GENERAL CONCLUSIONS BASED ON OBJECTIVES**

As mentioned earlier, the main objective of this research inquiry was to assess the role played by Black entrepreneurs and other stakeholders in the development of BEE related tourism entrepreneurial initiatives within the

Greater Durban Metropolitan Area. Lubbe (2003) has argued that communities pay enormous prices for allowing tourism to operate efficiently in their areas of operation. This research study therefore sought, *inter alia*, to find out whether the utilisation or implementation of BEE related tourism entrepreneurial initiatives in the study area were ready to benefit the Black communities. If tourism is planned with the benefit of the Black community in mind and sincere consultation with the community, innumerable benefits can accrue to the said Black community.

Hence the following objectives are essentially concerned with the realisations of the ideals mentioned above. In the next section each objective of the study and the emerging findings are given detailed attention below.

### **Objective 1**

The first objective of the study sought to reveal the extent to which Black people are aware of tourism entrepreneurial opportunities associated with the study area. A very acute sense of awareness of BEE-related tourism entrepreneurial initiatives within the study area would facilitate the development of the tourism entrepreneurial opportunities. In other words, this objective sought to investigate the extent to which stakeholders, such as entrepreneurs, tourism and government officials, and local community and public understand the management and implementation of the BEE policy initiatives for the purpose of enhancing Black empowerment in the study area.

On the whole, the stakeholders indicated that they were fully aware of the BEE-related tourism entrepreneurial opportunities associated with the study area. What is interesting though, is that awareness does not necessarily constitute

participation by any means. In this regard, it was concluded that the majority of stakeholders attested to their awareness of the BEE-related tourism entrepreneurial initiatives in the study area. Finally, Hypothesis 1, which states: *That Black people are not adequately aware of tourism entrepreneurial opportunities associated with the study area* should not be supported. The basis for this conclusion is that the majority respondents were fully aware of the importance of the BEE-related tourism entrepreneurial initiatives.

## **Objective 2**

The basic intention of objective 2 was to establish the levels of stakeholder participation in the tourism entrepreneurial initiatives within the study area. The existence of BEE policy documents and activities for the Black entrepreneurs in the study area, are adequately provided by the authorities but it is another story when talking about participation in these initiatives. The Greater Durban Metropolitan Area, by virtue of its location is an area that should be benefitting more from BEE initiatives, than say rural areas. As such, it was anticipated that the outcomes of the findings would be positive and stand to benefit the Black entrepreneurs. However, that was not the case.

The outcomes of the analysis revealed that the majority of the stakeholders showed a relatively medium to low participation rate in BEE related tourism entrepreneurial development activities. On the basis of these findings, it may be concluded that Hypothesis 2, which states: *That Black stakeholders do not participate significantly in the tourism entrepreneurial initiatives within the study area*, should be accepted. The grounds for accepting this hypothesis are that, on aggregate respondents who showed low participation plus those who were not sure, constituted the majority response.

### **Objective 3**

Fundamentally the target of objective 3 was to establish the degree to which stakeholders in the study area contribute towards BEE-related tourism entrepreneurship within the Durban Metropolitan Area. In other words the objective sought to find out the extent to which stakeholders such as Black entrepreneurs, tourism and government officials, and local community and public perceive the BEE policy as significantly contributing to Black economic empowerment in the study area. This BEE-related contribution routine is viewed mainly by tourism and government officials as substantially responsible for the success of the BEE policy in the study area.

In this regard, the findings of the research study established that the majority of stakeholders, utilising the BEE policy initiatives, contribute to a lesser extent to the Black tourism entrepreneurship within the Durban Metropolitan Area. On the other hand, a significant minority of the stakeholder thought that the BEE policy makes a good contribution to the tourism entrepreneurship processes within the Durban Metropolitan Area. In this regard, it may be concluded from the emerging findings that Hypothesis 3, which states: *That the present BEE policy as practiced makes an inadequate contribution towards tourism entrepreneurship within the Durban Metropolitan Area*, must be supported. The basis of this support revolves around the view that the majority of stakeholders perceived the Black economic empowerment initiative as not contributing significantly to skills development, job creation and employment opportunities in the Greater Durban Metropolitan Area. It has been noted that the BEE tourism entrepreneurship has been generally criticised as not being able to achieving broad beneficiary domain for the local community.

#### **Objective 4**

The fourth objective of the study sought to identify appropriate competitive strategies that can be widely applied in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area. The BEE-related tourism entrepreneurial opportunities revolve around the following activities: financing of business, cost of expertise, overhead costs, equity ownership, preferential procurement, skills development, empowerment, and employment equity. It was assumed that if the utilisation and patronage of facilities and activities, such as are mentioned above, were of a high order, then the BEE policy and tourism entrepreneurial development would be successful.

Notwithstanding that the majority of stakeholder indicated that they were aware of BEE-related tourism entrepreneurial opportunities within the study area, they did not support the view that competitive strategies, were enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area. The main reasons for these outcomes were that the majority of stakeholders agreed that there have not been any effective strategic success of skills development, communication and marketing, benefiting the BEE-related policies for the development of tourism entrepreneurial activities in the study area.

Accordingly from the findings, it was concluded that Hypothesis 4, which stated: *That the existing competitive strategies are not adequately successful in enhancing tourism entrepreneurial opportunities for the benefit of stakeholders in the study area*, should be accepted. The basis of this finding was that, most of the stakeholders were not convinced that tourism strategies in place were not

successful in enhancing BEE-related tourism entrepreneurial opportunities. The failure of strategies to enhance tourism entrepreneurship, were mainly in the following spheres: skills training strategy, job creation strategy; employment strategy; financing strategy; equity ownership strategy; communication strategy; marketing strategy; service excellence strategy; Black employee procurement strategy and community empowerment strategy

### **Objective 5**

This objective fundamentally sought to investigate the effectiveness of tourism management practices or model in enhancing Black economic empowerment or tourism entrepreneurship. These tourism development or management models are not only meant to set up guidelines for effective implementation of policies, but also geared to benefit the local communities in the study area. Respondents were asked to look at statement relating to that: “There are adequate tourism BEE management procedures (or model) to facilitate Black participation in the area”. The majority of stakeholders pointed out that they were not in agreement.

The main reason for this outcome was that BEE management was ineffective because of issues such as: experiencing management inefficiencies, scarcity of funding, lack of appropriate skills, volatility of financial markets, non-cooperation from White business counterparts. It nonetheless anticipated that the benefits of an effective BEE-related tourism entrepreneurial management model would assist in establishing a tourism delivery strategy in the study area.

As such, it was found appropriate to conclude that since there were various factors that worked against the establishment of a tourism entrepreneurial

management model, Hypothesis 5, which stated: *That there is no readily existing strategic management model that can be used as a blue print by tourism entrepreneurs in the study area*, has to be accepted. One of the key justifications for this conclusion was that an important national strategy pertaining to the question of job creation and poverty alleviation was not adequately addressed at the Greater Durban Metropolitan Area. This finding is further supported by Clarke (2003), who argues that several case studies undertaken in South Africa have indicated that there was no conclusive evidence of the success of the tourism entrepreneurial management model.

In concluding the section, it is worth mentioning that the aims of tourism entrepreneurial development as seen by McIntosh *et al.* (2002) are: to develop an infrastructure and providing tourism facilities and activities for visitors and the community alike; establishing an entrepreneurial management model consistent with cultural, social and economic philosophy of the government and the people of the host country; and to optimise visitor satisfaction. The last objective aimed at revealing how a tourism entrepreneurial management model would benefit all stakeholders within the study area.

The dominant fact is the provincial and national authorities have been working hard, putting together tourism legislation, with a variety of strategies, which has tried to make the tourism industry a job creator and poverty alleviator in South Africa. The politicians' legislative approach has not been always been successful, because it lacked a viable, effective and sustainable implementation strategy. The politicians make laws, which the bureaucrats in government offices fail to execute. This study has sought, among other things, to investigate how Black tourism entrepreneurial development initiatives and opportunities

could enhance Black economic empowerment within the Greater Durban Metropolitan Area. The study has also tried to put in place a BEE entrepreneurial management model, which would facilitate the implementation of tourism entrepreneurial opportunities. This approach in a theoretical framework based implementation strategy, rather than the legislative framework implementation strategy. As described earlier this model proposes to enhance BEE related entrepreneurial activities, which would support Black owned enterprises in a variety of ways including financing, training, investment, extra discounts, advice and mentorship.

#### **5.4 RECOMMENDATIONS**

The development of the Black tourism entrepreneurial initiative for the benefit of the disadvantaged communities in the Greater Durban Metropolitan Area, cannot be understood in isolation to the various findings discussed in this research study. This development should be understood in the context of all unresolved problems and challenges related to the BEE tourism entrepreneurship in the study area. Some solutions need to be drawn from the already existing governmental frameworks, such as the Reconstruction and Development Program (ANC, 1994), the Tourism White Paper (DEAT, 1996), and strategies and models for the successful implementation of tourism entrepreneurial management model in South Africa (Njobe & Both, 2003).

The recommendations proposed in this sub-section are aimed at clarifying some aspects of this study and to generalise on some of the findings in order to avoid some of the issues which are found to exist in the Black entrepreneurship environment. On the basis of the interpreted data in the preceding chapter, the recommendations are made. The recommendations are presented as a



contribution to the formulation of policies or strategies that seek to introduce BEE-related tourism entrepreneurial initiatives in the study area. It is therefore, considered appropriate to make the following recommendations for the Greater Durban Metropolitan Area. These include the following:

- The demystification, clarification and accessibility of the Black economic empowerment policy.
- The improvement of skills development and financial management of the BEE-related tourism entrepreneurial activities and policies.
- The establishment of a viable entrepreneurial management model, which seeks to make Black economic empowerment more beneficial to the previously disadvantaged communities.
- The improvement of tourism entrepreneurial activities including spend patterns to enable transformation and promote Black economic empowerment within the study area.
- The translation and interpretation of affirmative action policy, in such a way that complements appropriately the BEE tourism entrepreneurship policies, so as to achieve economic well-being and balance between the communities in South Africa.
- The translation and clarification of the BEE policy, in the context of its important pillars, such as fast tracking the entry of Black people into major economic activities, promotion of Black employees, and skills development.
- The depoliticization of the BEE-related tourism entrepreneurial opportunities, such that they benefit a wide sector of the Black population.
- The stamping out of corruption associated with procurement of BEE-related tourism entrepreneurial opportunities within the study area.

- The creation of BEE funding opportunities, ensuring that the state funding is accessible to the business community, emerging entrepreneurs, micro enterprises, sole traders, and informal sector. This should be mainly focusing on equity ownership, preferential procurement, employment equity and enterprise development.
- The strict enforcement of justifiable empowerment of individual with merit and expertise, and thus in this matter, discourage the rampant practice and problem of BEE fronting.
- The increasing of the participation of Black women in entrepreneurial activities, in this manner, women would own and manage existing and new tourism related enterprises.
- The empowerment of rural and local communities by enabling access to economic and entrepreneurial activities, land, infrastructure, ownership and skills.
- The facilitation of ownership and management of Black enterprises and productive assets by communities, workers, cooperatives and other collective enterprises. Also investing in enterprises that are owned or managed by Black people.
- The monitoring of compliance with employment equity as well as the training and developing people in the context of Black economic empowerment.
- The establishment of tourism entrepreneurial programmes which are associated with the creation of jobs, and poverty alleviation, which would expose the local communities to the travel and tourism industry.

- The expansion of the range and scope of education and training programmes and skills training opportunities within the Greater Durban Metropolitan Area for the benefit of local communities.
- The establishment and encouragement of contacts and contracts between Black people and White people, so that there can be interchange of skills. There is also need to increase contacts between the Black and White businesses.

In concluding this section, it can be argued that the success of developing and promoting tourism in BEE mode, lies primarily in mutual co-operation between all stakeholders: the government, entrepreneurs, tourism officials, tourism service providers and the local communities. The empowerment of local people as well as their involvement in decision-making could help solve many problems associated with the BEE tourism entrepreneurial initiatives in the research study.

## 5.5 CONCLUSION

This chapter has attempted to map out the findings of this study, mainly relating to awareness and understanding, the participation, BEE contribution, utilisation of tourism strategies, and development of an entrepreneurial model in the study area. Furthermore, it has advanced an argument that an efficiently managed BEE related tourism entrepreneurial initiative would be able to circumvent apparent negative outcomes on BEE tourism entrepreneurship. The chapter has, through the analysis and interpretation of objectives and hypotheses, attempted to address the practices and shortcomings associated with tourism entrepreneurial opportunities. These analyses have been developed into general

conclusions, which, in turn, have assisted in co-ordinating and revealing the finding of the study as a whole. Finally, recommendations have been made to ensure that the pitfalls identified in the BEE-related tourism entrepreneurship are addressed to benefit the stakeholders in the future.

In conclusion, many of the recommendations cited in this chapter have suggested that the challenge and commitment to achieve laudable results remains with the authorities and policy-makers. The BEE policies which were discussed at length in the previous chapters suggest that they do not seem to fulfil the current requirements of the BEE tourism entrepreneurial initiatives. Hence, those in authority continue to be criticised for the numerous shortcomings associated with the BEE policies, the failures in funding, skills development, job creation, employment equity, and so on.

In closing this chapter and summarise the mood of its findings, it would be proper to quote Radebe (2008), when she argues that Black economic empowerment has been criticised for not reaching a broad beneficiary base. This is partly because empowerment has been confined to ownership transactions. It is evident that the only way sustainable economic opportunities can be created through a strong small and medium enterprises sector. This study advocates for that line of approach should be adopted in resolving the shortcomings.

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## **APPENDICES**

## APPENDIX - A

### QUESTIONNAIRE TO THE COMMUNITY OR PUBLIC

#### SECTION A

#### **[1]. DEMOGRAPHIC CHARACTERISTICS**

##### 1. Gender

01	Male	
02	Female	

##### 2. Age

01	0 – 20	
02	21 – 40	
03	41 – 60	
04	61 →	

##### 3. Marital Status

01	Married	
02	Single	
03	Divorced	
04	Widowed	

##### 4. Occupation

01	Professional	
02	Skilled	
03	Semi-skilled	
04	Unskilled	
05	Retired	
06	Unemployed	

##### 5. Education

01	Primary Education	
02	Secondary Education	
03	Tertiary- Certificate	
04	Tertiary- Diploma	
05	Tertiary- Degree	

6. Income

01	Less than R1000	
02	R1001 – R3000	
03	R3001 – R5000	
04	R5001 – R8000	
05	R8001 – R10 000	
06	More than R10 000	

**SECTION B**

**[2]. TOURISM AWARENESS AND PARTICPATION**

Please mark with a cross (X) in the appropriate box

[01] = Strongly Agreed,	[02] = Agreed	[03] = Undecided
[04] = Disagreed	[05] = Strongly Disagreed	

<b>B.1 Black Economic Empowerment (BEE) contributions towards black entrepreneurship.</b>					
	[01]	[02]	[03]	[04]	[05]
7. It is easy for Black people to own tourism businesses in the Greater Durban Metropolitan Area.					
8. Among the Black people, low level of business skills is one of the setbacks towards tourism entrepreneurship.					
9. The Black Economic Empowerment (BEE) is promoting black entrepreneurship within the Greater Durban Metropolitan Area tourism sector.					
10. Lack of contact agreement between the experienced and the upcoming entrepreneurs Greater Durban Metropolitan Area hampers the development of Black tourism businesses.					
11. Black people's lack of knowledge about obtaining financial support is a setback for Black entrepreneurial development.					
<b>B.2 Awareness of Black Entrepreneurial Development Opportunities</b>					
	[01]	[02]	[03]	[04]	[05]
12. Black people are aware of Black Entrepreneurial Development Opportunities in the study area.					
13. Black people have access to the Greater Durban Metropolitan Area's tourism information centres for general information acquisition.					

14. Black people usually discuss issues related to the Black Entrepreneurial Development Opportunities among themselves.					
15. Blacks are aware of the existing tourism businesses Opportunities in the Greater Durban Metropolitan Area.					
16. The Durban Metropolitan Council does offer to Black information about new tourism opportunities in the area.					
<b>B.3 Participation in Black Entrepreneurial Empowerment Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
17. Blacks in the Greater Durban Metropolitan Area participate adequately in Black Entrepreneurial Development Opportunities.					
18. Black people lack essential information about tourism entrepreneurship to participate in the initiative.					
19. Black people do not know how to get involved in tourism businesses aimed at enhancing Black Entrepreneurial Development.					
20. Blacks in the Greater Durban Metro are not aware that they can participate in Black Entrepreneurial Development Initiatives.					

## **SECTION C**

### **[3]. TOURISM POLICY, MANAGEMENT AND STRATEGIES**

Please mark with a cross (X) in the appropriate box

<b>C.1 The existence of tourism policy related Black Entrepreneurial Development Initiatives and Empowerment.</b>					
	[01]	[02]	[03]	[04]	[05]
21. There is sufficient policy in the Durban Metropolitan Area to facilitate the management of Black Entrepreneurial Development initiatives.					
22. The Durban Metropolitan Area tourism businesses are implementing BEE policies or Black Entrepreneurship Development initiatives in the study area.					
23. There are not adequate tourism management procedures to facilitate the growth of Black Entrepreneurial Development initiatives in the study area.					
24. The implementation of the Black Entrepreneurial Development policies and initiatives in the study area are efficiently carried out.					



25. The Durban Metropolitan Municipality's tourism division or office has the capacity to manage the BEE policy implementation for the area.					
<b>C.2 Existence of strategies for the management and enhancement of tourism Black Entrepreneurial Development Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
26. There are competitive strategies that can assist enhance tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.					
27. The Durban Metropolitan Municipality has in place the strategic management model that it can use for the development of entrepreneurship in the tourism industry.					
28. There is adequate financial support, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
29. There are inadequate skills and information, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
30. There is adequate municipal capacity, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					

## **APPENDIX - B**

### **QUESTIONNAIRE** **TO THE OFFICIALS [TOURISM & GOVERNMENT]**

#### **SECTION A**

#### **[1]. DEMOGRAPHIC CHARACTERISTICS**

##### **2. Gender**

01	Male	
02	Female	

##### **2. Age**

01	0 – 20	
02	21 – 40	
03	41 – 60	
04	61 →	

##### **7. Marital Status**

01	Married	
02	Single	
03	Divorced	
04	Widowed	

##### **8. Occupation**

01	Professional	
02	Skilled	
03	Semi-skilled	
04	Unskilled	
05	Retired	
06	Unemployed	

##### **9. Education**

01	Primary Education	
02	Secondary Education	
03	Tertiary- Certificate	
04	Tertiary- Diploma	
05	Tertiary- Degree	

## 10. Income

01	Less than R1000	
02	R1001 – R3000	
03	R3001 – R5000	
04	R5001 – R8000	
05	R8001 – R10 000	
06	More than R10 000	

## **SECTION B**

### **[2]. TOURISM AWARENESS AND PARTICPATION**

Please mark with a cross (X) in the appropriate box

[01] = Strongly Agreed,	[02] = Agreed	[03] = Undecided
[04] = Disagreed	[05] = Strongly Disagreed	

<b>B.1 Black Economic Empowerment (BEE) contributions towards black entrepreneurship.</b>					
	[01]	[02]	[03]	[04]	[05]
7. It is easy for Black people to own tourism businesses in the Greater Durban Metropolitan Area.					
8. Among the Black people, low level of business skills is one of the setbacks towards tourism entrepreneurship.					
9. The Black Economic Empowerment (BEE) is promoting black entrepreneurship within the Greater Durban Metropolitan Area tourism sector.					
10. Lack of contact agreement between the experienced and the upcoming entrepreneurs Greater Durban Metropolitan Area hampers the development of Black tourism businesses.					
11. Black people's lack of knowledge about obtaining financial support is a setback for Black entrepreneurial development.					
<b>B.2 Awareness of Black Entrepreneurial Development Opportunities</b>					
	[01]	[02]	[03]	[04]	[05]
12. Black people are aware of Black Entrepreneurial Development Opportunities in the study area.					
13. Black people have access to the Greater Durban Metropolitan Area's tourism information centres for general information acquisition.					

14. Black people usually discuss issues related to the Black Entrepreneurial Development Opportunities among themselves.					
15. Blacks are aware of the existing tourism businesses Opportunities in the Greater Durban Metropolitan Area.					
16. The Durban Metropolitan Council does offer to Black information about new tourism opportunities in the area.					
<b>B.3 Participation in Black Entrepreneurial Empowerment Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
17. Blacks in the Greater Durban Metropolitan Area participate adequately in Black Entrepreneurial Development Opportunities.					
18. Black people lack essential information about tourism entrepreneurship to participate in the initiative.					
19. Black people do not know how to get involved in tourism businesses aimed at enhancing Black Entrepreneurial Development.					
20. Blacks in the Greater Durban Metro are not aware that they can participate in Black Entrepreneurial Development Initiatives.					

## **SECTION C**

### **[3]. TOURISM POLICY, MANAGEMENT AND STRATEGIES**

Please mark with a cross (X) in the appropriate box

<b>C.1 The existence of tourism policy related Black Entrepreneurial Development Initiatives and Empowerment.</b>					
	[01]	[02]	[03]	[04]	[05]
21. There is sufficient policy in the Durban Metropolitan Area to facilitate the management of Black Entrepreneurial Development initiatives.					
22. The Durban Metropolitan Area tourism businesses are implementing BEE policies or Black Entrepreneurship Development initiatives in the study area.					
23. There are not adequate tourism management procedures to facilitate the growth of Black Entrepreneurial Development initiatives in the study area.					
24. The implementation of the Black Entrepreneurial Development policies and initiatives in the study area are efficiently carried out.					

25. The Durban Metropolitan Municipality's tourism division or office has the capacity to manage the BEE policy implementation for the area.					
<b>C.2 Existence of strategies for the management and enhancement of tourism Black Entrepreneurial Development Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
26. There are competitive strategies that can assist enhance tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.					
27. The Durban Metropolitan Municipality has in place the strategic management model that it can use for the development of entrepreneurship in the tourism industry.					
28. There is adequate financial support, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
29. There are inadequate skills and information, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
30. There is adequate municipal capacity, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					

## **APPENDIX - C**

### **QUESTIONNAIRE** **TO THE ENTREPRENEURS AND BUSINESS PERSONS**

#### **SECTION A**

#### **[1]. DEMOGRAPHIC CHARACTERISTICS**

##### **3. Gender**

01	Male	
02	Female	

##### **2. Age**

01	0 – 20	
02	21 – 40	
03	41 – 60	
04	61 →	

##### **11. Marital Status**

01	Married	
02	Single	
03	Divorced	
04	Widowed	

##### **12. Occupation**

01	Professional	
02	Skilled	
03	Semi-skilled	
04	Unskilled	
05	Retired	
06	Unemployed	

##### **13. Education**

01	Primary Education	
02	Secondary Education	
03	Tertiary- Certificate	
04	Tertiary- Diploma	
05	Tertiary- Degree	

#### 14. Income

01	Less than R1000	
02	R1001 – R3000	
03	R3001 – R5000	
04	R5001 – R8000	
05	R8001 – R10 000	
06	More than R10 000	

### **SECTION B**

#### **[2]. TOURISM AWARENESS AND PARTICPATION**

Please mark with a cross (X) in the appropriate box

[01] = Strongly Agreed,	[02] = Agreed	[03] = Undecided
[04] = Disagreed	[05] = Strongly Disagreed	

<b>B.1 Black Economic Empowerment (BEE) contributions towards black entrepreneurship.</b>					
	[01]	[02]	[03]	[04]	[05]
7. It is easy for Black people to own tourism businesses in the Greater Durban Metropolitan Area.					
8. Among the Black people, low level of business skills is one of the setbacks towards tourism entrepreneurship.					
9. The Black Economic Empowerment (BEE) is promoting black entrepreneurship within the Greater Durban Metropolitan Area tourism sector.					
10. Lack of contact agreement between the experienced and the upcoming entrepreneurs Greater Durban Metropolitan Area hampers the development of Black tourism businesses.					
11. Black people's lack of knowledge about obtaining financial support is a setback for Black entrepreneurial development.					
<b>B.2 Awareness of Black Entrepreneurial Development Opportunities</b>					
	[01]	[02]	[03]	[04]	[05]
12. Black people are aware of Black Entrepreneurial Development Opportunities in the study area.					
13. Black people have access to the Greater Durban Metropolitan Area's tourism information centres for general information acquisition.					

14. Black people usually discuss issues related to the Black Entrepreneurial Development Opportunities among themselves.					
15. Blacks are aware of the existing tourism businesses Opportunities in the Greater Durban Metropolitan Area.					
16. The Durban Metropolitan Council does offer to Black information about new tourism opportunities in the area.					
<b>B.3 Participation in Black Entrepreneurial Empowerment Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
17. Blacks in the Greater Durban Metropolitan Area participate adequately in Black Entrepreneurial Development Opportunities.					
18. Black people lack essential information about tourism entrepreneurship to participate in the initiative.					
19. Black people do not know how to get involved in tourism businesses aimed at enhancing Black Entrepreneurial Development.					
20. Blacks in the Greater Durban Metro are not aware that they can participate in Black Entrepreneurial Development Initiatives.					

## **SECTION C**

### **[3]. TOURISM POLICY, MANAGEMENT AND STRATEGIES**

**Please mark with a cross (X) in the appropriate box**

<b>C.1 The existence of tourism policy related Black Entrepreneurial Development Initiatives and Empowerment.</b>					
	[01]	[02]	[03]	[04]	[05]
21. There is sufficient policy in the Durban Metropolitan Area to facilitate the management of Black Entrepreneurial Development initiatives.					
22. The Durban Metropolitan Area tourism businesses are implementing BEE policies or Black Entrepreneurship Development initiatives in the study area.					
23. There are not adequate tourism management procedures to facilitate the growth of Black Entrepreneurial Development initiatives in the study area.					
24. The implementation of the Black Entrepreneurial Development policies and initiatives in the study area are efficiently carried out.					



25. The Durban Metropolitan Municipality's tourism division or office has the capacity to manage the BEE policy implementation for the area.					
<b>C.2 Existence of strategies for the management and enhancement of tourism Black Entrepreneurial Development Initiatives.</b>					
	[01]	[02]	[03]	[04]	[05]
26. There are competitive strategies that can assist enhance tourism entrepreneurial opportunities for the benefit of stakeholders in the study area.					
27. The Durban Metropolitan Municipality has in place the strategic management model that it can use for the development of entrepreneurship in the tourism industry.					
28. There is adequate financial support, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
29. There are inadequate skills and information, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					
30. There is adequate municipal capacity, as a strategy, for enhancing Black tourism entrepreneurship opportunities in the study area.					

## **APPENDIX - D**

### **University of Zululand**

**DEPARTMENT OF RECREATION  
& TOURISM**



**Private Bag X1001**

**KwaDlangezwa 3886**

**South Africa**

**Tel: 035 902 6000**

**Fax: 035-902 6073**

**Ref: mrt/ms/2006**

**1 August 2006**

**To whom it may concern**

**Dear Sir /Madam**

#### **RE: REQUEST TO CONDUCT RESEARCH**

Mr AND. Vilakazi is part-time student of the Centre for Recreation and Tourism at the University of Zululand. He is doing the Maters in Recreation and Tourism [MRT]. The attached questionnaire is part of his research project seeking to establish the influence or impact of Black entrepreneurial development in the tourism industry in the Durban Metropolitan Area [DMA]. Furthermore, the policy of BEE contributes towards tourism entrepreneurship within the Area. The title of the research project is:

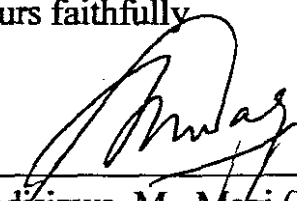
*Black Entrepreneurial Development in the Tourism Industry:  
Initiatives within the Greater Durban Metropolitan Area.*

This research inquiry is undertaken mainly for academic purposes among the DMA communities associated with tourism. It is hoped that the findings of the study will make a meaningful contribution to the fields of tourism, as well as the understanding Black Entrepreneurial Development as perceived by the local people and KwaZulu-Natal as a whole.

All information collected from you through this questionnaire will be kept in strict confidence.

Your assistance in this regard will be highly appreciated.

Yours faithfully

A handwritten signature in black ink, appearing to read 'L. Magi', is written over a horizontal line.

Lindisizwe M. Magi (Prof.)  
Centre for Recreation and Tourism  
University of Zululand

cc. Mr AND. Vilakazi (Researcher)

## **DEDICATION**

This dissertation entitled *Black Entrepreneurial Development in the Tourism Industry: Initiatives within the Greater Durban Metropolitan Area [GDMA]* is a piece of work written for and entirely dedicated to the following the Vilakazi Clan. In particular, it is dedicated to my parents: Nandi Albertina my mother and Sojalomlilo Maqethula my father, as well as Mamgobhozi, my loving wife, who encouraged me to work and grind the wheel even harder. My children, Luyanda, my son, and Nontuthuko, my sweet daughter.