

**SMALL, MICRO AND MEDIUM-SIZED ENTERPRISES (SMMEs)
IN THE UMHLATHUZE LOCAL MUNICIPALITY:
TOURISM POLICY, PLANNING AND EXECUTION**

**BY
DOLLY RACHEL NXELE**

**A dissertation submitted to the Faculty of Arts in partial
Fulfilment of the requirements for the Masters degree in
Recreation and Tourism in the Department of
Recreation and Tourism at the
University of Zululand**

**KwaDlangezwa
JANUARY 2014**

APPROVAL

SUPERVISOR :

PROF L.M. MAGI

Department for Recreation and Tourism

University of Zululand

1st EXTERNAL

EXAMINER :

PROF .J.P. SHONGWE

Department of Environmental Science

University of Mpumalanga

2nd EXTERNAL

EXAMINER :

PROF. MUKESH RANGA

Institute of Business Management

CSJM University,

Kalyanpur-Kanpur INDIA

DECLARATION

I declare that this research study entitled: *Small, Micro and Medium-Sized Enterprises (SMMEs) in the uMhlathuze Local Municipality: Tourism Policy, Planning and Execution* is my own work both in conception and in execution, except where specifically indicated to the contrary in the text. All sources that have been used or quoted have been duly acknowledged by means of complete reference. It is further declared that this dissertation has not been previously submitted to any institution for degree purposes.

By

Dolly Rachel Nxele

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to the following people who have contributed significantly to the fulfilment and completion of this research project:

- My study leader, Prof. L.M. Magi, the Coordinator of the Masters Degree in Recreation and Tourism (MRT) for motivating me to complete this research study. This was achieved through a series of research classes which he organised for us and to report on a regular basis on the progress made on the research process.
- Prof. A.T. Nzama, the Deputy Dean of Teaching and Learning and Community Engagement for her teaching in the theory of recreation and tourism, as well as her assistance, guidance and constructive comments on this research study. She has been very patient and understanding regarding our difficulties pertaining to time and distance in doing MRT programme.
- Mr A.T. Mthembu for continually assisting me in the analysis and interpretation of research data, which has been for me an important challenge to overcome.
- It would be a serious omission if I were to forget the following lecturers, who taught me in my first year programme: Dr G.S.Nkosi and Dr N.R. Ngcobo. Their input in my growth and understanding of the field of recreation and tourism cannot be underestimated.
- A word of appreciation also goes to my fellow students, in the PDRT and MRT classes for their continued encouragement and support during the entire research process.
- Last but not least, a word of appreciation goes to all the respondents who provided information regarding to this research study. The residents who were mainly from uMhlatuze Local Municipality.

DEDICATION

This dissertation is dedicated to my late husband Sipho Nxele who encouraged me to further my academic studies, my children, Karabo, Sibusiso, Naledi and my grandchildren Manqoba, Langaletu, Khwezi and Siphosethu for giving me support and encouragement during examination, preparation and completion of this dissertation.

- This study is also dedicated to my late mother Joyce, Julia, Maushe for instilling in me the love for education from an earlier age. For encouraging me to strive to be a better person and served as a source of hope, light and inspiration even during the trying times of my life. Thank you my mother for growing me up to be an independent person, otherwise I would not have survived in this world.
- Lastly, but not least I dedicate this dissertation to my God who always give me strength and courage in times of difficulties.
- This work is presented with love, honour and gratitude to all the people I have mentioned above.

ABSTRACT

The fundamental aim of the study is to establish the involvement and participation of tourism stakeholders in (Small, Medium and Micro Enterprises) with regard to tourism policy planning and execution. In other words, the study wants to discover the role played by policy and practice in the planning of small, medium and micro enterprises in the uMhlathuze Local Municipality. Many of the tourism policies and strategies in South Africa have been formulated with the intention of supporting communities by affording them job opportunities and employment in order to alleviate poverty.

The findings indicate that the tourism stakeholders from the uMhlathuze Local Municipality were not fully conversant with the policy, planning and execution. Among other things, the study is also carried out to explore the level at which tourism policy mandates are implemented and the extent to which these elicit positive community responses.

In addition, the study seeks to establish the degree to which local communities perceive any benefits from the increased tourism activities within the uMhlathuze Local Municipality. The findings indicate that tourism stakeholders from uMhlathuze Local Municipality were not fully conversant with the policies and strategies that were meant to enhance their participation in tourism activities. Furthermore, not all communities supported the promotion of sustainable tourism development in their area. There has been an ongoing debate among other tourism scholars.

The research study involves identifying key strategies that would contribute in developing tourism policies that will address and contribute towards community beneficiation in the uMhlathuze Local Municipality. Finally, local authorities have advocated for a better interpretation and execution of the existing policies.

The research study, therefore, has raised the following objectives:

- (a) To find out whether the local stakeholders understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprises in the study area
- (b) To reveal whether there are adequate tourism policies addressing matters relating to small, micro and medium enterprise practices in the study area

- (c) To ascertain the extent to which the local communities participate in SMMEs tourism related activities.
- (d) To establish whether local communities perceive policies and planning as resulting in job creation and poverty alleviation.
- (e) To assess the degree to which the SMMEs are contributing to community beneficiation.

The study has also identified related hypotheses towards finding answers to the research question. The method of collecting, data analysing and interpreting data involved computer manipulating of data utilizing the statistical package for the social sciences (SPSS).

ACRONYMS AND ABBREVIATIONS

TERM	DEFINITION
BEE	Black Economic Empowerment
BBBEE	Broad- Based Black Economic Empowerment
DEAT	Department of Environmental Affairs and Tourism
DEDT	Department of Economic Development and Tourism
DTI	Department of Trade and Industry
GEAR	Growth Employment and Redistribution
GDP	Gross Domestic Product
ECCR	Economic Cooperative Commission Report
EEA	Employment Equity Act
IDP	Integrated Development Programme
IDZ	Industrial Development Zone
KZN	KwaZulu-Natal
LGMS	Local Government Municipal Structure
MDA	Municipal Demarcation Act
MRT	Masters in Recreation and Tourism
PDC	Previously Disadvantaged Communities
PDI	Previously Disadvantage Individuals
PDRT	Postgraduate Diploma in Recreation and Tourism
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
RTTO	Rural and Township Tourism Organisation
SAGG	South African Government Gazette
SAT	South African Tourism
SMME	Small, Micro and Medium Enterprise
SPSS	Statistical Package for the Social Sciences
UIDP	uMhlathuze Integrated Development Plan
ULM	uMhlathuze Local Municipality

TABLE OF CONTENTS

CHAPTER	DESCRIPTION	PAGE
	Approval	(ii)
	Declaration	(iii)
	Acknowledgements	(iv)
	Dedication	(v)
	Abstract	(vi)
	Acronyms and Abbreviations	(viii)
	Table of contents	(ix)
	List of Figures	(xiii)
	List of Tables	(xiv)
CHAPTER 1:	ORIENTATION OF THE STUDY	1
1.1	Introduction	1
1.2	Background to the study	2
1.3	Statement of the problem	3
1.4	Delimitation of the problem	4
	1.4.1 Geographical Delimitation	5
	1.4.2 Conceptual Delimitation	7
1.5	Objectives of the study	7
1.6	Statement of the Hypothesis	9
1.7	Definitions of terms	9
	1.7.1 Tourism	10
	1.7.2 Recreation	11
	1.7.3 Policy	12
	1.7.4 Planning	12
	1.7.5 Enterprise	13
	1.7.6 Small Enterprises	13
	1.7.7 Micro Enterprises	13
	1.7.8 Medium Sized Enterprises	14
	1.7.9 Execution	14
	1.7.10 Local Municipality	15

1.7.11	Community	15
1.8	Research Methodology	15
1.8.1	Research Design	16
1.8.2	Research Sample	16
1.8.3	Instrumentation	17
1.8.4	Collection of Data	17
1.8.5	Analysis and Interpretation	17
1.8.6	Pilot Study	18
1.9	Ethical Consideration	19
1.10	Structure of the Research Study	20
1.11	Conclusion	22
 CHAPTER 2: THEORETICAL BACKGROUND OF THE STUDY		23
2.1	Introduction	23
2.2	Background and nature of the SMMEs	24
2.2.1	Micro Enterprises	24
2.2.2	Small Enterprises	25
2.2.3	Medium Enterprises	25
2.3	Policies and Guidelines in Planning for SMMEs	25
2.3.1	Tourism Planning Approaches and Methods	26
2.3.2	Planning Process for Tourism SMMEs	26
2.3.3	The Role Players in Development of the SMME	27
2.3.4	Public Sector	27
2.3.5	Tourism Development Authorities	28
2.3.6	Application on Tourism SMMEs Development Policies	28
2.3.7	Tourism Policy Law and Regulations	29
2.3.8	Policy and the Government Structure	29
2.3.9	Tourism Planning and Policies	29
2.3.10	Tourism SMMEs and Community Development	30
2.3.11	Economic Empowerment and Industry Transformation	31
2.3.12	Economic Benefit	32
2.3.13	Challenges of accessing funds by SMMEs	32
2.4	Supplying Support to Emerging Tourism Businesses	33
2.5	Conclusion	34

CHAPTER 3:THE PHYSICAL SETTING OF THE STUDY AREA	35
3.1 Introduction	35
3.2 Brief history of uMhlathuze Local Municipality	35
3.3 Absolute Location of Richards Bay and Townships	36
3.3.1 Richards Bay	37
3.3.2 Esikhaleni	38
3.3.3 Empangeni	38
3.3.4 Vulindlela	38
3.3.5 Enseleni	39
3.3.6 Mandlazini	39
3.3.7 Ngwelezane	39
3.3.8 UMhlathuze Village	39
3.3.9 Municipal Land Area	39
3.4 The City of Richards Bay	40
3.4.1 Tourism and geographic elements of uMhlathuze	41
3.4.2 Museum	41
3.4.3 Art and Crafts Centre	42
3.5 Climate	42
3.5.1 Soil, Vegetation and Plants	43
3.5.2 Infrastructure	43
3.5.3 Accommodation	44
3.5.4 Agriculture	44
3.6 Overview of Tourism in Richards Bay	44
3.7 Economic and Cultural Organisation	45
3.8 Political and Social Organisation	46
3.9 Demographic Information	47
3.9.1 Total Population	47
3.10 Level of Education	49
3.11 Conclusion	50
CHAPTER 4:ANALYSIS AND INTERPRETATION OF DATA	51
4.1. Introduction	51
4.2 Re-Instatement of objectives and hypotheses	52

4.3	Demographic characteristics of Data	53
4.3.1	Gender of the respondents	54
4.3.2	Age respondents	55
4.3.3	Racial Groups	56
4.3.4	Level of Education Variable	57
4.3.5	The Occupation variable	58
4.3.6	Social Level Class	59
4.3.7	Income Level	59
4.4	Understanding the importance of policy	60
4.5	Adequacy of tourism policies in SMME matters	62
4.6	Community participation in SMME tourism Activities	64
4.7	Perceived level of community towards job creation	67
4.8	SMME tourism contribution to community beneficiation	69
4.9	Conclusion	70
CHAPTER5: CONCLUSIONS AND RECOMMENDATIONS		72
5.1	Introduction	72
5.2	Summary of the study	73
5.3	Conclusions based on objectives	74
5.4	Recommendations	78
5.5	Conclusions	79
BIBLIOGRAPHY		80
APPENDICES		
Appendix:	A- Questionnaire to stakeholders	87
Appendix:	B- Transmittal Letter	

LIST OF FIGURES

DESCRIPTION	PAGE
1.1 Relative Location of uMhlathuze Municipality	6
3.1 Townships in the uMhlathuze Municipality	37
4.1 Understanding the importance of policy	61
4.2 Adequacy of tourism policies addressing SMME matters	63
4.3 Community participation in SMMEs tourism activities	65
4.4 Community's perception of job creation and poverty alleviation	67
4.5 SMMEs contribution to community beneficiation	70

DESCRIPTION	PA GE
3.1 Representing the Municipal land Area	40
3.2 Population by gender	48
3.3 Population by density	49
3.4 Level of education	50
4.1 Gender Distribution	55
4.2 Age Distribution	56
4.3 Distribution by Race	57
4.4 Distribution by Education	57
4.5 Distribution by Occupation	58
4.6 Distribution by Social level Class	59
4.7 Distribution by Income	60
4.8 Definition of policy	62
4.9 Adequacy of tourism policies addressing SMME matters	63
4.10 Local community participation in tourism activities	66
4.11 Community perception of job creation and poverty alleviation	68

CHAPTER 1

ORIENTATION TO THE STUDY

1.1 INTRODUCTION

Tourism, as among many human economic activities, is regarded as one of the leading revenue generators as well as a good remedy for communities that have been affected by unemployment and poverty. In support of this notion Rogerson & Visser (2004) have argued that in the last few decades tourism has been recognised as an economic sector with the potential to make a contribution towards the development of communities in tourist destinations. Tourism is envisioned as not only providing sustainable economic betterment of living conditions, but offering social, environmental and ethical factors as support. These factors may translate into poverty alleviation, job creation and reduction of unemployment, which may be seen as constituting community development (Wall, 2000).

The concept of small, micro and medium enterprise (SMMEs) has been defined as a systematic campaign by business and government 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 against (Lubbe, 2003:271). In other words, tourism would not be complete without the transformation of tourism policies in the country (Lubbe, 2003; Rogerson & Visser, 2004).

This is to bear in mind that the small, micro and medium enterprises (SMMEs) initiatives have been criticised. Ramphele (2008:265) envisioned that transformation has come to represent a way of compensating previously disadvantaged people, rather than creating opportunities for all citizens to contribute their talents and energies to the process of developing our country. This study is trying to investigate whether the community of uMhlathuze is represented in tourism policy, planning and execution. Tourism is a composite of activities, services and industries that deliver a travel experience, transportation, accommodation, eating and drinking establishments, shops, entertainment, activity facilities and other hospitality services available for individuals or groups that are travelling away from home Goeldener & Ritchie, (2009:6).

According to Hall (2005) tourism is the temporary, short term travel of non residents along transit routes to and from a generating area and a destination. As an industry tourism provides jobs for both skilled and unskilled workers. Small, micro and medium enterprises were regarded as one of the mechanisms for improving the tourism development process for the local community. The concept of the Small, Medium and Micro Enterprises has been defined as a systematic campaign by business and government 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 against. (Lubbe, 2003).

In other words, such SMME initiatives would not be complete without the transformations of tourism policies in the country (Lubbe, 2003; Rogerson & Visser, 2004). To achieve this developmental initiative, there should be well orchestrated programmes of tourism planning and development. Mowforth & Munt (1998) assert that tourism development should reflect the unique circumstances of the region under investigation. Tourism policy should precede planning, as it provides the framework within which planning and development will take place.

1.2 BACKGROUND TO THE STUDY

There is considerable evidence that rising income level and standards of living in society lead to increased participation in tourism activities. This participation, in turn, is accompanied by greater life satisfaction. However, in uMhlathuze Municipality and its surroundings, it has been observed that there is a lack of full participation in tourism activities. A notion to undertake this study is to encourage more community of the study area to become small, micro and medium enterprise which would be engaged in tourism activities. There would be a distinct possibility of increase in tourism activities if policies and planning is well informed to small, micro and medium enterprises.

According to Hall (2000) 'planning is recognised as an important aspect of tourism development it does not guarantee the appropriate outcomes for stakeholders'. Policy establishes the chances to educate and inform the community about importance of good and bad impact on tourism. Communities were linked to tourism activities such as crafting, beading and woodwork so that they can do things for themselves, so as to get out

of poverty. The uMhlathuze local municipality is a tourist destination, attracting both domestic and international tourists it offers a great deal to tourists in terms of cultural, heritage, eco-tourism, and avo tourism. The avo-tourism has taken off due to the extensive bird life in the study area, and the municipality is a home to 60% of the country total bird species. [UMhlathuze IDP (2011/2012)].

In considering the policies and planning that would address the matters relating to the small, micro and medium enterprise, it is important to draw focus into the views expressed in some literature. Small, Micro and Medium Enterprises in the rural areas face challenges of exposure as they do not have the same opportunities that their counterparts in urban areas have. It is suggested that activities would be put in place to facilitate and made available with various services to local small, micro, and medium enterprises with more emphasis on the rural areas. Copper, Fletcher, Fyall, Gilbert &Wanhill (2005) state that if tourism is to be incorporated into country's development plans it must be organised and be developed according to a strategy constructed on sound foundations.

The broad aim of this study is to examine the extent to which tourism policies and planning strategies are used towards the promotion and development of tourism for the benefit of local communities in the uMhlathuze Local Municipality. One of the principles for sustainable tourism development presented by the World Travel and Tourism Council is that tourism development should recognise and support the identity, culture and interests of indigenous people (Copper, Fletcher, Gilbert and Shepherd 2000). Tangible benefits to the community are seen in terms of how tourism contributes towards satisfaction of their basic needs, such as poverty alleviation, as well as improving their quality of life.

1.3 STATEMENT OF THE PROBLEM

As mentioned earlier, tourism is considered to be one of the fast growing industries in South Africa and in the whole world. Tourism is also becoming a major contributor to the global economy, currently contributing an estimated 10.1% to the global Gross Domestic Product (GDP). Whereas the South African tourism industry contributes to the country's G.D.P an amount of about 7.3% in 2003,accounting for approximately 800 000direct and

indirect jobs (SAT, 2004). In South Africa, and more specifically in places such as uMhlatuze Municipality tourism development, in general, particularly mainly depends on nature based tourism, ecotourism, avo tourism and sustainable tourism .

The present study firstly, investigates whether the local stakeholders understand the importance of the formulation of policy and planning in relation to the small, micro and medium enterprises in the study area. Secondly, it seeks to answer the question of are there adequate tourism policies to address matters relating to small, micro and medium enterprises (SMMEs). The study also intends to reveal the problems that are encountered by the small, micro and medium enterprises in the study area. The study further investigates to which extent the local communities participate in tourism related activities.

The local community has a lot to gain from adequate provision of policies that would allow the community to address matters related to them regarding sustainability, crime and safety, responsible tourism eco-tourism and community based tourism. Tourists are attracted into a destination if tourism demand is properly managed and also by products or product mix provided by the host community to generate income; however this is merely re-circulating of the existing economy as opposed to the introduction of new economy and therefore job creation should be developed.

There is a variety of approaches that may be adopted when planning for tourism development. For tourism policies in the study area to be successful, they must meet the current, as well as the future needs of the tourists in terms of operations and development. Recently, advocates of tourism have promoted, seemingly new tourism concepts such as nature based tourism, responsible tourism and sustainable tourism (DEAT, 1996). These new forms of tourism are promoted as environmentally safe way for rural communities to use and to generate income from natural resources.

1.4 DELIMITATION OF THE PROBLEM

In narrowing the scope of the research problem delimitation of this study is focused on geographical delimitation and conceptual delimitation. The precise and clear delimitation of the study area plays the significant role in assisting the researcher to collect data in time

and be in the position to analyse the data, put forward the findings and make sound recommendations.

1.4.1 Geographical Delimitation

The geographical delimitation refers to physical features that are related to the study area for orientation purposes. The aim of geographical delimitation was to give a picture of the area for a person reading the dissertation. This goes to the extent of providing a map of the study area to give more practical insight to the readers of the thesis about the area with relation to municipalities around and even beyond the Province of KwaZulu-Natal. Geographically speaking, the study area is confined to uMhlathuze Municipality in the UThungulu district on the KwaZulu-Natal Northern Region.

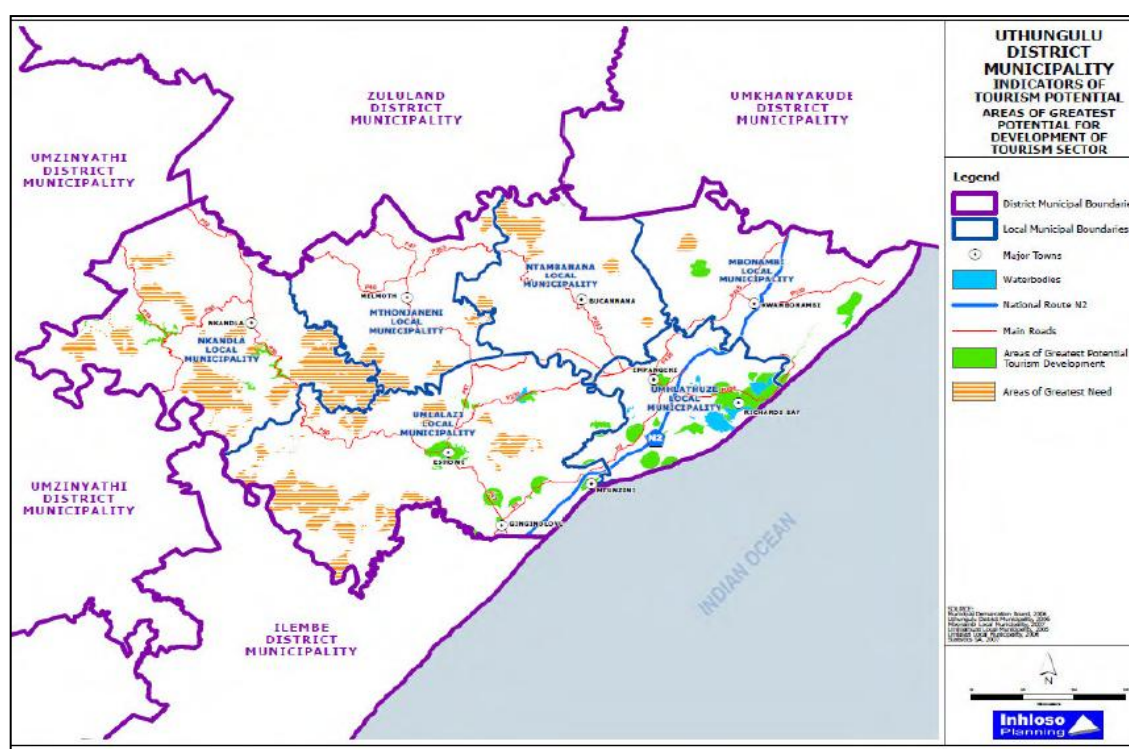
The uMhlathuze Municipality is one of the 52 municipalities determined in terms of Local Government, Municipal Demarcations Act, No 27 of 1999 (MDA). UMhlathuze Municipality is situated on the north-east coast of the province of KwaZulu-Natal, some 180kms north-east of Durban. UMhlathuze Municipality, is the third largest economy in KwaZulu- Natal, comprises of urban settlements, rural settlements, rural areas, farms and nature reserves.

The area has a deep-water port, which is connected by national roads and railway line to the economic heartland of South Africa. The uMhlathuze Municipality is endowed with the natural features, the beach, flora and fauna. The area is rich in diversity of plant and animal life and the diversity of the habitats that protects a high level of endemic and globally threatened species, especially birds and plants, was also considered to be outstanding universal value. In these natural features include marine resources, the beach, the river and estuary. Tourism activities include swimming, camping, picnicking, local craft making birding and wildlife watching. [UMhlathuze IDP (2011/2012)].

What is specifically given in figure 1.1 is the description of the location of uMhlathuze Local Municipality. The uMhlathuze Municipality is located within the UThungulu District Municipality which is surrounded by four district municipalities which are, UMkhanyakude District Municipality, Zululand District Municipality, Umzinyathi District Municipality and ILembe. Within the UThungulu District there are six local municipalities including the uMhlathuze Local Municipality.

These municipalities are Umlalazi Local Municipality, Nkandla Local Municipality, Mthonjaneni Local municipality, Ntambanana Local Municipality and Mbonambi Local Municipality. There are major towns located in the UThungulu district municipality which are Richards Bay, Empangeni, Eshowe, Melmoth, Mthunzini, Gingindlovu, Kwambonambi, Buchannan and Nkandla. The areas of greatest potential for development of tourism sector are also indicated on the map [UMhlatuze IDP (2012/2012)]. This dynamic City of uMhlatuze assumed city status on 21 August 2001 to place the Municipality in a stronger position to more effectively market the area as [Annual Review Report City of uMhlatuze (2012/2013)]

FIGURE 1.1 RELATIVE LOCATION OF UMHLATHUZE MUNICIPALITY



[Source: UMhlatuze IDP 2012/2013:44]

The uMhlatuze Local Municipality has a great potential for tourism because of its tourism features. It is rich in diversity and is the ideal holiday destination where nature lovers can explore the game reserves and visit the spectacular wetlands. Outdoor and sporting enthusiasts can take advantage of the subtropical climate and endless beaches and cultural heritage seekers can visit Zulu cultural heritage villages, museums and markets [UMhlatuze IDP (2011/2012)].

1.4.2. Conceptual delimitation

The intention of conceptually delimiting the research study is to afford the reader a simplified meaning of some of the core concepts of the study. In this case, there might be the definition of concepts which are offered by different authors, bearing a meaning from the usual, perhaps because authors 'experience. The, concept of 'local residents' who come to contact with tourists, as employees or service providers and attractive curiosities for tourists is mentioned this study.

The concept of 'Black' and 'African 'is being used interchangeably and synonymous in meaning in this study Tourism in this study is referred to as the process of activities and outcomes arising from the relationships and interactions among tourists, tourism suppliers, host government, host communities and surrounding environments that are involved in the attracting and hosting visitors. There are also a number of principles that have been used in the text of this study, which need to be noted. Some of these principles include responsible tourism, community based tourism, and sustainable tourism. These and often relevant concepts are dealt with in the definition of terms in sub section 1.8 of this chapter.

1.5 OBJECTIVES OF THE STUDY

The key objectives of the study of small, micro and medium enterprises (SMMEs) in tourism policy, planning and execution are to assist the small entrepreneurs to identify and prioritise their needs in the development of policies, planning and execute the policies in order to optimise opportunities of entrepreneurship. Bennet & Bennet (2002) argues that the objectives of policy and legislation are to regulate implementation and action of an organisation towards achieving its operational goals.

In an attempt to address the research problem, this study aims at investigating the participation and involvement of the small, micro and medium enterprises (SMMEs) in policy planning and execution in the uMhlatuze local municipality with special emphasis on perception, perspectives and future prospects.

The study actually seeks to reveal how these policies are planned, to address matters relating to small, micro and medium entrepreneurs. In other words, are there any variables

influencing the formulation of tourism policies within the study area. To achieve its targets, the study, therefore has been narrowed down into the following objectives:

- (a) To find out whether the local stakeholders understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area.
- (b) To reveal whether there are adequate tourism policies that address matters relating to small, micro and medium enterprise practice in the study area
- (c) To establish whether local communities perceive the tourism policies and planning as job creation and poverty alleviation.
- (d) To ascertain the extent to which local communities participate in small, micro and medium enterprise related activities.
- (e) To assess the degree to which the small, micro and medium enterprise are contributing to community beneficiation in the study area.

It is anticipated that these listed objectives will elucidate the existing relationship between tourism policies and the tourism stakeholders of the study area. The responses will be fundamentally associated with local community achieving tourism benefits, which can be translated to job creation, employment and poverty alleviation. The latter would be a positive accrual displaying good health, skills training and education

The SMME sector is still underdeveloped in South Africa given the dominance of big business limited competition, unequal distribution of income and wealth and other obstacles (SMME Business Report, 2010). In this subsection of the study it is important to clearly indicate that the objectives are mainly used to stand as hypothesis of this study. The objectives themselves assume the estimated outcomes of study hence, through its objectives and findings, the study is believed to seek and investigate the involvement and participation of the small, micro and medium enterprises of the study area.

To investigate the degree to which the small, micro and medium entrepreneurs participate in tourism policy, planning and execution in the study area. Stakeholders will seek to reveal opportunities that the community has, and to work closely in the development of emerging entrepreneurs in the study area. Hence tourism has been recognised as one of the most vibrant sectors and with the leading potential to contribute to the generation of

economic growth in the African continent and more specifically in the South African economy (Wahab, 2000).

1.6 STATEMENT OF THE HYPOTHESIS

In this paragraph of the study it is important to clearly indicate that the objectives are mainly used to stand as the hypothesis of this study. The objectives as such also assume the role of estimating the outcomes of the study, through its objectives and findings. The study is believed to contribute towards a proper provision of adequate policies which will address matters relating to small, micro and medium enterprise. Among these objectives that have been mentioned, there are those that are essentially concerned with local communities that they perceive the policies and planning as resulting in job creation and poverty alleviation in the study area.

Hypothesis refers to the statement of what the research deems to be the most probable answer to the study's problem question (Magi, 2010:62). This is a tentative statement of solutions which is subject to verification through actual research. The objectives themselves assume the estimated outcomes of the study. Through its objectives and findings, the study is believed to contribute with revelation and the involvement of the tourism stakeholders in executing the tourism policies to the local communities in the study area. It is assumed that participation of the community and the tourism small, micro and medium enterprise would establish the understanding and the importance of policy formulation in the study area. Hypotheses stated below, are as follows: It is postulated:

- (a) That the local stakeholders adequately understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area.
- (b) That there are adequate tourism policies that address matters relating to small, micro and medium enterprise practice in the study area.
- (c) That local community participate to a large extent in small, micro and medium enterprises.
- (d) That local community perceive tourism policies and planning as resulting in job creation and poverty alleviation in the study area.

- (e) That to assess the degree to which small, micro and medium enterprises are contributing to community beneficiation of the study area.

The above mentioned statements given provide an educated guess as to whether the local community together with tourism small micro and medium entrepreneurs of the uMhlathuze Local Municipality know and understand tourism policies that addresses matters relating to them. Tourism is increasingly faced with continuous, radical and unexpected change. Tourism business must balance economics with environment, people and culture and develop partnerships.

1.7 DEFINITION OF TERMS

In an effort to understand the terminology used in this study it is very essential to define the terminology used so as to avoid unnecessary ambiguities and contradictions. Researchers in general have always stressed the need to understand the terminology and usage of concepts in research enquiry (Magi, 2008). For the purpose of better and contextualised understanding of concepts, these have to be spelt out in a manner as to offer the working meaning for the research document.

In this section of the study, the researcher therefore aims at giving clear meaning of the operational terms that are going to be used throughout the study to eliminate diverse meanings, which can cause ambiguity and likelihood for perplexity. Key concepts are explained and defined in the context of the study. Below is an abridged definition of terms.

1.7.1 Tourism

Tourism definitions are unusual in that, until the 1990s, they were being driven more by demand side than supply side (Copper, Fletcher, *Fyall & Gilbert, 2008*). According to Hall (1999) the term tourism is defined as the temporary and short-term travel of non-residents along their transit routes to and from a generating area to a certain destination primarily for leisure recreation. The researcher partly agrees with this definition because travel maybe of leisure, or recreation and business importance, wherein the tourists visit small, micro and medium entrepreneurs that would improve the economy of the study area.

Goeldner and Ritchie (2009:6) concur that tourism is the process of activities and outcomes arising from the relationships and interactions among tourists, tourism suppliers, host government, host communities and surrounding environments that are involved in the attracting and hosting visitors. This definition is viewed as relationship to leisure or recreational purposes. This study supports the first definition because it is more relating to what the research is about. The tourists are attracted to the destination by its tourism products from a small scale to boost and develop local enterprises and increase community pride.

McIntosh et al, (2000) on the other hand defines tourism as composite of activities, services and industries that deliver a travel experience transportation, accommodation, eating and drinking establishment, activity facilities and other hospitality services available for individuals groups that are travelling away from home, this definition clearly shows that tourism offers a wide range of services and has a great opportunities for employment. The researcher also supports this definition because it relates to accommodation, transport and other establishment which SMMEs are involved in.

1.7.2 Recreation

According to Mwandla (2002) the term recreation is any leisure experience voluntarily chosen by the participant with the expectation of positive, enjoyable satisfaction from that participation. The researcher partly agrees with this definition because initially sometimes one is compelled to participate in tourism commercial activities such as crafting, beading and woodwork eventually it becomes an enjoyable activity. Magi (1999:148) defines recreation as 'engagement in any activity with an intention of achieving pleasure and personal worth' the researcher agrees that in some cases pleasure is attained during and after recreation only.

Recreation may be of making profit in some cases maybe not, for example reading a book in recreation facility which is the library benefits the reader, and one may improve the language or may complete the assignment. In this case the reader has benefited yet there is no profit gained in terms of finance but use the recreation facility shows the participation and involvement of the community. Marais (2002:72) defines recreation as leisure activities which are undertaken by the residents of an immediate region, while their

spending patterns will involve recycling of money within the community associated with day, overnight and extended stay and recreation trips. However, Torkildsen (2005) states that recreation is intended to restore us to wholesomeness, health, for whatever purposes we may have. Tourists visit the study area to fulfil what has been stated above to satisfy their needs engaging to tourism activities that are managed by the emerging entrepreneurs and the community to increase the economy of the area.

1.7.3 Policy

According to Hall, (2000) the term policy in the widest sense of the term is a course of action adopted by a government or party or person to achieve a specific result. A more comprehensive definition of tourism policy therefore is a course of action guiding principle or procedure considered to be expedient or advantageous in the planning and management of tourism facilities and activities. Policy making requires the use of personal discretion and expert knowledge in the handling of individual situations. During the natural course of events the corporate effect is to mould decisions in specialised area, and this frequently becomes the basis for policy (Murphy & Murphy: 2006).

According to Dukeshire and Thurlow (2002) defines policy as consequence of the political environment, values and ideologies, the distribution of power, institutional frameworks and of decision- making as well as for processes. For the purpose of this study policy should be seen as an important framework of decision making as well as for processes through which the stakeholders could be involved in planning.

It has been argued that policy on tourism is the prerogative of the government, and as such should be able to benefit all the people of the land. Policy is a dependent variable depending on its nature on the socio economic environmental and political systems. Policy is a dependent variable depending on its nature on the socio economic environmental political systems. At another level term ‘policy’ may seem as similar the term ‘strategy’ which relates to a plan, an approach or procedure of executing a policy.

1.7.4 Planning

The concept of planning must be based on sound understanding of factors that fundamentally determine success. Planning is concerned with anticipating and regulating

change in a system, to promote orderly development so as to increase the social economic and environmental benefits of the development process (Hall, 2000). The term planning relates to the study because planning provides the framework within which planning and development will take place.

The researcher agrees with the definition because it has been argued that in order to stimulate economic development and job creation, there should be well orchestrated programmes of tourism development. According to Copper, Fletcher, Gilbert, Shepherd & Wanhill (2005) 'planning as crucial to organisational survival in an environment that is increasingly unpredictable and volatile. Planning requires control over the changes that have been made, needs to allow for the exploitation of any short- term advantages and improvement on weaknesses. It has to promote the use of analysis, reason and evaluation and integral planning procedure.

1.7.5 Enterprise

According to the White Paper on the Development and Promotion of Tourism in KwaZulu Natal (KZNTA, 2008:58) enterprise is defined as business venture or project or willingness to undertake new or risky projects, energy and initiative, active participation in projects for profit and job creation. In order for tourism enterprise to grow the state must ensure to provide funds for tourism emerging SMMEs.(Small, Micro and Medium enterprises) are defined according to their staff head count and turnover.

1.7.6 Small enterprises

Small enterprises have fewer than fifty paid and are more established with more complex business practices. Usually, the owner does not manage the enterprise directly and a secondary coordinating mechanism has been put in place. Growth from a small to a medium-sized enterprise requires an accumulation of resources as well as a set of appropriate incentives for enterprise expansion (SMME Business Support Report, 2010:9)

1.7.7 Micro-enterprises

Micro enterprises are survivalist enterprises, there are survivalist enterprise run with a few paid employees and minimal asset value. The enterprises generate income below minimum income standard or the poverty line, and their main aim is to provide minimal

subsistence means for the employed families. Most entrepreneurs in this category are involved in hawking, vending and subsistence farming. Micro enterprise have the potential to absorb unskilled labour, as has been confirmed by correlation between unemployment rate and the number of self employed persons in unregistered, mainly survivalists', enterprises that prevail in informal settlement and rural areas(SMME Business Support Services Strategy and Policy: 2010:10).

1.7.8 Medium sized enterprises:

Medium sized enterprises are enterprises with up to hundred paid employees although in the mining, electricity and manufacturing sectors up to two hundred paid employees. Although usually controlled by an owner/manager, the ownership and management is often the natural barrier between medium and turnover for SMMEs (SMME Business Support Services Strategy and Policy: 2010:10).

1.7.9 Execution

The act of executing is a carrying into effect or to completion, performance; achievement and consummation. [Wordiq.com Definition of Execution (2007)]. The researcher agrees that if the execution of tourism policies is properly executed by small, micro and medium enterprises it will make them feel as the part of the planning process. According to Hall, (2008) defines execution as an action of carrying out a mission to be accomplished or an action of implementing and effecting the manner of doing or producing something as of performance.

1.7.10 Local Municipality

According to White Paper on the Development and Promotion of Tourism (KZNTA, 2008) 'local municipality that shares executive and legislative authority in its area with a district municipality within a whose area it falls, which is described in section 155(1) of the constitution as a category B municipality and which has been established through the Local Government Municipal Structures act, 1998 (Act no 117of 1998)'.

1.7.11 Community

The concept 'community' has a diverse connotation of meanings and depends on who is writing or is being written about. (McIntosh,:2002) regards community as relating to the

people, who get employed as a result of tourism related activities, and who have a face to face relationship with the tourist. The identified community may be based on geographical areas localities ranging in size from a single street through estates, neighbourhoods, and wards other smaller administrative areas such as school, catchment areas, and parishes, villages, towns, districts, countries to nations and even groups of nations (Mlambo: 2000). Another view is that local community relates to those people who are impacted on by tourism activities (Mazibuko: 2000).

Community is defined as the enhancement at the level of the capability to participate in the development process. In this study local community refers to the local residents who come into contact with tourists, as employees, as service providers and attractive curiosities for tourists. Opportunities should be provided for local participation in tourism, both directly through which investment in and employment in tourism businesses as well as in supporting activities such as agriculture, craft, beading and industries in the study area.

Communal groups have been observed to distinguish themselves by providing identity, meaning a sense of self worth to their members while providing a manageable scale through which to manage day to day affairs (Hall and Lew 1998). Community is defined as group of people sharing a religious, profession or culture tradition for a mutual advantage or participation in common. [Word.com Definition Community 2007]. The researcher concurs with the definitions because they relate to the study whereby community's participation would be investigated

1.8 RESEARCH METHODOLOGY

According to Rumsey (2005) research has one aim that is, the ultimate discovery of truth. Its purpose is to learn what has never been known before, to ask significant questions for which no conclusive answer has been found and through the medium of relevant facts and their interpretation, to attempt to find answer to those questions. In other words this study investigates the different types of people tourists, business people and the community. The study is interested in the accurate assessment of characteristics of the above mentioned components.

The research study has selected the method that is ethically acceptable to include related issues such as confidentiality of the respondents, results and the reliability of the sample. For any research to accomplish its objectives the detailed methods to be employed, as mode of operation to be followed should be well spelled out. The survey method and collection of data through a person to person survey technique has been adopted. (Neuman, 2000).

1.8.1 Research Design

An appropriate and reliable research instrument for collecting data is an important research mechanism to have and utilise. The questionnaire was used as the main tool for collecting data. An interview schedule using the pre-designed questions, using direct and indirect questions were employed in the study to collect data. Both open-ended questions and closed questions were employed in a designed interview schedule. All questions were designed and coded to suite the Statistical Package for the Social Science (SPSS) computer programme, available at the Department of Recreation and Tourism at the University of Zululand.

The questionnaires were distributed to various tourism stakeholders so as to solicit information from these respondents. The acquired data would be analysed using quantitative and qualitative research techniques. The distribution of questionnaires among stakeholders was structured in such a way that there was a balance between those who make policies as against those who implement policies.

1.8.2 Research Sample

The appropriate sampling procedure was used to select the category of people from which questions were distributed as categories listed. The targeted population for this research are the emerging entrepreneurs, tourism stakeholders, municipal officials, the community and the community leaders. For the purpose of this research study, a randomly stratified sample of 140 respondents was used for collecting relevant information. The different categories of the sample eventually came as follow:

- (a) emerging entrepreneurs constituted of 60 respondents,
- (b) tourism co-operatives constituted of 40 respondents
- (c) tourism municipal managers constituted of 15 respondents and

(d) 25 respondents were from the community members.

These categories of samples were interviewed, comparing respondents with a variety of activities jobs and responsibilities. Some examples of these respondents included the community, community leaders, local street vendors, shop owners and accommodation managers of the study area. The procedure was going to be conducted irrespective of level of study, working class, socio economic status or gender.

1.8.3 Instrumentation

Since the sample for this study was large enough to permit statistically analysis, it was thought convenient to use a structured than an unstructured interview. According to Fisher (2002:56) ‘the former lend itself better to quantitative analysis and latter would create analysis which would create serious data processing difficulties, particularly if the sample was large.’ In this study, a structured interview schedule, using a researcher administered questionnaire was utilised.

This was to ensure that the respondents were asked similar sets of relevant questions in the sequence. The research question comprised closed question and open ended questions.. The analysis of data was presented in the form of frequency tables, frequency percentages, columnar graphs and pie graphs. On this research study the questionnaire was used to as the main tool for collecting data. Information was obtained from the tourism stakeholders by means of questionnaires. The analysis of data was presented in the form of data was presented in the frequency percentage and pie graphs.

1.8.4 Collection of data

The research data was collected from the various stakeholders in the study area. The relevant community protocols were observed, like asking for permission to access information from municipal managers, getting permission from the community leaders to hold meetings with communities in tribal area. It is important to note that the interviewers asked questions verbally especially to local community members some of whom were illiterate. The more literate community members were presented with questionnaires to read and complete on the spot, with the guidance of the interviewers. The telephone and e-mail facilities were not used in interviewing the respondents.

The observation method was also used as a supplementary method of collecting data. Furthermore; the researcher was successful in observing some of the activities taking place in the study area. These were recorded to back up statistical evidence acquired from the respondent. With regard to acquiring documentary evidence from the organisational sources, the researcher was able to access documents of the uMhlathuze Municipality.

1.8.5 Analysis and Interpretation of Data

The responses received from the interview and findings from observations and documents were analysed using the content analysis method grouped data into relevant categories. After data collection was achieved, data presentation, analysis and interpretation were embarked upon, immediately. Frequency percentage tables and graphs were used to present analysed the information. These statistically representation media such as frequency-percentage table were then interpreted to reveal respondents views and perspectives. The responses were captured into the computer programme which provided frequencies of each response and related frequencies and graphs.

The analyses were further translated or interpreted into relevant findings or conclusions. In other words, the outcomes of analysis assisted the researcher to make sound conclusions on the objectives of the study. The process of findings reasons of justifications for the emerging empirical analysis of data has been described as the 'interpretation of data' which is important for establishing the real meaning of the outcomes of analysis. The interpretation of data is essential in finding conclusions related to the objectives and hypotheses of this research investigation (Magi, 2008).

1.8 .6 Pilot Study

Approximately 25 questionnaires were prepared to pilot them so as to verify their validity and reliability. They were distributed among stakeholders to reveal the level of accuracy and understanding of the questions completed. The basic aim of this procedure was to test whether questions were clearly understood and addresses the issue they were intended to address. The researcher took time to speak to the respondents explaining objectives of the study so as to ease the possibility of any tension may arise; all the respondents that were interviewed resided within the uMhlathuze Municipality.

To reiterate, the primary aim of the pilot study was not only to establish whether questions were clearly understood, but also to test whether the questions solicited expected responses, as well as to reveal the consistency in terms of meaning and expression attached to them. In other words the pilot study was done in order to test the reliability and validity of questions. Tourism stakeholders were contacted so that they could contribute to the preliminary pilot round of questionnaire survey. Fundamentally there were no serious weaknesses recorded or observed in structuring of the questions.

1.9. ETHICAL CONSIDERATIONS

The principles underlying the ‘research ethics’ are universal and concern with issues such as honesty and respect for the rights of individuals (Welma *et al*, (2005). This study on the analysis of tourism policy, planning and execution regarding small, micro and medium enterprise in the study area, and to evaluate that the community perceive these policies and planning as resulting in job creation and poverty alleviation. Furthermore, the study was designed in a way that it attempts to focus on the expected ethical standards and principles related to research. These include the following

- Ethical issues relating to individual to researcher, that is the research study shall not be undertaken for personal gain.
- Research and academic plagiarism shall be totally precluded from this study, particularly as relating failing to acknowledge all secondary sources used in the study and material cited.
- Misuse of privileges afforded to the researcher by the respondents, that is, invading the respondent’s privacy during data collection stage of the research process.
- Confidentiality and privacy of the information provided by the respondents shall remain protected by keeping the information given to be disclosed.
- Anonymity of the respondents as well as the identity and privacy of the respondents shall remain protected as was promised from the very onset of the investigation.
- The researcher has acquired a voluntary and informed consent of the respondents to the study. The study shall, therefore, conform to the principle of voluntary

consent where the respondents shall participate in the study willingly. Informed consent shall be based on information, and identification of the researcher.

Inclusive of the ethical considerations listed above, there are those that directly relate to the researcher such as the discrimination of research findings, which will be publicised. Finally, the observation of academic freedom as well institutional rights, relating to issues of intellectual property, are some of the matters that would be given due to recognition.

1.10 STRUCTURE OF THE RESEARCH STUDY

This study consists of five chapters, that is, the introduction chapter, theoretical background chapter, physical setting chapter, data analysis and interpretation chapter and a summary and conclusion chapter.

Chapter 1: The Orientation to the study serves as a prelude to other chapters and describes the overall character of the study. In other words, in this chapter a tentative orientation of the study is revealed. Terminology that is prevalent in this study is explained and conceptualised. It also deals with the objectives and significant of the study. Furthermore it introduces concepts that are central to the study and these terms are defined and conceptualised. One of the most important components of this chapter is the statement of the objectives and related educated conjectures, which are a projection of the possible outcomes of the research. This chapter has exposed the core problem underpinning the study. It has given the layout and procedure that has been followed in the study towards solving the core problem of the study.

Chapter 2: This chapter gives review of related literature pertaining to the theoretical foundation of concepts such policy planning and execution. It also deals with the theory and debates around the concepts and principles used in the study as associated with objectives of the study. Some of the key concepts discussed include the level of community participation, adequacy of policy addressing matters relating to small, micro and medium enterprise, community perceive tourism as job creation and poverty alleviation and community beneficiation.

Chapter 3: The Physical Setting of the study area provides a general background, the history of the study area, and the actual location map of the area is given, that is uMhlathuze Municipality. The chapter focuses on the nature of the study area uMhlathuze, such as geographical features and geomorphologic landscape, climate conditions and vegetation. The infrastructure in uMhlathuze Municipal area is also highlighted. This includes roads, water boundaries, major towns, local municipalities, areas of greatest tourism potential and the surrounding district municipalities. This chapter also focuses on natural vegetation and wildlife on the study area. Accessibility to the study area is given some attention.

Chapter: 4: The data analysis and interpretation of the study is presented in this chapter. The analysis of data presented in the form of interpretative discussion is presented, attempting to produce judgements emanating from the analysis. In this chapter an attempt was also made to discuss some general guidelines that ought to be considered when involving the community in the tourism related activities.

This chapter is regarded as the core of this research investigation in that empirical analysis and synthesis of data and ideas are put into effect. It is at this point in the analysis of information that inferences are made about the findings of the study. At this point it is important that the objectives of the study are fully assessed. This chapter actually presents data in a form of graphs and table's presentations empirically assessed utilising the Statistical Package for the Social Sciences.

Chapter 5: Conclusion and recommendations. This chapter is the final chapter which concludes by providing the summary, general conclusions and recommendations of the study. The chapter closes by attempting to draw conclusions which could be generated upon where attempts of making generalization were not successful; the study had proposed further research as way forward. The study also contains a comprehensive bibliography of the literature, the books, journals, and websites consulted during theoretical research of the study. Also included are the questionnaires and transmittal letters used for purposes of collecting data.

1.11 CONCLUSION

This chapter has attempted to give the reader some orientation to the study as a whole. Some introductory statements relating to the research problem are objectives, methodological and analytical approaches pertinent to the study. Participating in decision-making entails the community determining their own goals for the development and administration of tourism. Community involvement in tourism brings about the shared responsibilities and commitment to economic and social development of the uMhlatuze municipality. In the past tourism was perceived as white man activity and not for us all (DEAT, 1996). The research highlights certain tourism challenges and make recommendations to foster participation of the community in tourism related activities.

CHAPTER 2

THEORETICAL FRAMEWORK

2.1 INTRODUCTION

When we think of tourism, we think primarily of people visiting a particular place for sightseeing, visiting friends and relatives, taking a vacation and having a good time. Goeldner & Ritchie (2006:8) argue that tourism is a composite of activities, services and industries that delivers a travel experience, transportation, accommodation, eating and drinking establishments, shops entertainment facilities and other hospitality services available for individuals or groups that travelling away from home. Hall (2008:5) refers to tourism as all activities of visitors, including both overnight and same day visitors. Thus tourism should be emphatically involving small, micro and medium enterprise in the formulation of policy and planning.

According to McIntosh, et al, (2000) politicians view tourism as a wealth factor in the economy of their jurisdictions. Their perspective is related to the incomes their citizens can earn from tourism businesses. Local community usually sees tourism as a cultural and employment factor of importance for their development. When local communities are involved in planning and decision making there are less opportunities of experiencing tourism and crime because the community feel more recognized.

The greater are the chances of protecting their area of jurisdiction and can even put more warning signs for high crime zones. This would benefit tourism in that local area and be a success. If the community is not involved it becomes dangerous because tourists can be easy prey for criminals. The tourism sector is an attractive enterprise for small, micro and medium enterprises (SMMEs) than larger enterprises. Internationally, the sector is made up of more SMMEs in number. The imperatives for a sound policy framework for the South African tourism landscape has been propelled by the need to forestall what the Tourism White Paper (DEAT,1996:19) South Africa has proactively pursued the positioning of Tourism as the key driver in the country's economy. The planning and

organising of Tourism in the country, in Provinces and at local level is, influenced by a number of legislative, policy and strategic issues (KZNTA,2008:17)

2.2 BACKGROUND AND NATURE OF THE SMMES

The small businesses have a major role to play in the South African economy in terms of employment creation, income generation and output growth. They are often the vehicle by which the people with the lowest incomes in our society gain access to economic opportunities and thereby redressing economic imbalances of the past. (SMME Business Report Strategy: 2011).

The SMME sector is vital in developing economies, providing a balance between supply and demand in the job market, bringing competition among businesses that leads to the more efficient utilisation of resources. It is considered to be one of the major sources for employment creation and community growth. As identified in the National Small Business Act No 102 of 1996 ‘small business’ means a separate and distinct business entity including co-operative enterprises and non-governmental organisations managed by one owner or a number of owners which, including its branches of subsidence’s if any is predominantly carried on in any sector of the economy and which can be classified as a micro a very small, a small and medium enterprise.

2.2.1 Micro Enterprises

In this category of micro-enterprises, there are survivalist’s enterprises. Survivalist enterprises run a few paid employees and minimal assets value. The enterprises generate income below the minimal income standard or the poverty line. Their main aim is to provide minimal subsistence means for the unemployed and their families. Most entrepreneurs in this category are involved in hawking, vending and subsistence farming. Micro-enterprises have the potential to absorb unskilled labour, as has been confirmed by the correlation between the unemployment rate and the number of self employed persons in unregistered, mainly survivalists enterprises that prevail in the informal settlements and rural areas (SMME Business Report Strategy: 2011)

2.2.2 Small Enterprise

Small enterprises have fewer than 50 paid employees and are more established, with more complex business practices. Usually the owner does not manage the enterprise and a secondary co-ordinating mechanism has been put in place. Growth from small to medium sized enterprise requires an accumulation of resources as well as of appropriate incentives for enterprise expansions (SMME Business Report Strategy: 2011)

2.2.3 Medium Enterprises

Medium sized enterprises are enterprises with up to 100 paid employees although in the mining, electricity and manufacturing sectors up to 200. Although controlled by an owner/manager the ownership and management structure is more complex. A more complete separation of ownership and management is often the natural barrier between medium and large enterprises (SMME Business Report Strategy: 2011)

2.3 POLICIES AND GUIDELINES IN PLANNING FOR SMMES PROVISION

The democratisation of the state and society in South Africa has seen the empowerment of the communities especially those living under the community-based tenure. This democratised land tenure system has stimulated responses regarding resources use, land rights, management policies, participation and control of the small, micro and medium enterprise as resulting in job creation and poverty alleviation. The decision making takes place within a specific time scale and it is mobilised around objectives. A key dimension of planning is a scenario planning whereby managers explore possibilities of future opportunities and threats (KZNTA, 2008).

The decisions need to be taken about what resources need to be utilised, and who is going to do it and how the outcomes are going to be measured This kind of process is important for the proper planning for the small, micro and medium enterprise. The Constitution of the Republic of South Africa provides three spheres of government namely, national, provincial and local. The constitution provides municipal government the responsible trading regulations and street trading within its area of jurisdiction. A municipal government has the objective to promote social and economic development and the local government has the legislative powers to create an environment conducive to small,

medium and micro enterprises (SMMEs) growth and to make by-laws for the effective administration of matters over which they have these rights (DEAT, 2010:13).

Although tourism is often regarded as a private sector activity, government agencies at all levels of the state have been pursuing tourism and the SMMEs as an economic development tool in most developed countries Hall (2008:164) argues that the roles of government in tourism there will be variations from place to place.

2.3.1 Tourism Planning Approaches and Methods

The relevance of tourism planning is that it directs local economic development in the country, including local authorities. It provides local authorities with direct actions for improving all local economic development components including small, medium and micro enterprises (SMMEs) development. In tourism planning, the policy is based on the demand preferred by local government and decision makers who try and address the wishes of the tourism stakeholders and the local communities. Government agencies must produce guidelines and standards for small, medium and micro enterprises (SMMEs) (SMME Business Report Strategy: 2011).

In planning for small, medium and micro enterprise it should be taken into considerations that SMMEs provide economic growth and alleviate poverty. Small micro and medium enterprises are recognised for their contribution to economic growth, employment innovation and wealth creation However small enterprises have a greater impact on economic performance in highly developed economies where high levels of education, low inflation rates and high levels of financial intermediary development are evident (SMME Business Report Strategy: 2011).

2.3.2 Planning Process for Tourism SMMEs

UMhlatuze local municipality is one of the areas characterised by high unemployment and high level of poverty, low income levels, poor levels of education of the local community therefore it needs the support of various stakeholders to address its current economic challenges including the incubator to support the small, micro and medium sized enterprise (SMME) Planning is a kind of decision making and policy making however it deals with a set of interdependent and systematically related decisions rather

than individual decisions. Planning process for regional and local tourism that using synergistic and integrated approach to tourism is based on the South Australia and other regions .the process is as follows; vision setting, goal setting potential analysis, market and stakeholders analysis, scenarios and environmental assessments and review of outcomes.(SMME Business Report Strategy 2011. Hall (2008:74) states that ‘planning is a process of human thought and action based upon that thought in point of fact, forethought for the future nothing more or less than this planning, which is a very general human activity’.

2.3.3 The Role Players in Development of the SMMEs

SMMEs play a major role in the economy in terms of employment creation, income generation and output growth. Tourism SMME development is seen as one of the means to create employment and to alleviate poverty therefore, the uMhlathuze local municipality needs the support of various stakeholders to develop this sector. In South Africa, small, medium and micro enterprises (SMMEs) have been neglected during much of the last century following the discovery of diamonds and gold and the subsequent establishment of a modern capitalist economy (SMME Business Report Strategy 2011).

The international isolation during apartheid also led to developments of conglomerates crowding out the small, medium and micro enterprises (SMMEs) development however the ‘SMMEs sector is still under-developed in South Africa given the dominance of big business’ (Urban-Econ: Development Economist, 2010:27). It is generally accepted that if tourism is wisely planned, the communities can enjoy the advantages while experiencing ownership of and control of the development

2.3.4 The Public Sector

The central government further should not play a direct role in the organisation and administration of the small, medium, and micro enterprise (SMMEs).It should in fact provide some funding and legislation, which may assist or constrain local authorities, commercial enterprises and voluntary groups in carrying out whatever services they deem necessary.

2.3.5 Tourism Development Authorities

The authorities and officials of tourism agencies play an important role in the planning, management and implementation of tourism programmes and activities. Any development to tourism 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 present.

Authorities have the national mandate to promote tourism small, medium, and micro enterprises (SMMEs) 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 it as the process that involves some modification of environment and improving human-well being.

2.3.6 Application on Tourism SMME Development Policies

In order to discuss policy in the context of tourism small, medium and micro enterprises (SMMEs) development it is essential to understand what each of these concepts mean. Lubbe (2003) defines policy as a set of guidelines generally accepted by all and used to improve and facilitate decision making and appropriate action under certain circumstances. In South Africa policies usually trickle down from national level to the local level.

One can differentiate three levels of policy and legislative framework. In South Africa policy exists at the national, provincial and local levels and to some extent South African policy is influenced by international policy. The policies which are highlighted are mainly provincial and local policies as they apply to the uMhlathuze Local Municipality. (SMME Business Report Strategies: 2011). The government is responsible for developing policies that support tourism development. Local communities have been expected to participate actively in tourism planning and development and also take advantage of the entrepreneurial opportunities created by the private sector (Hall and Lewis, 1998; Wahab, Rogerson and Visser, 2004).

2.3.7 Tourism Policy Law and Regulations

Policy serves as an action plan in the management of affairs; policy is an overall high level plan that includes goals and procedures (WTO, 1997). Laws, rules and regulations assist every individual and organisations to perform and act in a socially accepted principles and plans constituting a programme of action in the management of affairs. Laws, rules and regulations can thus be regarded as the parameters of the playing field within which game must be played, and policy as the way in which the game is played (Lubbe, 2003). Hall (2000) states that ‘policy in relation to governmental processes, should be seen as a consequence of the political environment, values and ideologies, the distribution of power, institutional frameworks and of decision making process’.

2.3.8 Policy and the Government Structure

Tourism policy is generally considered to be an area within a nation’s economic policy. The formulations of tourism policies are the crucial responsibility of the government that wishes to develop tourism small, medium and micro enterprise (SMME) as integral part of its economy. The WTO (1997) highlights some of the issues that policy makers, legislators and administrators need to consider. Tourism policy has to state the role of tourism economy. This involves the costs involved for tourism firms, tourists and host communities in changing behaviour.

Administration of tourism has to be considered in tourism policy formulation this involves the simplicity and cost in time required to set up, administer, monitor and police specific policy instrument. Tourism policy also has to take into consideration the government support for tourism which involves government encouragement through information education and general permission directed at tourism operators or communities in tourism areas.

2.3.9 Tourism Planning and Policies

It has been argued that tourism is an agent of change and development, which if properly planned will yield different benefits attributable to various in economic structure of destination regions and their geographical locations. If not properly planned, tourism could lead to more costs than benefit to the previously disadvantaged individuals (PDI).It should be noted that the decade following democratic elections saw the development of

various policies and programs designed to bring about more investment in tourism (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 people, to achieve this goal the government introduced policies and strategies which sought to create opportunities of economic development, poverty alleviation and community participation.

According to Rogerson and Visser (2004); and Spenceley, Goodwin and 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 Broad-based Black Economic Empowerment [BBBEE] (DTI: 2004b; SAGG, 2004) and Tourism Growth Strategy [SA] 2008-2010.] (SAT, 2004). These policies initiatives were the basis for tourism change in South Africa and Pigram and Wahab (2002:28) have argued that 'change is a powerful and positive force which harnessed constructively, challenges individual groups and organisations to perform to their optimum capability'

2.3.10 Tourism SMMEs and Community Development

The notion of small, medium and micro enterprises (SMMEs) and community development has been indicated as one of the important criterion and need for promoting tourism in any modern country. This community development is achieved through improving tourism attractions and related activities. Without community participation tourism would not flourish. The tourism industry has to benefit the local communities, as an alternative strategy for survival of the tourism industry. Tourism would be in danger if the local communities do not benefit from it in a direct way. Local community benefits derived from tourism industry enhance the small, micro and medium enterprises (Aaronson, 2000; Lubbe, 2002)

According to Vivian and Smit (2002) there are various ways in which communities can benefit from tourism industry, mainly as receivers of tourists which means an inflow of foreign exchange or domestic currency Community can benefit from tourism by being employed in the tourism industry. The benefits of tourism have lagged behind because of what the White Paper on Tourism (DEAT, 1996) has designated as 'missed opportunities' in the industry include the following (a) inadequate funding towards recreation and

tourism (b) deficient recreation and tourism education and training (c) limited involvement of local communities (d) ineffective safety and crime measures and crime prevention (e) the lack of integrated national, provincial and local tourism development and management structures.

New principles, policies and strategies aimed at achieving responsible tourism, community driven tourism, integrated and sustainable tourism and tourism assessment and accountability have to be initiated and sustained. The goals and objectives of any investigations, policy or strategy, with all the good intentions in the world, cannot translate themselves into action if there is no one to spearhead, guide and monitor the process of community involvement of tourism stakeholders such as small, medium and micro enterprise development small, medium and micro enterprises (SMMEs). Tourism stakeholders of the study area should be involved in tourism policy planning in order for them to cultivate tourism interest to the community. Employment is therefore seen as key factor in achieving sustainable tourism development.

2.3.11 Economic Empowerment and Industry Transformation

Ownership of tourism industry in South Africa and many other developing destinations, particularly in rural areas remains in the hands of established businesses and not the local community. The transformation of the tourism industry and economic empowerment it disadvantaged individuals and communities to initiate tourism projects and to establish and operate tourism businesses (DEAT, 1996). To reinforce the SMME service provision in the uMhlathuze local municipality it includes access to markets, access to finance capacity building, provision of infrastructure and technology.

Keyser (2002) further asserts that economic empowerment is an integral and coherent socio-economic process located within the context of transformation aimed at redressing the imbalances of the past by seeking to sustainability and equitable transfer ownership, management and control of broader and meaningful participation in the economy of black people. Jones *et al*, (2002) add empowerment process includes job creation, rural development, and poverty alleviation, specific measures to empower black women, skills transfer and management development, education, meaningful ownership and access finance and conduct business. It is important to note that a well resourced community

would be able to make a good choice between conservation and commercialisation with regards to small, micro and medium enterprise of uMhlathuze Local Municipality.

2.3.12 Economic Benefit

Among several studies that have advocated a variable relationship between tourism SMMEs development and community benefits the most prominent are those that have emphasized economic benefits (Mahony and Van Zyl, 2002 Ashley and Jones, 2001; Roc *et al*, 2001. Contribution towards capacitating the SMME sector will create employment to alleviate poverty. According to Mahony and Van Zyl (2002), there seems to be fewer direct tourism employment benefits from tourism development projects. There are indicators that to a large extent the local small, micro and medium enterprises (SMMEs) are generally given projects contracts on a commercial basis to ensure that the local community is able to take up such opportunities, and various technical training programmes that have been initiated.

2.3.13 Challenges of accessing and utilizing funds by SMMEs

Tourism small, medium and micro enterprise (SMMEs) is the fastest growing sector in global economy. The industry booms as sophisticated travellers search the world for ever more exotic locations offering pristine beaches, stunning natural resources, unusual geographic features, and local cultural heritage. Cross-border travel and the eco-tourism are also in the rise .It is speculated that trend will continue into distant future. Finance is the engine and the main propeller of every business enterprise. The development of tourism small, medium and micro enterprise (SMMEs) sector is highly capital intensive. (Pacific Economic Cooperative Commission 2003) finance has been and still is one of the major inhibiting factors in tourism development in Nigeria.

The Department of Economic Development and Tourism (DEDT) is responsible for economic and small enterprise development throughout the KwaZulu-Natal with two financial support to small, medium and micro enterprises (SMMEs) in the province DEDT is developing wide strategy that will shape and direct all activities regarding tourism in the province. Funds are managed by Ithala bank aims at promoting small, medium and micro enterprises growth with two financial support in the province. In KwaZulu- Natal, there is a number of Small, Micro and Medium Enterprises dedicated funds including the

government SMMEs fund managed by ABSA bank, Standard Bank and Ithala Bank. There are many procedures to follow up, which are challenging to the rural SMMEs before accessing those funds, for instance to access the above-mentioned funds, all relevant forms need to be filled up and taken to Durban. The exercise is quite challenging especially for SMMEs from the rural areas of the uMhlatuze local municipality (SMME Business Strategy: 2011). Tourism stakeholders in the rural areas face challenges of exposure as they do not have the same opportunities that their counterparts in urban areas have. The financial support for different kinds of tourism activities vary widely with access of funds. It is severe in rural areas, particularly to those owned or controlled by women as well as other disempowered groups.

2.4 SUPPLYING SUPPORT TO EMERGING TOURISM BUSINESSES

In the province of KwaZulu-Natal it has been argued that municipalities, in addition to their regulatory and support role in tourism, some of them provide direct financial support to emerging tourism enterprises in their areas of jurisdiction (Mc Kenzie & Xaba & Associate, 2005) This can vary from providing finances and identification and establishment of a community based tourism enterprise to support specific tourism activities such as paying tour guide training. It is true that no development can take place without the provision of funds. For tourism to develop and growth in the study area the municipality has to be willing to fund local communities in whatever tourism projects that they engage themselves in.

These support services vary widely from one area to another and there are services in rural areas, among those owned or controlled by women as well as other formerly disempowered groups. The major objective is to address the service provision imbalances of the past and to help rural Small, Micro and Medium enterprises (SMME) to grow. In prioritising the provision of services to rural areas, the project must contribute to the improvement of the SMME sector in the uMhlatuze local municipality. (SMME Business Report Strategy 2011). Tourism improvement can also generate income in addition to social and cultural benefits. (Page & Dowling, 2002).view that some of local people have tourism related ideas, but the problem is unavailability of the capital to start their businesses. The perception of communities towards tourism might be in a position of

change if they are not provided with finance. However in the study area, the local people are not mobilized to raise their awareness, or where they are trained, there are no effective capacity building programs to accelerate empowerment that will assist them to do things for themselves. The tourism stakeholders which have the capacity to alleviate the socio-economic status of mostly rural areas have not been given the necessary awareness it deserve to promote skills especially for the population,(Holloway 1999:85).

2.5 CONCLUSION

In conclusion, tourism small, medium and micro enterprises (SMMEs) as the fastest growing sector in global economy, it is of vital importance to understand the importance of policy formulation and planning, and to establish whether these policies strike a balance between job creation poverty alleviation and community beneficiation in the study area. Wahab (2000:13) agrees that coherent policy conception, formulation and implementation are not yet well structured in most developing countries. Lack of understanding of policies by the tourism stakeholders will result in decline in tourism activities and economy of the study area. Participation in decision making entails local communities determining their own goals and having a meaningful voice in the organization and administration of tourism activities.

CHAPTER 3

THE PHYSICAL SETTING OF THE STUDY AREA

3.1 INTRODUCTION

The aim of this chapter is to familiarise the reader with the study area, which is uMhlathuze Municipality. The local government is the key role player in the development of this study area, it should work hand in hand with the local researchers that will discover the needs and new developmental strategies that could assist in empowering the Small, Micro and Medium Enterprises (SMMEs) of the study area. The geographical location, origin, political organisation, economic, social and cultural organisation of uMhlathuze Municipality as well as the world view of the people will be discussed, also their demographic data.

In addition to the above information the study area functions largely as a tourist attraction with Alkastraand and Tuzi Gazi to name a few, industrial area, educational centres recreation services centre as well as health care centre for all the local and surrounding residents of uMhlathuze Municipality both urban and rural. Richards Bay is the famous and the most favoured tourist attraction within the study area.

3.2 BRIEF HISTORY OF UMHLATUZE LOCAL MUNICIPALITY

The uMhlathuze Municipality was established on the 5th of December 2000 after the local government elections and the demarcation process of that date, but assumed city status on the 21st August 2001. It has 796² kilometres water pipe infrastructure of 735,32km in urban areas while 1077km in rural areas with a reservoir capacity up to 280 mega-litres. The length of sewer pipes in rural areas with a reservoir capacity up to 280 mega litres of sewage purified annually. (UMhlathuze Annual Review Report: 2006).

Historically, Zululand is the ancestral habitat of the Nguni people; the archaeological sites reveal that earliest human occupation, before the Bushmen or San early Stone Age progenitor's nomadic hunter-gathers settled in this land. By 1819, KwaZulu which means

place of Heaven was established by a great warrior King Shaka from a relative small Zulu state to become the largest and most populous kingdom in southern east of Africa. 'The city of UMhlatuze derived its name from the uMhlatuze River meaning broken up, mhlathi-jaw and uze-does not chew, that uMhlatuze river was like a jaw that could not chew, and also according to the legend the river was strong in current and was infested with crocodiles and could not be used by local residents' (UMhlatuze Annual Review Report 2006, Impact Economic Strengths of Zululand 2007)

3.3 ABSOLUTE LOCATION OF RICHARDS BAY AND TOWNSHIPS

The uMhlatuze Municipality is situated within the UThungulu district area and one of the six local municipalities that make up the district in the province of KwaZulu Natal. It is made up of Richards Bay, Empangeni, eSikhaleni, Port Durnford, Vulindlela, Felixton, eNseleni and Ngwelezane as well as the rural area under Inkosi uDube, Inkosi uMkhwanazi, Inkosi uKhoza and Inkosi uZungu. On the whole, it has five tribal authority areas, twenty one rural settlements and sixty one farms.

The area is made up of urban settlements, rural settlements, rural areas, farms and nature reserves. Most of the rural settlements are situated within Tribal Authority Areas (Zulu Kingdom 2008) and (UMhlatuze Annual Review Report: 2006). The city of uMhlatuze has a total land area of 796km² making it only 9.7% of the uThungulu District. The uMhlatuze municipality derived its name from the UMhlatuze River that cut across the municipal areas and unifies the town, suburbs and traditional areas.

UMhlatuze Municipality contains 32% of the district population and has a majority of economic activity (88%) vested in Richards Bay, Empangeni and Felixton. The uMhlatuze local municipality derived its name from the UMhlatuze River that cut across the municipal land area and unifies the town, suburbs and traditional areas. The map below represents the locations of the townships located in the study area.

More than 40% of the residents in the municipal area reside in the non-urban (rural and tribal authority) areas outside Empangeni and Richards Bay, which is a densely populated rural area. More people reside in Richards Bay than Empangeni although Richards Bay is

younger town, indicating that this town grew at a faster rate than Empangeni (UMhlatuze Annual Review Report: 2006).

The City of uMhlatuze is in an exciting growth phase and the council want to make the most of the opportunities in order to provide a better standard of living of its residents. Its focus into the future will be on housing and local economic development, particularly to support the emerging SMMEs who have an important role to play in job creation.

FIGURE 3.1 TOWNSHIPS IN THE UMHLATHUZE MUNICIPALITY



[Source UMhlatuze Annual Review Report 2006:53]

3.3.1 Richards Bay

Richards Bay occupies 37% of total 796sq/km of the land of the municipal area, and has the industrial and tourism centre. Richards Bay is one of the largest towns forming part of the municipal area which are surrounded by fresh water lakes, timber plantations, sugar cane fields and wetlands. It began as small fishing towns, by May 1971, with good scent of natural vegetation the construction of the Richards Bay port commenced with the agreement between the Transvaal coal owners association and Japan to export 26million tons of coal per annul (UMhlatuze Visitor's Guide 2008).

3.3.2 Esikhaleni

Esikhaleni was previously known as Esikhawini meaning in IsiZulu ‘the estuary where the seas meet ‘and is known to be the most populated Zululand town. It is home of the ‘ekasie’ (township) culture and have most pristine features of nature the Ecubhu lake and it is home of the King Cetshwayo monument, this is where King Cetshwayo boarded the ship to being imprisoned in Cape Town after a defeat of AmaZulu at the battle of Ulundi in 1879, it also have craft centres, (Zulu Kingdom 2008)

3.3.3 Empangeni

Empangeni ‘lies on an open fertile ground some 152 metres above sea level. Empangeni occupies 13% of the municipal land area; the name was derived from the isiZulu word ‘panged’ meaning ‘grabbed because of many crocodile attacks on water bearers and visitors to the nearby crocodile infested stream Mpangeni. It was established as a Norwegian mission in 1941 and is situated slightly inland overlooking a coastal plain with rolling hills of sugar cane. It is home to strong agricultural, commercial sectors, large timber plantations and other light and heavy industrial uses. Empangeni Arts and Crafters to Zikhulise community upliftment, which boasts of production of authentic crafts that projects the community, also serves as a railway junction between Richards Bay east and the interior. (UMhlatuze Annual Review 2006, Impact, Economic Strengths of Zululand 2007).

3.3.4 Vulindlela

Vulindlela Township is home to the University of Zululand, one of Africa’s leading comprehensive institutions of higher learning north of the UThukela River. The land is approximately 647,729 hectares in extent and the layout accommodates a mixture of land uses including low to high density residential erven, manufacturing and value adding, commercial, office, civic and social sites cemetery, commuter site. It is a small township with the heart to education. The rationale is to provide residential and work opportunities. (UMhlatuze Annual review 2006; Dukeshire & Thurlow, (2002).

3.3.5 Enseleni

Enseleni is a 15minute drive from Richards Bay on the N2 towards Empangeni and it is home to nature walks such as the Nkonkoni Trail which is about7km and the Mvubu Trail is about 3km in length.

3.3.6 Mandlazini

Mandlazini agricultural village is 5minutes from Richards Bay. The development of new tourism products are limited to establishing a cultural village and the more generic types of developments are not successful on implementation, however, in this area, the developments of cultural villages is being demanded by tourists as they require an authentic Zulu experience.

3.3.7 Ngwelezane

Ngwelezane is a small township situated approximately 5km on the south west of Empangeni an urban area in the Richards Bay Empangeni Complex designated as the City of uMhlathuze. The City of Empangeni is situated in attractive hilly countryside, overlooking a flat coastal plain, 90 to 150metres above sea level with paranomic views of Richards Bay and the Indian Ocean from the higher lying 48surburbs (Zulu Kingdom, 2008)

3.3.8 UMhlathuze Village

The uMhlathuze Municipality committed to the delivery of affordable housing, as it is now evident in the progress being made at uMhlathuze Village. A total of 420 bonded housing units were provided in Phase 4 of the project. Progress was also made with RDP housing aspect of the project, which should run with concurrently with provision of the bonded housing. [UMhlathuze IDP (2011/2012)].

3.3.9 Municipal Land Area

The uMhlathuze Municipality is one of the six local municipalities situated within the UThungulu District Council area in KwaZulu-Natal. The area comprises of urban settlements, rural areas, farms and nature reserves. The majority of rural settlements are located within the Tribal Authority areas. The area has a deep water port, which is connected by national roads and railway line to the economic heartland of South Africa.

Empangeni and Richards Bay are the largest towns forming part of the municipal area and are surrounded by sugar cane fields, timber plantations, wetlands and fresh water lakes. The population of uMhlatuze had an estimated 70031 households and total population of about 333 860 in 2006. More than 40% of the residents in the municipal area reside in the non-urban (rural and tribal authority) areas outside Empangeni and Richards Bay, which is indicative of a densely populated rural area. More people reside in Richards Bay than Empangeni, although Richards Bay is a younger town, indicating that this town grew at a faster rate than Empangeni (UMhlatuze Annual Review Report: 2006)

Table 3.1 REPRESENTING THE MUNICIPAL LAND AREA

Area	KM²	%
Richards Bay	289,9966	36,5
Enseleni	1,3325	02
Empangeni	28,9386	3,6
Feilxton	2,7835	0,3
ESikhaleni	6,2304	0,8
Vulindlela	0,8464	0,1
Ngwelezane	3,7001	0,5
5 Tribal Authority areas 21 Rural settlements and 61 farms	462,1426	5,8
Total	795,9707km²	100,0

[Source: UMhlatuze I.D.P 2011]

3.4 THE CITY OF RICHARDS BAY

The City of uMhlatuze as a Water Services Authority in its jurisdiction is solely in Richards Bay, Richards Bay (Afrikaans: Richardsbaai) is one of the largest towns forming part of the municipality area and surrounded by cane fields, timber plantations, wetlands and fresh water lakes. Although Richards Bay is younger town, indicating that the town grew at a faster rate than Empangeni. The area has a deep- water port, which is connected by national roads and railway line to the economic heartlands and fresh water lakes.

The presence of a huge number of exporting and importing industries, notably Billiton's aluminium smelters, Richards Bay Minerals, Mondi Kraft, Foskor, Bell Equipment and Richards Bay Coal Terminal. The population is served by five business districts with 23 shopping centres [UMhlatuze IDP (2011/2012)] Richards Bay resounding success is owed to thoroughly town planning and stringent nature conservation principles. This has ensured that industry of tourism and nature co exists in harmony. The town and its surroundings have vast expanses of untouched indigenous vegetation and many natural lakes and marshes, making it one of the most picturesque destinations in the country.

3.4.1 Tourism and geographical elements of uMhlatuze municipality

The uMhlatuze municipality remains committed in providing opportunities to small micro and medium entrepreneurs to showcase to its visitors with an experience of lifetime by creating partnerships with relevant stakeholders. Cultural, heritage and eco-tourism attractions drew many tourists into the study area. More effort was put into promoting rural tourism. Role players were identified and capacity building programmes were put in place.

The rural township tourism offers visitors the opportunity to experience the real Africa of today and was also committed to empowering and integrating historically disadvantaged individuals into tourism sector. Tourism small, micro, and medium enterprise have kick started by the formation of crafters committee as well as establishments of Rural and Township Tourism Organisations. (R.T.T.O).

Some small, micro and medium entrepreneurs are owners of Bed and Breakfast establishments, tour operators, tour guides and tourism information centres. The Rural tourism worked hard to ensure that tourism in rural areas is seen as a link to economic development. (UMhlatuze Annual Review Report: 2006).

3.4.2 Museum

The museum is one of the attractions under uMhlatuze municipality .Several workshops were held to assist and support the local underprivileged community to obtain skills that could benefit them in becoming self employed. Stone carving and embroidery were among the workshops offered. (UMhlatuze Annual Review Report: 2006)

3.4.3 Arts and Crafts Centre

Arts and Crafts project is one of the initiatives that the uMhlatuze municipality manages as tourist attraction. It boasts a proud creative heritage and there are regular exhibitions of work. Best in local arts and crafts are proudly displayed at the community project. The project was awarded to Zikhulise Community upliftment project, whose objectives were to create employment opportunities through economic growth and development as well as to promote social and economic upliftment. The project allows visitors to witness first hand making of the authentic Zulu craft.

The community is very skilful in craft making. The street vendors sell a colourful array of wares with strong Zulu influences. The tourists visiting the area also impressed and are prepared to buy the crafts and artefacts. There are also local organisations and cultural institutions that take samples of the local artwork to bigger markets outside the area. (UMhlatuze Annual Review Report 2006).

3.5 CLIMATE

The climate conditions of the uMhlatuze Municipality are sub tropical, to maritime climate which prevails throughout the year at the coast, seldom lower than 12⁰ or 14⁰ Celsius in winter and reaching 32⁰ to 35⁰ Celsius during summer months. Summers are hot and humid, and experience annual rainfall, while winters are warm and dry with occasional frost in the interior. Average daily temperature is 28⁰ Celsius in summer and 22⁰ in winter. Prevailing winds are north-easterly and south -westerly.

The long term average annual rainfall for Richards Bay area is about 1200mm decreasing to about 1000mm inland towards Empangeni with most of the rainfall occurring between January and May. The area experienced two periods of prolonged drought (1981-1983 and 1992-1994) during the past 30 years, and has been subjected to destruction by extreme floods generated by cyclones Demonia and Mboa in 1984 followed by disasters in 1987 [UMhlatuze/IDP (2011/2012)].

3.5.1 Soils, Vegetation and Plants

UMhlatuze generally has a good climate and is well endowed with natural resources whose comparative advantages are, a good climate opens up venues for productive agricultural tourism development. Agriculture with irrigation infrastructure is in place and a scenic environment and the coastal terrain thus creating more opportunities for tourism development. Soil stability together with local relief places a risk of some form on a sustainable development in most parts of the area. Towards the interior most of the area however, regarded as suitable for development caution is exercised and appropriate engineering solutions are implemented to ensure slope stability.

The City has two nature reserves Enseleni nature reserve close to Enseleni and the UMhlatuze sanctuary. Additional nature reserves at Lake Nsese, Thulazihleka and Lake Mzingazi. The city boasts with its fauna and flora and indigenous coastal forests. Sugar cane is the main crop grown in the lower lying coastal belt in commercial agriculture, also sub-tropical fruits, vegetables, citrus are grown here but sustenance of agriculture is associated with the majority of the tribal authority areas which are characterised by under-development and high levels of poverty. (Dukeshire& Thurlow, 2002).

3.5.2 Infrastructure

On the whole, existing infrastructure such as roads, electricity, health facilities, transportation and water reticulation in the uMhlatuze Municipality are found in the developed municipal areas. The City of uMhlatuze can be reached by air through the main commercial airport at Richards Bay that conducts daily flights to Johannesburg. Travelling by road through the N2 highway from Durban (South), to Empangeni and Richards Bay and Pongola (North) also the R34 from Vryheid and Melmoth (West). travelling by sea through the Richards port on the east coast. [UMhlatuze IDP (2011/2012)].

There are also gravel roads that lead to the villages. There are health clinics in the developed municipal areas as well as in the villages. Recreation and tourism facilities are available in the municipal developed areas. An official well developed soccer ground in Veldeinvlei which was used as a host grounds during the 2010 Soccer World Cup.

The city of uMhlathuze, can be seen from international or national perspective as the KwaZulu- Natal's fastest growing city, also as manufacturing investment opportunities, dynamic centre of production, innovation, trade and conservation of natural and human resources, biological diversity as well as a tourist attraction for visitors a thriving modern port city as the export capital of South Africa, attractive quality of life to all citizens while protecting its heritage and environment. (Impact Economic strengths of Zululand 2007).

3.5.3 Accommodation

The City of uMhlathuze is a vibrant and fast becoming holiday destination offering spectacular scenery and unspoilt beaches for tourist and local communities. Several kinds of accommodation are available in the city safari lodges, hotels accommodation varying from 1star to 6 stars, guest lodges, bed and breakfast accommodation caravan parks and trails [Zulu-Kingdom KZN-municipalities (2009)]

3.5.4 Agriculture

It was indicated in this chapter that the soil in the uMhlathuze Municipality and surrounding areas is relatively fertile and could maintain planting a commercial crops such as sugar cane, bananas, and citrus fruits such as oranges, naartjies and pineapples as well as vegetable garden. Notwithstanding this benefit the people of uMhlathuze are not enthusiastic or proficient vegetable growers. Poultry is also kept, bee-farming and indigenous tree-planting projects operate in some of the villages, and all these projects are facilitated by Ezemvelo Wild Life. Council Adopted an Agricultural Support Plan aims to inform and guide small-scale agricultural development within uMhlathuze and focus the limited resources on sustainable delivery of agriculture [Environmental affairs and tourism (2008)]

3.6 OVERVIEW OF TOURISM IN RICHARDS BAY

Richard Bay is a vibrant and fast becoming the north coast holiday destination, offering spectacular scenery and unspoilt beaches. It is one of the closest sea destinations from Gauteng and enjoys a summer climate all year round. Tourism of this region is flourishing. The commercial and industrial development of Richards Bay has been a bonus for the sophisticated tourists. The bustling business centre has every modern facilities and

the town boast excellent recreational facilities with numerous associated opportunities. In close proximity there are world famous game reserves, safari lodges, tropical coastlines, historical cultural sites and great lakes. Industrial tourism is actively promoted and groups are able to visit industrial plants, mines and other operations. The town also offers visitor's entrance to Zululand which is characterised by diversity.

The coastline stretches some three hundred and fifty kilometres from the mouth of the mighty Tugela River in the south to the Mozambique border north. The coastal plains include unspoilt beaches and coastal conservation areas incorporate the largest estuary system in Southern Africa.) Richards Bay is a sporting haven. The year-round summer and warm Indian Ocean make an ideal training environment. The protected beaches, the Tuzi Gazi Waterfront and the bay area serve as water sport playground. [UMhlatuze IDP (2011/2012)].

3.7 ECONOMIC AND CULTURAL ORGANISATION

Impact, Economic Highlights (2007:7) states that 'local economy is an integral part of the international, national economy and is a centre of commerce, agriculture, industry, tourism with their cultural and historical significance reflected in their lyrical isiZulu names'. The proliferation of industrial activity has led to commercial and residential development shows strong indication of economic expansion with strong urbanisation trends. Huge investments in large industries, mining of an abundance of mineral resources, extensive conservation reserves, large fertile fields for agriculture especially the sugar cane.

Richard Bay minerals, Mondi Kraft, Foskor, Bell equipment, Exxaro KZN Sands, Richards Bay coal Terminal, and almost 95% of economic activity are around Richards Bay, Empangeni and Felixton. It contributes to 7.6% of the total gross geographical products and 5.5% of total formal employment. Richards Bay is home to largest single coal-handling facility in the world, also largest sand mining and mineral processing operation in South Africa. [UMhlatuze IDP (2011/2012)].

The people's way of life is simply their culture and this reflected in their folk's ways, arts, cuisine, values, language, norms, laws, their socialised attitude, behaviour and beliefs.

(Impact and Economic Strength of Zululand 2007:7) The important aspect to people at an emotional, moral material level, spiritual aesthetic and intellectual making of meaning at specific times and in specific places. Rituals for transition from childhood or puberty to adulthood are recognised and performed on both females and males. The male's rite of passage is usually male genital mutilation (circumcision).

The Zulu reed dance is where thousands of Zulu virgins converge at the Enyokeni Zulu Royal Palace in September each year to celebrate the uMkhosi woMhlanga (Reed Dance Festival). The reed dance is an activity that promotes purity among virgin girls and respect for young women, the virgins fetches the reeds from the river to the palace for the king to inspect (Crawford & Radebe 2010:90).

Zulu craft work are baskets, beadwork, leatherwork, pottery, woven rugs, wooden tapestry, carving and there are a number of centres for arts and crafts to improve the quality of products and advanced business skills at uMhlatuze municipality (Impact, Economic Strengths of Zululand 2007:39). The festival of lights known as the Diwali festival, in Richards Bay jazz festival and the beach festival provides fun for every family and promotes inclusiveness were some of the cultural diversity of the municipality is showcased. (UMhlatuze Annual Report 2006:13).

3.8 POLITICAL AND SOCIAL ORGANISATION

The city of uMhlatuze council consist of sixty (60) councillors elected in terms of applicable legislation of South Africa and administrative component made by different departments and serve on the council's executive committee. The portfolio committee approach was adopted by the council and administratively the municipality has almost 1900 full time staff members led by the municipal manager and his team of professionals, also the council interacts with its community using the ward committee system. The establishment of offices in Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni and Vulindlela make for easy accessibility and governance to spread around the municipality. The heritages of the people are in their modes of marriages folksongs, cuisines, cultural dances and festival.

The Zulu cultural villages have become strong tourist attractions. Cattle herding /rearing is an economic activity of the study area, the citing of many manufacturing companies Many are engaged in employment with the municipality area amounting to 24% as highest of formal employment while the community service have the second highest.. The quality of life experienced in tribal areas is preferred by many people provided that amenities associated with urban areas such as water, electricity, schools and clinics are available. The rural township of uMhlathuze offer visitors the opportunity to experience real Africa of today .The Zulu residents live work and work in modern surroundings while embracing the culture, traditions and social customs of their proud ancestors. [UMhlathuze IDP 2011/12].

3.9 DEMOGRAPHIC INFORMATION

The demographic of uMhlathuze Municipality has been analysed according to the total population, male, female ratio and age cohorts. This information is important for the purpose estimating the various demographic characteristics influencing the provision and utilisation of resource in the study area.

3.9.1 Total Population

The first report indicates that there is a possible inaccuracy of the statistics provided by census. The census indicates that there is an estimated 345 776 total population. Some demographic data has an estimated 81008 households. This makes the average household size of 4.4 persons per household. Empangeni and Richards Bay showing a densely populated rural area, 80.9% of the total dwellings are informal types with 15.3% being traditional type and 3.8% being informal types also 64% of household own their dwelling while 17.8% rent.

In population groupings the black Africans are 299.519, Whites are 31.60 of the population. Before the first democratic elections, white people did not want to mix with other race groups, but after election their attitudes changed towards other races. The Indian population is 11.702 and the Coloured population 2.954 persons. Females are 1178435 while Males are 167341 in total number.

In household income levels Richard Bay has a higher average monthly income than others. Indians are determined to be self sufficient and self centred .Indians do not want to expose their culture to other people and involve themselves to other people’s culture. [UMhlatuze IDP (2011/12)]. Enseleni urban 23% household does not earn any income and Enseleni rural area is the lowest with over 40% of all households have no income and that a large number of individuals in Enseleni and eSikhaleni earn less than R400 per month, 29% of those in Mandlazini earn no income with a large portion of household in the area earning R4,801 and R38,400 per annum, in comparison of annual household between typical urban areas,47% of household in Mereensee and 23% in Empangeni earn more than R153,601per annum only 2% of household’s in Enseleni urban earn this annual income [UMhlatuze IDP (2011/12)]. Small micro and medium enterprises scheme on tourism development, train participants on skill acquisition to enable them to start their own businesses. The hotel school skills programme was created in partnership with the Department of Arts Culture and Tourism in the study area.

According to Annual Report (2008) stated that it is ‘ seven hundreds houses built for low-income earners and have refurbished one hundred and forty houses at eSikhaleni hostels, also plan on rural houses been built in Kwabhejane, Madlebe and kwaMkhwanazi and Aquadene’. The informal settlements have to be incorporated in the Integrated Development Programme focus because they form part of the communities surrounded the uMhlatuze Local Municipality [UMhlatuze IDP (2011/12)].

Table 3.2 Population by gender and group

Age	Female	Male	Population(N)	Population%
0-4 years	18028	18028	36056	10,43
5-14 years	37392	36724	74116	21,43
15-34 years	76192	70167	146359	42,33
35-64 years	40739	39042	79781	23,07
Over 65 years	40739	3380	9464	2,73
Total (N)	178435	167341	345776	100

[Source UMhlatuze IDP 2009:25]

The population of uMhlatuze of 37.3percent is unemployed. 24 percent of the population is employed within the sector. It is for this reason that an appropriate economic development strategy for the municipality is concentrated on small, micro and medium enterprise development as means of promoting emerging entrepreneurs who will initiate labour intensive job growth. The strategies aim to provide support to the informal sector as it is recognised that currently provides many households with income and it is anticipated to play increasingly more important role

Table 3.3 Population Density

Suburb /Area	
Felix ton, farmland and forestry areas	2-525
Empangeni,Richards Bay (excluding Aquadene)	526—2084
Vulindlela,Brackenham and Aquadene, Ngwelezane	2085-3989
Enseleni urban rural & Esikhaleni urban	3990-6421
Total average for entire municipality area	3990-6421

[Source UMhlatuze IDP 2009: 28]

3.10. LEVEL OF EDUCATION

Access to basic education is a right in the constitution of the country, it should be a serious concern that there are 11, 7 percent of people who do not have access to basic education 15 percent of the people have at least some primary schooling. It should be noted that access to tertiary education has increased. It should be noted that there are therefore many people with no qualifications, with no jobs or people in the informal sector within the study area.

The Quality Life Survey (2009) noted that a large portion of unemployed people are involved in informal trading such as fruit and vegetable trading at street corners, or taxi ranks and public areas. Informal traders also consider themselves as self employed whilst on the contrary some felt it necessary to be classified as unemployed as they are only working as street vendors due to unemployment. The economic performance of the local

area is good but has some loopholes of poverty. It is for above reason that an appropriate economic development strategy for the UMhlatuze Local Municipality is concentrated on small, micro and medium enterprises.

Table 3.4 Indicate level of education

Highest Level of Education attained by over 20 years olds	Persons
No Schooling	34 887
Some Schooling	25 571
Complete primary	9 206
Grade 12/ Standard 10	47 612
Higher/Tertiary education	20 513
Total	188 652

[Source UMhlatuze IDP 2009]

3.11 CONCLUSION

In this chapter, the physical setting of the study area was presented. The chapter attempted to give a global view of the physical features and activities related to tourism that play a role in showcasing the study area. In the presentation the location of the study area relative to KwaZulu-Natal UThungulu District, uMhlatuze Municipality and the surrounding areas were given. In addition, the history, physiographic, socio-economic and cultural attributes were given attention. The information given in this chapter has laid the foundation for the next activity of the research study, which is to embark on data analysis and interpretation. It is also worth mentioning that the uMhlatuze Municipality has the potential to reveal how tourism development is geared based on the involvement and participation of small, micro and medium enterprise to tourism policy and planning.

CHAPTER 4

ANALYSIS AND INTERPRETATION OF DATA

4.1 INTRODUCTION

Research as used in modern society, provides humanity with a reliable tool for gauging the needs and excess for existence. To the uninitiated it is a cumbersome device fraught with complexities that are best to the skilful. For those who are ready to use their instinct and venture the unknown, it is a fountain of discovery ready to provide answers and bases for initiating change. In recent times humanity needs change that ought to be founded on equality and stability. People particularly those who have not had the benefit of easy, informed, and abundant life -style, need this renewal more than ever before. Research is therefore a tool for change (Magi: 2010:87).

Research has been defined by Zikmund (1991:6) as a systematic and objective process of gathering, recording and analysis data. On the other hand Sekeran (1994: 4) sees research as a systematic and organised effort to investigate a specific problem that needs a solution. In a number of definitions of research, there is always an implicit assumption that research will discover something new or make an original contribution to the development knowledge or phenomenon cited in (Magi: 2010).

The analysis of data can be achieved through the process of description, explanation and prediction and these varies with a statistical measure used. “As such interpretation is the process of making judgement and inferences about the outcomes emerging from the data analysed” (Magi: 2010: 101). This chapter contains the ordering and summarising of data so as to get answers to the research question. One of the fundamental aims of this study was not only to establish the level of understanding of tourism policy, planning and execution in the uMhlathuze Municipality but was to reveal how the stakeholders perceive tourism policies addressing matters related to Small Micro and Medium Enterprises (SMME) in the study area. Thus the purpose of this study is to reveal the extent on which tourism policies are in line with implementation strategies. The policy

implementation procedure advocated by Lichorich & Jenkins (1997) includes the formulation of the implementation plan the establishment of objectives norms and standards associated with implementation. The results obtained from analysis and interpretation of data provides feedback on the tenability and amenability of the original hypothesis. It should be noted, however that even if the results obtained from the analysis and interpretation are in agreement with the hypothesis, and this does not necessarily mean that the theory is finally and irrefutably proven correct, but is only provisionally supported as there is no other theory which may explain the results obtained (Bless & Higson- Smith, 2002).

4.2 RE-INSTATEMENT OF THE OBJECTIVES AND HYPOTHESIS

It should be recognised that the objectives and hypothesis of this research study sought to serve as guidelines to what is to be analysed and interpreted in addressing the research question. In essence, the research study and hypothesis provide some estimated outcomes (Magi: 2010). As presented before each objective is made hypothesis are restated in this chapter in order to refresh the reader and have a guided data analysis these are stated as follows.

- **Objective1:** To find out whether the local stakeholders understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area.
- **Hypothesis 1:** That the local stakeholders adequately understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area.
- **Objective 2:** To reveal whether there are adequate tourism policies that address matters relating to small, micro and medium enterprise practices in the study area.
- **Hypothesis 2:** That there are inadequate tourism policies that address matters relating to small, micro and medium enterprise practices in the study area.
- **Objectives 3:** To indicate the extent to which local communities participate in tourism related activities.
- **Hypothesis 3:** That local community participate to a large extent in SMMMEs related activities.

- **Objective 4:** To establish whether local communities perceive tourism policies and planning in the study area as resulting in job creation and poverty alleviation.
- **Hypothesis 4:** That local community perceive the tourism policies and planning as resulting in job creation and poverty alleviation in the study area.
- **Objective 5** To assess the degree to which the small, micro and medium enterprises are contributing to the community beneficiation in the study area.
- **Hypothesis 5:** That the degree to which small, micro and medium enterprises are contributing to community beneficiation.

In an attempt to achieve the abovementioned objectives and related hypothesis a questionnaire was used distributed to various stakeholders as described in chapter1 a sample of 140 respondents as tourism stakeholders. What followed was the analysis and interpretation of data gathered from 140 respondents from the study area. The information gathered is therefore represented in tables and graphs as it emerged from the responses of subjects .The interpretation process has tried to give justification for the analysis findings of data. In other words in this chapter the objectives of the study are thoroughly interrogated in collaboration with the data collected with a view of achieving the outcomes of this research. As such the re-instatement of objectives and hypothesis, seek to facilitate the making of judgements and drawing conclusion and recommendations from the research techniques.

4.3 DEMOGRAPHIC CHARACTERISTICS OF DATA

The statements from where the data was collected consisted of various categories and emerged from various areas of the uMhlathuze Local Municipality. The respondents varied in terms of gender, age, ethnic group, level of education, occupation, socio-economic level status and financial level. The demographic characteristics of data collected reflect the personal attributes of the respondents within the uMhlathuze Local Municipality. It is anticipated that the analysis of these demographic attributes would be of better understanding and the awareness of the role they play in influencing the various research statement questions. Some of these include perceptions of tourism stakeholders regarding to tourism policy, planning and execution. The demographic characteristics of

respondents were used in creating frequency tables which enabled the 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.

4.3.1 Gender of the respondents

The question of gender has become important in the South African democracy particularly as relating to females participation in tourism activities such as becoming entrepreneurs. As such the analysis of the gender variables was aimed at revealing the documented gender that participated and provides tourism services within the study area.

On analysis the gender variable for tourism stakeholders it was found that 55.7percent were females and 44.3 percent were males. Not surprisingly females were in the majority since there are more females in the field of entrepreneurship whilst men are engaged in large industrial and other mining enterprises The World Travel Tourism Organisation (UNTWO, 2004) has identified more women being motivated to provide tourism services and activities in order to escape from routine or domestic environment.

In the UMhlatuze Local Municipality responses revealed that female tourism stakeholders have proved that tourism should be used as catalyst of human development focusing on gender equality. Tourism activities were mainly dominated by males. According to White Paper (DEAT, 1996) tourism should be used as a catalyst for human development, focusing on gender equality. The distribution of gender among the tourism stakeholders revealed that 55.7 percent of respondents were females and 44.3 percent were males.

This distribution suggests that there were more females who were prepared to participate in the survey. It should be noted that in the UMhlatuze Local Municipality population is generally dominated by females who tend to take the leadership role in making the enterprise. Male participants were few, who responded to questionnaire at the UMhlatuze Local Municipality.

TABLE 4.1: GENDER DISTRIBUTION

GENDER	FREQUENCY	PERCENTAGE
MALES	62	44.3%
FEMALES	78	55.7%
TOTAL	140	100%

The table 4.1 revealed that females respondents were in the majority that is 55.7 percent, male respondents by 44.3 percent which revealed that females were eager to participate in the survey.

4.3.2 Age of the respondents

The promotion and development of tourism in any area is highly dependant on the age of the people participating in tourism. Age has an important influence on tourism and leisure. Torklidsen (2005) 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 types of tourism services and activities frequently patronised by the tourism stakeholders with long service and have owned businesses for a long time have better knowledge of policies than their counterparts who have been in tourism industry for short period of time.

The age variable indicated that a substantial majority of respondents 47.1percent falls within the middle age group (30-45years) with the small segment of respondents with long service 20percent (50-65)the age structure of the service may have an influence of a sound policy framework for UMhlatuze Local Municipality tourism. The imperative for a sound policy framework for the South African tourism landscape has been propelled by the need to forestall what the Tourism White Paper (DEAT, 1996:19) identified and called the tourism ‘missed opportunities’.

The missed opportunities refer to (a) inadequate funding directed towards tourism; (b) deficient tourism education and training (c) limited involvement of local communities (d) ineffective safety and security and crime prevention (e) the lack of integrated national, provincial and local tourism development.

TABLE 4.2 AGE DISTRIBUTION

AGE	FREQUENCY	PERCENTAGE
20-25	46	32.9%
30-45	66	47.1%
50-65	28	20.0%
TOTAL	140	100%

The distribution age variable shown in table 4.2 was categorised in terms of the following ages. 20-25, 30-45 and 50-65. The age distribution shown in table 4.2 revealed that the outcomes were biased towards the more matured age groups. It was found that the middle aged group were in the majority that is 47.1 percent in all instances in terms of responding to the questionnaire. The young adult respondents were the second largest in response by 32.9 percent whereas the an average of 20.0 percent of the senior adults responded to the questionnaire

4.3.3 Racial Groups

The ethnic groups shown in table 4.3 revealed the distribution of ethnic groups who were prepared to participate in the survey. This distribution suggests that there were more Coloured tourism stake holders who participated 100 percent, African 60.7 percent, White 15 percent and Indian 12.9 percent. Coloured stakeholders were in the majority, since they were afforded opportunities during post apartheid. The uMhlathuze Local Municipality is predominantly occupied by Africans which is the population group which was affected by apartheid.

While government has been mainly responsible for developing policies that support tourism development effective tourism policies and competitive strategies have become critically important for developing countries such as South Africa, because tourism, by its nature, requires less capital outlay than other forms of economic activities to get going (Wahab, 2000). The analysis of ethnic variable was aimed at revealing the dominant ethnic group.

TABLE: 4.3 DISTRIBUTIONS BY RACE

	FREQUENCY	PERCENTAGE
African	85	60.7%
White	21	15.%
Indian	18	12.8%
Coloured	16	11.4%
Total	140	100

Table 4.3 indicates the majority of the population that resides in the study area about 60.7percent revealed that African population is the largest in the study area .15percent were Whites, 12.8percent were Indians and least is 11.4percent which were Coloureds.

4.3.4 Level of education variable

The role of education in understanding tourism policy, planning and execution cannot be underestimated. In fact the education variable tends to influence socio-economic status of the respondent very significantly. It may be argued that this apparent level of education would auger well to make judgements about the understanding of tourism policy and planning to the community of the study area. The reason why 13 percent was obtained from the participants is that the community of uMhlathuze Municipality is predominantly occupied by Black Africans perhaps the questionnaires were not easily understood by them due to their level of education; it discouraged them to participate in the survey.

TABLE: 4.4 DISRTIBUTION BY EDUCATION

	FREQUENCY	PERCENTAGE
Not Schooled	16	11.4%
Primary	13	9.3%
Secondary	51	36.4%
College	35	25.0%
University	25	17.9%
Total	140	100

Table 4.4 indicated that the participants who acquired secondary education were in the majority by 36.4 percent, with college education by 25.0 percent, with university education by 17.9 percent, 11.4 percent revealed that participants not schooled and the last group of participants with primary education by 9.3 percent.

4.3.5 THE OCCUPATION VARIABLE

As indicated in the theoretical background section of this dissertation, demographic variables such as education, occupation and income level were regarded as having a substantial influence on tourism and leisure. (Bennet, 2001) states that similarly, education influences levels of quality lifestyle, and other related factors.

Table 4.5 DISTRIBUTION BY OCCUPATION

	FREQUENCY	PERCENTAGE
Unskilled	25	17.9%
Skilled	39	27.9%
Semi-Skilled	44	31.4%
Professions	31	22.1%
Total	140	100%

The data analysis in table 4.5 revealed that 31.4 percent of the majority of respondents were semi-skilled, 27.9 percent of the respondents were skilled, and 22.1 percent were professionals and 17.9 were unskilled. To determine the situation of occupation or employment equity in the study area is not an easy task. Direct employment agents such as hotels, restaurants and transport do not have accurate statistics in the direct tourism businesses. However, Vivian & Hall (1994) have established that the majority of jobs in tourism, especially those of low skills and wage are occupied by women; there is a need to enable women to occupy jobs in higher positions.

4.3.6 SOCIAL LEVEL CLASS

The social benefit includes an overall improvement the quality of life, physical, mental and moral well being of thoughts. In order to confirm the social level class of the study area, questionnaires were distributed to the participants.

TABLE: 4.6 DISTRIBUTIONS BY SOCIAL CLASS

	FREQUENCY	PERCENTAGE
Upper middle class	85	60.7%
Upper class	21	15.0%
Lower middle class	18	12.9%
Lower class	15	10.7%
Total	140	100%

Table 4.6 indicated that uMhlathuze Local Municipality is occupied by the various levels of social class by 60.7 percent was of upper middle class, 15.0 percent was of upper class, 12.9percent was of lower middle class and 10.7 percent was of the lower class.

4.3.7 INCOME LEVEL

Income, similar to education and occupation levels, depicts the levels of lifestyle that may be acquired by the respondents in any study area Bennett,(2002) states that a persons income status show itself the level of disposable income, which Copper *et al* (2008) define income as that actually available to households either to spend or save. In other words, the more disposable income or higher income economic status an individual has the more exposure to tourism participation.

In this regard respondents were asked to reveal their level of income. According to Glyptic, (1993)' cost can also serve as a barrier to tourism, particularly where tourism activities are inaccessible because of distance'. Invariably, high income earners will be able to afford to access the tourism activities that require spending. Since some of the respondents earn well, it may be inferred that their perception of the tourism policy would

bring both economic and non economic benefit to the study area. These benefits include, job creation, provision of employment and community participation.

TABLE 4.7 DISTRIBUTIONS BY INCOME

	FREQUENCY	PERCENTAGE
R1000-R5000	37	26.4%
R5001-R10000	32	22.9%
R10001-R30000	38	27.1%
R30001-R50000	14	10.0%
R500001& Over	19	13.6%
Total	140	100%

Table 4.7 indicated the levels of income earned by the participants in the study area. The majority of the respondents with 27.1 percent earned from R10001-R30000, 22.9 percent revealed that participants earned from R5001-R10000, 26.4 percent revealed that participants earned from R1000-R5000 and last category of the respondents earned R500001 & over.

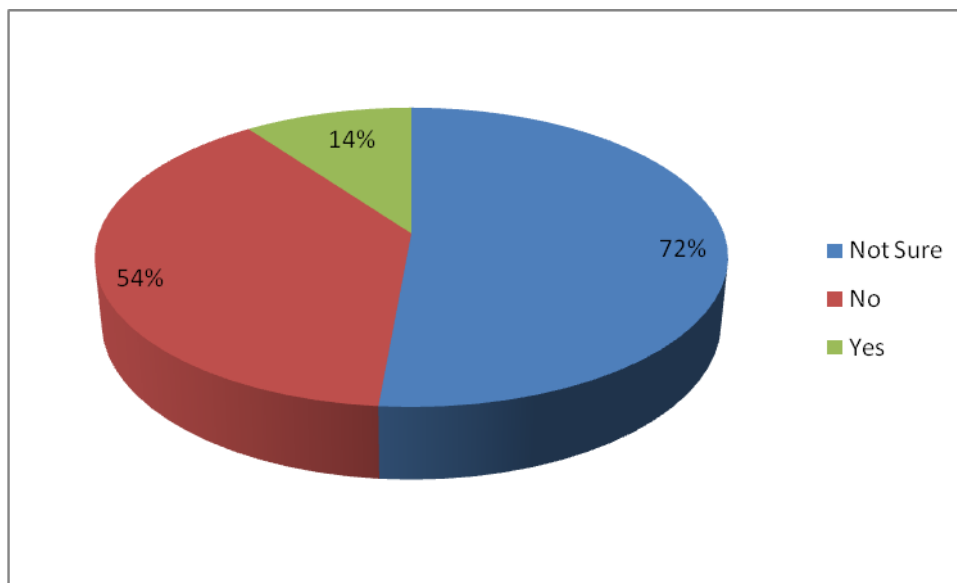
4.4 UNDERSTANDING THE IMPORTANCE OF POLICY

The first objective of the study was to find out whether the tourism stakeholders do or do not understand the importance of policy formulation in the study area. Tourism as an industry, if well understood and appreciated, would bring about economic and non-economic benefits to host communities. These benefits include, provision of employment opportunities. As it is a labour intense industry that generate foreign exchange, and increase income to develop infrastructure that would also help stimulate local community to improve quality of life and improve the standard of living (Wahab & Pigram, 2000).

In this regard, the respondents were subdivided into these three categories so as to assess each group's understanding of policy and planning in relation to small, micro and medium enterprise in the study area. Figure 4.1 revealed that 72.1 percent of the respondents were

not sure whether they do understand the importance of policy and planning in the study area, 54.2 percent revealed that the respondents did not understand the policies and planning in the study area and 14.2 percent revealed that they understood policies and planning in the study area. It is surprising the largest percentage (72%) of the population were not sure about understanding the importance of policy processes. The tourism authorities are seemingly to blame for this perception because there is no evidence that tourism is being aggressively marketed in the study area. Respondents are adequately participating in policy issues in the area.

FIGURE 4.1: UNDERSTANDING THE IMPORTANCE OF POLICY



In view of the outcomes concluded that *Hypothesis:1That the local stakeholders understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area.* In view of these responses it stands to reason that the respondents were not sure whether they do understand the importance of the formulation of policy and planning in relation to small, micro and medium enterprise in the study area. The hypothesis should not be supported. This finding is supported by the outcomes which reveal that the tourism stakeholders were not sure whether they do understand the importance of policy formulation.

Table 4.8; Define /explains the policy correctly

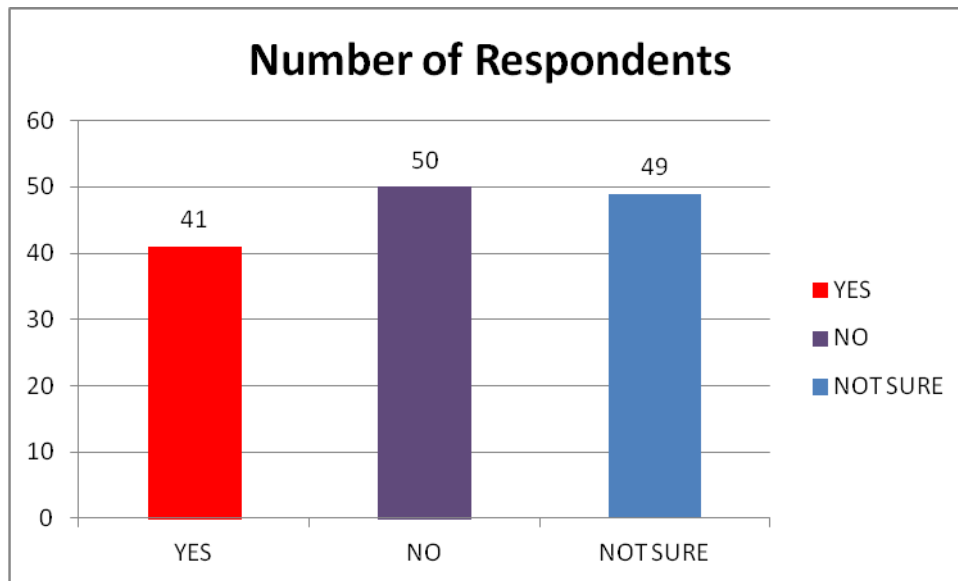
FREQUENCY	PERCENTAGE	CORRECTNESS
18	12.9%	Incorrect
21	15.0%	Not sure
24	15.7%	Fairly correct
76	54.3%	Very correct
Total 140	100%	

The table 4.8 indicates that the participants were asked to choose the correct statement which defines the term ‘policy’ correct. About 54 percent of the respondents were correct .On the other hand 12.9 percent were incorrect.

4.5 ADEQUACY OF TOURISM POLICIES IN SMMEs RELATED MATTERS

With the intention of assessing the adequacy of tourism policies the respondents were asked to reveal their views about adequacy of tourism policies that addresses matters relating to SMMEs. It is apparent that the majority of the respondents were not aware of the adequacy of tourism policies that addresses the matters relating to SMMEs in the study area. 50 percent of the respondents revealed that they did not know about tourism policies that address matters related to SMMEs, 49 percent of the respondents were not sure of the policies and 41 percent were sure that there were policies that address matters related to SMMEs. It is apparent that the majority of the respondents were not aware of the policies that address matters relating to SMMEs. Hence the hypothesis which states: That there are *inadequate tourism policies that address matters relating to SMMEs practices* in the study area. The hypothesis 2 should be supported. The findings supported the outcomes revealed by the respondents, tourism stakeholders were not conversant with policy formulation and planning in the study area.

FIGURE 4.2 Adequacy of tourism policies addressing SMME matters



The table 4.9 below indicates the outcomes of the respondents that revealed their views about adequacy of tourism policies addressing matters related to Small, Micro and Medium Enterprises (SMMEs) 51.4 percent, were very unaware of adequacy of tourism policies addressing SMME matters, 19.3 percent of the respondents were not sure, 18.6percent were some how aware and 9.3percent revealed that were not sure of adequacy of tourism policies addressing matters related to SMMEs in the study area. It is apparent that the majority of the respondents were not aware the adequacy of tourism policies in the study area. Hence policy and planning should address community development in the study area.

TABLE 4.9 Adequacy of tourism policies addressing SMME matters

FREQUENCY	PERCENTAGE	Awareness of adequacy
13	9.3%	Fully aware
26	18.6%	Some what aware
27	19.3%	Not sure
74	51.4%	Very unaware
Total 140	100%	

4.6 COMMUNITY PARTICIPATION IN SMMES TOURISM ACTIVITIES

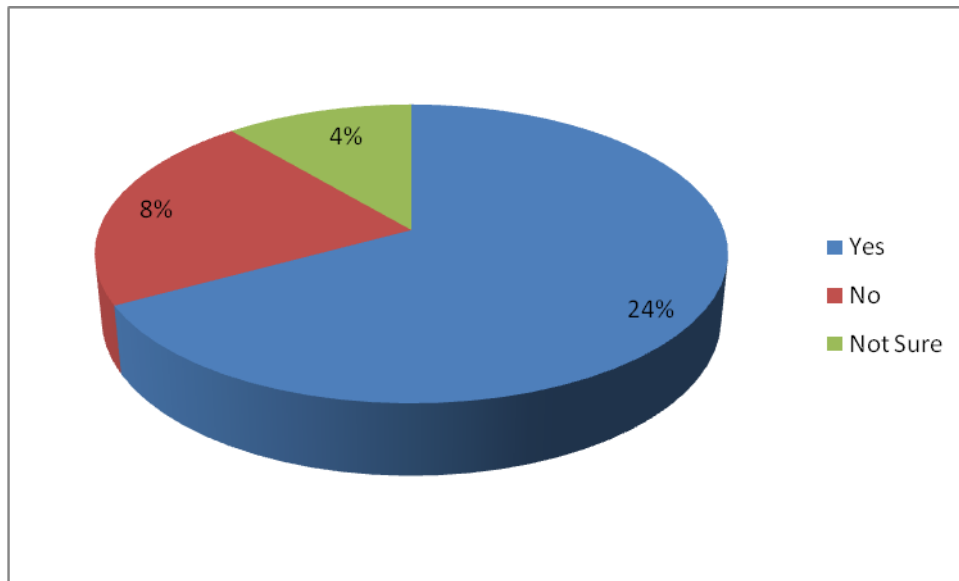
In order for tourism to be considered successful and sustainable, local communities should respond positively towards tourism development through active participation. According to Pigram (1983) participation can be defined as those activities in which members of society engage in the selection of decision-makers and authorities that would involve themselves in the formation of tourism public policy.

The public policy would encourage the community to get involved in tourism. On the other hand, Torkildsen (2007) 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 this regard community participation in tourism also relates to local people being involved in providing services to tourists who visit the uMhlathuze local municipality.

It is important to note that, in the South African context, there has been poor involvement of local communities and previously neglected groups in the tourism industry. While this has been largely due to the previous government's policies, need to reverse this situation is of urgent importance (DEAT, 1996).

This approach was instigated by the notion that tourism can be an efficient tool for fighting poverty by creating jobs and employment with the intention of assessing the participation of local communities in tourism related activities. Furthermore, participation would imply that the local people have meaningful ownership and power sharing in related tourism enterprises.

FIGURE 4.3 Community participation in SSMEs tourism activities



The notion of participating in tourism related activities provides a direct and authentic experience for local communities to engage and host tourists in the local environment. The analysis revealed that 24percent of the respondents participates in tourism activities, while 8 percent revealed that they do not participate and 4 percent was not sure whether they participate or not. It was concluded, that the Hypothesis 3, which states: That to indicate to what extent the local communities participates in tourism related activities should be supported. The findings supported by the outcomes which revealed that the majority that the community of the study area participate in tourism related activities.

Community participation can also ensure effective and sustainable utilisation of available natural resources because the local people can take responsibility and ownership of the resource. Magi and Nzama (2009) explains that community participation is the core of; (a) what tourism is all about; (b) what project the community engages in; and (c) how its members respond to tourism.

By implication, this process highlights the issue of involving the community from the planning stage to the implementation of tourism development within the uMhlatuze local municipality. This community tourism relationship would enable the community to know what it would reap at the end of a tourism development process. If there are any tourism

benefits the community is going to get, it is important to understand the nature of those benefits and what impact they would engender in the environment. Local communities should participate in tourism through tourism structures. The tourism authorities should be proactive and sensitive in the development and management of tourism activities through community structures and encourage conservation and sustainable development for local communities. In this regard, tourists could contribute to local socio-economic development, as well as continue to be attracted to a particular tourist resource. Some writers (Warburton, 1998; Aaronson, 2003) have argued that tourism has a potential for conservation and sustainable development for communities.

TABLE 4.10 Community Participation

ACTIVITIES	FREQUENCY	PERCENTAGE
Beading	21	15.0%
Craft Making	17	12.1%
Swimming	36	23.5%
Hiking	55	35.9%
Fishing	5	3.6%
Gardening	37	26.4%
Tennis	10	7.15%
Gambling	27	19.2%
Shopping	16	11.4%
Outing	11	7.95%
Camping	26	18.6%
Total	140	100%

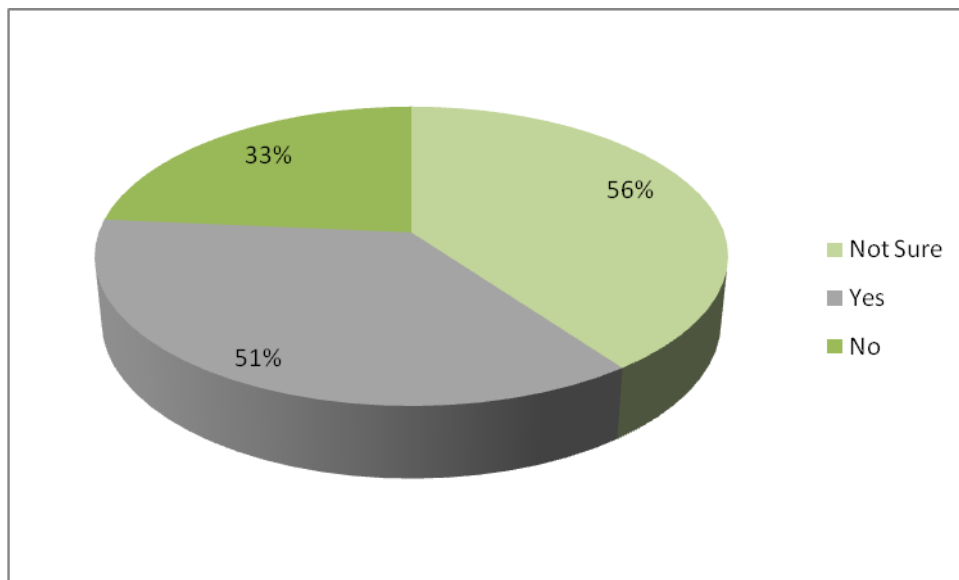
The above table 4.10 indicated the community participation in tourism related activities. 35,9 percent indicated that participants, participated in hiking, 26.4 percent indicated that participants, participated in gardening, 23.5 percent indicated participation in swimming, 19.2 percent indicated participation in gambling, 18.6 percent indicated participation in camping, 15.0 indicated that participants, participated in beading, 12.1 percent indicated

participation in craft making , 11.4 percent indicated participation in shopping , 7.95 percent indicated participation in outing and 3.6 percent indicated in fishing.

In this regard, community participation in tourism also relates to local people being involved in providing services to tourists who visit the uMhlathuze local municipality and the tourism industry in general. Furthermore, participation would imply that the local people have the meaningful ownership and power sharing in the related tourism enterprises (Magi and Nzama: 2009a, 2009b.)

4.7 PERCEIVED LEVEL OF COMMUNITY TOWARDS JOB CREATION AND POVERTY ALLEVIATION

FIGURE 4.4 Community's perception of tourism job creation and poverty alleviation



Effective tourism policies and competitive and strategies have become critically important for developing countries, such as South Africa because tourism in its nature requires less capital outlay than the other forms of economic activities to get going (Wahab,2000) Policies and planning aimed at achieving sustainable tourism, integrated tourism, responsible tourism, community driven tourism accountability and assessment. It is generally accepted that the local communities presume that tourism create jobs for them and their lifestyles changes. Magi and Nzama, (2008) state that over the last decade various tourism authorities have struggled to initiate additional policies and strategies that

have sought to establish the economic potential for tourism as new trajectory for job creation, and employment and poverty alleviation.

In this regard, the analysis showed that the majority, with 56 percent, revealed that were not sure that the policies created job for them, 51 percent revealed that perceived that policies created jobs for them and 33 percent they do not perceive policies as job creation and poverty alleviation. On the basis of analysis, relating to whether local communities perceive the policies and planning as resulting in job creation and poverty alleviation. It would be concluded that *Hypothesis: 4: That to establish whether local communities perceive the policy and planning in the study area as job creation and poverty alleviation, should be supported the local communities should be acquainted with policies.*

Table: 4.11 Community perceptions of job creation and poverty alleviation

FREQUENCY	PERCENTAGE	States of jobs and poverty alleviation
17	12%	Poor
13	9%	Not Good
36	26%	Fair
35	25%	Good
39	28%	Very Good
Total 140	100%	

The table 4.11 revealed that the respondents with 12 percent did not perceive policies as job creation and poverty alleviation, 9 percent did not know whether they perceive or not 26 percent were fair in terms of policies and perception of job creation 25 percent of the respondents perceived the state of jobs and poverty alleviation as good and lastly the group that perceived the state of jobs and poverty alleviation very good was 28percent in terms of job and perception of policies as job creation and poverty alleviation and lastly 4.3 percent was good in perception of policies as job creation.

The findings supported by the outcomes revealed that the majority of respondents were not aware that policies created jobs and alleviated poverty. It has been argued that in order to stimulate economic development and job creation, there should be a well orchestrated programme of tourism planning and development. According to Mowforth & Munt (1998)

tourism development should reflect the unique circumstances of the region under investigation. The style and scale of development are the basis for planning.

According to Magi& Nzama(2009a,2009b) the formulation of development policy in and its execution are two sides of the same coin, but tend to be different in character, make up and performance. Whereas it may seem easy to craft policy, it may be relatively be difficult to implement the same policy. The application of policy should translate into efficient delivery products that would benefit the local communities in the long run. Policies are the basis for stimulating resources as to make communities be aware that tourism creates jobs and alleviate poverty.

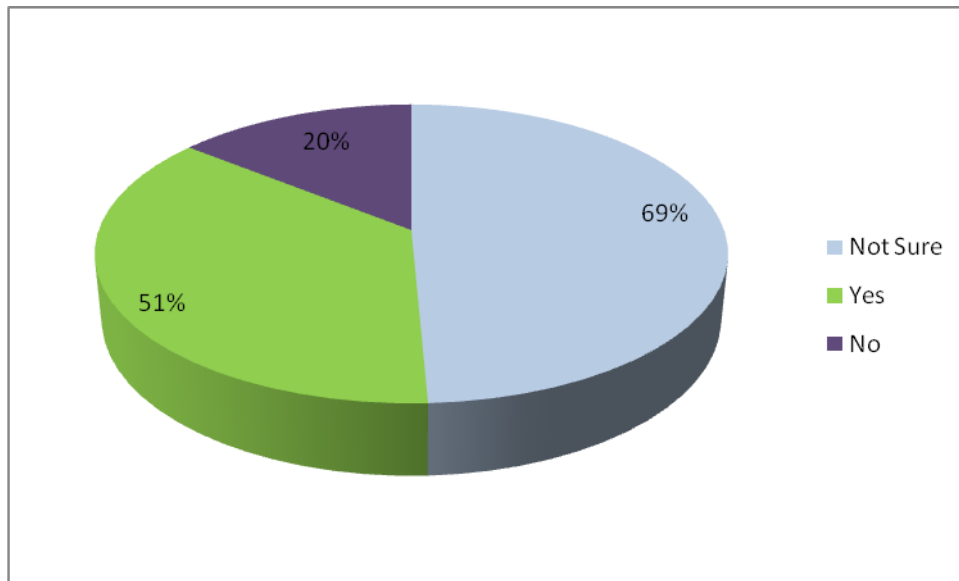
4.8 SMME TOURISM CONTRIBUTION TO COMMUNITY BENEFICIATION

Despite the efforts of community participation, some community members still believe that the benefits of tourism are inadequate. There are many challenges that can be impeding the realisation of maximum tourism benefits. The main challenges is the inability of local communities to participate fully in tourism development issues .The government has an important role to play in ensuring that local communities participate fully in tourism development in order for them to be aware of the benefits of tourism development. Tourism benefits are crux of tourism reward and successful implementation of tourism strategies.

In view of these analyses and outcomes, 69 percent of the majority were not sure of the degree to which the, SMMEs contributed to community beneficiation in the study area, 51 percent did not know whether SMMEs contributed to community beneficiation and 20 percent revealed that SMMEs contributed to community beneficiation. In this regard, it was concluded that Hypothesis 5, which states; *That to assess the degree to which to which extent the SMMEs contributing towards community beneficiation*, should be supported

The findings supported by the outcomes which revealed that the respondents were not aware of the contribution made by SMMEs to community beneficiation. In addressing this above mentioned objective, the respondents were asked to indicate their thinking about the community beneficiation. Community benefits within the study area are an end product of sustainable tourism and communities around study area perceive tourism's catalyst with a potential to eradicate poverty to benefit the communities.

FIGURE4.5 SMMEs CONTRIBUTION TO COMMUNITY BENEFICIATION



This is so, despite the fact that the study indicates that a substantial amount of work still needs to be done to inculcate tourism strategies that lead to community benefits. The involvement of the government in the orientation, regulation and control of the tourism industry is necessary in order to create an environment that is conducive for the involvement of all community members (Wahab and Pigram, 2000).

The slow rate of involvement and reluctance to become involved can result from a number of causes such as lack of access to information or inadequate knowledge about how to penetrate the industry and be part of the discussions. In order to maximise the benefits it is imperative that local communities are encouraged to participate in tourism development by creating an enabling environment and making information accessible about the existing opportunities for tourism development.

4.9 CONCLUSION

This chapter has attempted to deal with the analysis and interpretation of the main objectives of this research study. The analysis and interpretation of data was achieved by utilising the analysis of the hypothesis-based approach, wherein the hypotheses were accepted or rejected. The chapter dealt with the analysis of demographic characteristics of the respondents. Then the chapter dealt with the different objectives relating to the

understanding the importance of policy, adequacy of tourism policies in SMMES matters, local community's perception of tourism job creation and poverty alleviation, community participation in SMMES tourism activities and SMME tourism contribution to community beneficiation.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Policy and strategy are the fundamental instruments that decision-makers use towards achieving an improved or better quality of life for local communities. The post-apartheid tourism policies in South Africa have served as an action plan in the management and execution of tourism affairs. In this regard, the notion of policy may be seen as an overall high-level plan that includes goals and procedures. (WTO, 2004). Laws, rules and regulations assist individuals and organisations to perform and act in socially accepted principles and plans constituting a programme of action in the management of affairs (Lubbe, 2003)

In South Africa, tourism policies and strategies exist at national, provincial and local levels. All these levels of operation seek to put in place mechanisms for promoting, developing and facilitating tourism welfare in the entire country. The same principles would apply in facilitating tourism policies planning and execution in the UMhlatuze Municipality.

For any tourism development efforts to be credible, the aim should be to benefit local communities. One of the principles for sustainable tourism development presented by the World Travel and Council is that tourism development should recognise and support the identity, culture and interests of indigenous people (Copper, Fletcher, & Wanhill, 2000). Tangible benefits to the community are seen in terms of how tourism contributes towards the satisfaction of their basic needs, such as poverty alleviation, as well as improving their quality of life.

The broad aim of the study is to examine the extent to which South African tourism policies promote the involvement of tourism stakeholders in tourism, for the benefit of local communities in the study area. In addition the study seeks to investigate the degree which the small, medium and micro enterprises (SMMEs) contribute to the

community beneficiation. To establish whether communities perceive, the policies and planning as resulting into job creation and poverty alleviation. It is imperative that the tourism stakeholders of the UMhlatuze Local Municipality involve the local communities in activities such as planning. Planning is one of the means through which the national, provincial and local levels of any structure fulfil their reconstruction and development programmes as well as the frame work. (ANC, 1994; DEAT, 1996).

Pursuant to the objectives of this study which has to do with formulation of policy and planning, this chapter therefore, gives a summary of the findings and related recommendations pertaining to this study. The summary of the findings are now presented and lead to some suggestions and recommendations emanating from the analysis and interpretation of data. The recommendations are presented as a contribution towards suggesting the better approach tourism policy, planning and execution.

5.2 RESEARCH SUMMARY BASED ON OBJECTIVES

The summary of this research study is fundamentally based on its objectives and hypothesis. The study had to seek to examine the tourism policy, planning and execution in the UMhlatuze Local Municipality. It also sought to reveal whether are there adequate tourism policies that address matters relating to SMMES in the study area.

Some of the general conclusions established in the study, are reflected in Chapter One and are based on how the respondents or stakeholders (a) adequately understand the importance of the formulation of policy and planning, (b) are there adequate tourism policies that address matters relating to small, medium and micro enterprises (SMMES) practices, (c) community perceive the policies and planning as resulting in job creation and poverty alleviation, (d) indicate the extent to which local communities participate in tourism related activities in the study area; and (e) assess the degree to which extent the small, medium and micro enterprises (SMMES) contribute towards the community beneficiation.

The theoretical framework for the study was highlighted in Chapter Two. The conceptual framework of the study was structured on the basis of the statements associated with the study objectives. The key concepts and principles on tourism policy, planning and execution involved the following: the definitions of the concepts, such as micro enterprises, small enterprise, medium policies and guidelines the public sector, tourism development application on tourism development, tourism planning and development economic empowerment and industry transformation and economic benefit authorities.

Chapter Three highlights the Physical setting of the study. It addresses the historical, geographical and environmental elements of the study area, the UMhlatuze Local Municipality. The general physical environment is explained paying attention to climate, topography, soil, vegetation and plants. In addition a brief exposition of the absolute location of Richards Bay and townships includes geographical elements, climate soil, vegetation, mode of transport, infrastructure, accommodation and cultural attributes. These natural features add to the attractiveness and importance of the study area

The nucleus of the study is Chapter Four, which focussed on the analysis and interpretation of collected data. This process of analysis was achieved through relating to the various objectives and hypotheses, which were attained from this analysis and interpretation. These are presented in greater detail in the next section. Finally, Chapter Five gives summary and conclusions of the study based on the objectives and hypotheses. The emerging findings give conclusive statements or outcomes about the research question. It was conclusively established that, there are evidently perceptions on tourism policies, planning and execution in the study area. These findings lend themselves to the need of involvement and participation of stakeholders in tourism in the study area.

5.3 CONCLUSIONS BASED ON OBJECTIVES

In this chapter the following objectives act as educated conjectures pertaining to uMhlatuze Local Municipality. All the prevailing circumstances have taken into

cognizance in answering the question on how the community of the uMhlathuze Local Municipality participated in tourism policy planning and execution. there are no suggestions as to become the reason why the community have not participated in tourism policy, planning and execution.

The following objectives are assessed for better clarification.

5.3.1. The first objective of the study sought:

To find out, whether local stakeholders understand the importance of policy formulation and planning in relation to SMMEs in the uMhlathuze Local Municipality.

In the analysis of the objective, the respondents were subdivided into three categories where respondents were asked to assess the group's understanding of the importance of policy formulation. The majority of respondents were not sure whether they understood the importance of policy formulation.

In this regard it was concluded that Hypotheses1: which states: *That the local stakeholders adequately understand the importance of the formulation of policy and planning in relation to SMMEs in the UMhlathuze Local Municipality* When the respondents were asked to define or explain the term policy, the majority were able to select the correct definition, which stated 'Policy is a prudence or wisdom in the management of affairs' On the basis of the outcomes achieved, it was concluded that Hypothesis 1, which states: *That the local stakeholders adequately understand the importance of the of the formulation of policy and planning in relation to SMMEs in the uMhlathuze Local Municipality* was not supported.

5.3.2. The second objective of the study sought:

To reveal whether there are adequate tourism policies that address matters relating to SSME practises in the study area. With the intention of assessing adequacy of tourism policies the respondents were asked to reveal their views about sufficiency of tourism policies that addresses matters relating to SMMEs It is apparent that the majority of the respondents were not aware of the adequacy of tourism policies that address matters relating to SMMEs in the study area. Hence the Hypotheses 2, that states: *That there are inadequate tourism policies that address matters relating to SMME practices in the study area.* In view of these responses it stands to reason that the Hypotheses 2: which

states: *That there are inadequate tourism policies that address matters relating to SMMEs practices* should be supported.

5.3.3. The third objective of the study sought:

To indicate the extent to which local communities participate in SMMEs related tourism activities. While the government has been mainly responsible for developing policies that support tourism development, local communities have been expected to participate actively in tourism planning and development and also to take advantage of the entrepreneurial opportunities created by private sector (Hall and Lew, 1998; Wahab, 2000; Rogerson & Visser, 2004) This approach was instigated by the notion that tourism can be an efficient tool for fighting poverty by creating jobs and employment.

With the intention of assessing participation of local communities in tourism related activities the respondents revealed that community participated in tourism related activities. In this regard, community participation in tourism also relate to local people being involved in providing services to tourists. Furthermore, participation would imply that the local people have meaningful ownership and power sharing in the related tourism enterprises. It was concluded, that Hypotheses 3, which states: *That to indicate to what extent the local communities participates in tourism related activities* should be supported.

5.3.4. The fourth objective of the study sought.

To establish whether local communities perceive the policies and planning in the study area as resulting into job creation and poverty alleviation. Policies and planning aimed at achieving sustainable tourism, responsible tourism, community-driven tourism, integrated tourism and tourism assessment and accountability were then initiated.

Effective tourism policies and competitive strategies have become critically important for developing countries such as South Africa, because tourism, by its nature, requires less capital outlay than other forms of economic activities to get going (Wahab, 2000).It is generally accepted that the local communities presume that tourism create jobs for them and their lifestyle changes Magi and Nzama, (2000) state that over the last decade various tourism authorities have struggled to initiate additional policies and strategies

that have sought to establish the economic potential for tourism as new trajectory for job creation, and employment and poverty alleviation.

In this regard, the analysis showed that the majority of the respondents were not sure that policies created jobs for them. While presumed that the government has mainly responsible for developing policies that support tourism development, local communities have been expected to participate actively in tourism planning and development and also take advantage of entrepreneurial opportunities created by the private sector (Hall and Lew, 1998;Wahab, 2000; Rogerson and Visser, 2004).

On the basis of further analysis, relating to whether local communities perceive the policies and planning as resulting in job creation and poverty alleviation. It was concluded that Hypotheses3: states *That to establish local communities perceive policies and planning as resulting in job creation and poverty alleviation*, should not be supported apparently the local communities should be acquainted with policies.

5.3.5. The fifth objective of the study sought to:

To assess the degree to which the SMMEs are contributing to the community beneficiation in the study area. In view of these analyses and outcomes, the majority were not sure whether that, the SMMEs contribute towards community beneficiation. In this regard, it was concluded that Hypothesis 5, which states; *That the degree to which the SMMEs are contributing to community beneficiation in the study area*, should not be supported.

In addressing this above mentioned objective, the respondents were asked to indicate their thinking about community beneficiation. Community benefits within the study area are an end product of sustainable tourism that every destination should strive to achieve. Stakeholders and communities around the study area perceive tourism as an economic catalyst with a potential to eradicate poverty to benefit the communities.

The entire section on the conclusions based on objectives, has dealt with: understanding and importance of policy, adequacy of tourism policies in SMMEs matters, local community's perception of tourism job creation and poverty alleviation and SMMEs tourism contribution to community beneficiation. The emerging outcomes of these

analyses have laid a foundation for making conclusions about the research question relating to tourism policy, planning and execution. The latter being based on whether the community and the tourism stakeholders could benefit in tourism policies and planning

5.4 RECOMMENDATIONS

It should be understood that within the context of unresolved problems and challenges existing in the study area some solutions need to be drawn from the already existing literary sources, theoretical framework and findings of the research study. The recommendations made in this section are aimed at clarifying some aspects of this study as well as to generalise on some of the findings in order to avoid issues which are found to exist in the study area. On the basis of the interpreted data in the preceding chapter, the recommendations are made. The recommendations are presented as a contribution to the understanding of community participation and the beneficiation in tourism related activities.

Inculcate community participation in tourism related activities. This is viewed as a great contribution to the understanding of tourism activities.

- Formulate policy which will introduce and implement the community dialogue where tourism is explained and understood by community members. This is believed it will enhance community participation in tourism activities.
- Improve accessibility of community members to tourism administration and planning. This will enhance trust and confidence while experiencing ownership and control of tourism development.
- Establish a range of skills development training programmes. This is viewed as a great perception to community beneficiation.

While politically active citizens usually become active participants, it is imperative that all social partners such as non-organised individuals, non-joiners and the inarticulate are also involved (Magi and Nzama 2009).

In this way participation of local community in tourism could be broadened, to ensure participation programmes are more effective to be gained. Care should, however, be

taken to ensure that these programmes are not perceived as hit and miss as might discourage participants and lead to detachment of some of them from ongoing planning and decision making process.

5.5 CONCLUSIONS

This chapter has attempted to map out the understanding and the importance of policy, the adequacy of tourism policies with regard to SMMEs matters, the perception of the community towards job creation and poverty alleviation and the community beneficiation through tourism contribution. The emerging outcomes of analysed associated with objectives listed above, seem to have laid the foundation for making conclusions about the research question relating to tourism policy, planning and execution regarding to Small, Micro and Medium Enterprises in the study area.

In conclusion, the tourism stakeholders should be involved in tourism policy planning to develop skills training for the community to participate in tourism activities. It is for this reason that many critics of tourism industry are urging it to get back to its roots by involving communities in order for them to benefit. In this way, the participation base could be broaden, continuity ensured and knowledge of what modification are needed to make participation programme more effective could be gained. Care should, however, be taken to ensure that these programmes are not perceived as ‘hit and miss’ as might discourage participants and lead to detachment from ongoing planning and decision making.

BIBLIOGRAPHY

- Aaronson, L (2000): *The development of sustainable tourism*, London: Continuum Press.
- ANC, [African National Congress] 1994: *The Re-construction and Development Programmer*, Johannesburg: Umanyano Publishers.
- Ashley, C. & Roe, D. (2002): Making tourism work for the poor: Strategies and challenges in South Africa. *Development Southern Africa* 19 (1): 61-82.
- Babbie, E. & Mouton, (2001). *The practice of social research*. Cape Town: Oxford University Press.
- Beyl, N. & Associates (2007/2008) *The impacts Economic Strength of Zululand*. Mevamhlophe Communications cc.
- Bennet, J. A. &. (2002): *Managing Tourism Service*. Pretoria: Van Schaik Publishers.
- Bennett, J. & Strydom, J.W. (2001): *Introduction to travel and tourism marketing*. Lansdowne: Juta Education
- Bless, C, & Higson-Smith, C (2002) *Fundamentals of Socila Research Methods* Lansdowne: Juta Education (Pty) Ltd.
- City of uMhlathuze Annual Report (2012/2013) Mevamhlophe communications cc. Naas Stoop and consultants. Department of Community Facilitation and Markerting.
- Copper, C. Fletcher, J; Gilbert, D; & Shepherd S. (2000): *Tourism principles and practice* Essex: Longman Group Limited
- Cooper, C., Fletcher, J., Gilbert, D., Shepherd, R & Wanhill, S. (2005): *Tourism principle and practice (2nd edition)*. London: Adios-Wesley Longman.
- Cooper, C.; Fletcher, J.; Fyall, A.; Gilbert, D. & Shepherd, R. (2008): *Tourism: Principles and Practice*. New York: Prentice Hall.
- Crawford, R & Radebe, M. (2010) *Arts and Culture for today*. Florida: Vivlia Publishers (Pty).
- DEAT [Department of Environmental Affairs and Tourism] (1996): *White Paper: The Development and Promotion of Tourism in South Africa*. Pretoria: Government of South Africa, DEAT.
- DEAT [Department of Environmental Affairs and Tourism] (1997) *White on Environmental Management*. Pretoria: Government of Southern Africa.

- DEAT [Department of Environmental Affairs and Tourism] (1998) tourism in Gear Development Strategy 1999-2000 DEAT, Pretoria.
- Dukeshire, S, & Thurlow, J, (2002): *Rural Communities impacting policy challenges and barriers to community participation in policy development*. Dalhousie University Press
- Economic Co-operative Commission Report (2008): Municipal Administration: A handbook. Kenwyn: Juta & Company Ltd.
- Fisher, A. (2002): *Designing HIV/AIDS Intervention Studies: An Operation Research Handbook*. New York: Population Council
- Glyptis, S. (1993) *Leisure and the environment*. New York: Patmore Publishers.
- Goeldner, C.R. & Ritchie, J. R. B. & McIntosh, R.W. (2006): *Tourism: Principles, Practices, And Philosophies*. New York: John Wiley & Sons.
- Goeldner, C.R. & Ritchie, J. R. B., & McIntosh, R.W. (2009): *Tourism: Principles Practice and Philosophies*. New Jersey: John Wiley & Sons.
- Hall, C.M. (2000): *Tourism Planning: Policies, Processes and Relationships*. London: Prentice- Hall
- Hall, C.M. and Lew, A.A. (1998): *Sustainable Tourism: A Geographical Perspective*. New York Longman.
- Hall C .M & Page, S.J. (1998): *The Geography of Tourism and Recreation: Environment Place and Space*. Glasgow: Bell & Bain Management and planning. Chichester: Wiley.
- Hall, C. M. (2002) *Tourism Planning Policies Processes and Relationships*: London: Prentice- Hall.
- Hall, C. M (2006): *The Geography of Tourism and Recreation*. New York, 101006
- Holloway, J.C. (1999): *The Business of Tourism*. London: Routledge Publishers
- Isaac, S. & Michael, W.B. (1982): *Handbook in Research and evaluation*. (2nd Edition). San Diego: Ed ITS Publishers
- Impacts Economic strength of Zululand (2007/2008). Norma Beyl & Associates Publishers.
- Jones, D; Openshaw, R, & Robinson, J. (1998): *Travel and Tourism: NQF Level 4*. Pretoria; Colloquium Educational Publishers.
- Keyser, H. (2002): *Tourism Development*. New York: Oxford University Press.

- KwaZulu-Natal Tourism Authority [KZNTA] (2008) KwaZulu-Natal's International Tourism Market Durban: KwaZulu-Natal Tourism Authority.
- Levy, B. (1996): *The Business Environment for Tourism Small and Medium Enterprises*: Cape Town: Oxford University Press Southern Africa.
- Lubbe, B.A. (2003): *Tourism Management in Southern Africa*. Cape Town: Maskew Miller Longman (Pty) Ltd.
- Lickorish, L. J & Jenkins, C.L. (1997) *An introduction to tourism*. Oxford: Butterworth-Heinemann.
- Magi, L.M. (1999) *Township Recreation Patterns and the order in South Africa*. *Tourism Geographies*. Vol. 1 (3): 142-163
- Magi, L.M. & Nzama A.T. *Tourism Strategies and Local Community Responses Around The World Heritage Sites in KwaZulu-Natal*: *South African Geographical Journal* (2009) 91 (2) 94-102
- Magi, L.M. & Nzama A.T (2009): *Tourism Strategies and Local Community Responses* around the World Heritage Sites in Kwazulu-Natal. *South African Geographical Journal* Vol: 91(2) 94-102.
- Magi, L.M. & Nzama A. T. (2008): *Interplay of Nature and Heritage for Communities Around the Ukhahlamba- Drakensburg World Heritage Park*, *Journal of Tourism Hospitality* 6 (2): 13-30
- Magi, L.M. & Nzama A.T. (2009a); *Community perception and participation in the management of the Isimangaliso Wetland Park, South Africa: Towards a sustainable tourism development initiative*. A Box, in Saarinen, J. Becker, F Manwa, H; & Wilson D. 2009 *Sustainable tourism in Southern Africa: Local communities and natural resources in transition*. Bristol: Channel View Publications. (2009): Box 13.1 pp 233-236)
- Magi, L.M. & Nzama A.T (2009): *Tourism Strategies and Local Community Responses around the World Heritage Sites in Kwazulu-Natal*. *South African Geographical Journal* Vol: 91(2) 94-102.
- Magi, L.M. (2010): *Statistical Techniques and Field Research in the Spatial Sciences-Manuscript*. Unpublished Manuscript for the Department of Recreation and Tourism. KwaDlangezwa: University of Zululand.

- Mahony, K. & Van Zyl, J. (2002): *The Impact of Tourism Investment on Rural Communities: Three Case Studies in South Africa*, Development Southern Africa, Vol, (1): 83-104.
- Marais, D. (2002); *Community participation and financial sustainability* Pretoria South Africa: Juta & Co Ltd.
- Mazibuko, N.A. (2000): *Community participation in tourism development at KwaNgcolosi*. Unpublished M.A. dissertation. Durban-Umlazi: University of Zululand
- Mlambo, B.V. (2000): *Tourism Host Communities in the Lower Umfolozi District: Perception, Expectations and Apprehensions*. Unpublished, M.A. dissertation. KwaDlangezwa: University of Zululand.
- McKenzie, M; Xaba, M. & Associates (2005): *Promoting Community Involvement in Tourism* <http://www.ksp.org.za>
- McIntosh, R. W., Goeldner, C. R. & Ritchie, J. R. B. (2002): *Tourism: Principles, Practices and Philosophies*. New York: John Wiley & Sons, Inc.
- Mills, S.M., Marchant-Forde, J.N. & McGreevy, P.D. (2010): *The encyclopaedia of applied animal behaviour and welfare*. Willingford: Cambridge, MA: CABI
- Mowforth, M., & Munt, I. (1998): *Tourism and Sustainability*. London: Rout ledge.
- Murphy, A. (2007): *Southern Africa*. London: Lonely Planet
- Murphy, P. & Murphy, E. (2006) *Strategic Management for Tourism Community*. Raj: Press Inderpuri
- Mwandla, N.D. (2006): *Resource Management*. Unpublished Notes for the Department of Recreation and Tourism. KwaDlangezwa: University of Zululand
- Mwandla N.D. (2002) *The planning and management of outdoor recreation systems in KwaZulu- Natal: policy and practice*. Unpublished PhD Thesis in Recreation and Tourism, Kwa Dlangezwa: University of Zululand.
- Neuman, W.L. (2000): *Social Research Methods*. London: Allyn and Bacon Publishers.
- Page, S. J. and Dowling, R. K. (2002): *Themes in Tourism: Ecotourism: London: Prentice Hall*.
- SAGG [South African Government Gazette] (2004): *Gearing up to be globally competitive*. South African Tourism: Johannesburg.
- Ramphele, M. (2008). *Laying ghosts to rest: Dilemmas of the transformation in South Africa*. Cape Town: Tafelberg.

- Rumsey, S (2005): *How to find information, a guide for researchers*. Bershire: Open University Press.
- Pigram, J.J. & Wahab, S. (2002): *Tourism, development and growth: The challenges of sustainability*. London Rout ledge
- Roe, D, Grieg-Gran, M. & Schalken, W, (2001) Getting the lions share from tourism: private - sector community partnerships in Namibia Vol. 1: Background report and review of experience: Poverty Inequality and Environment Series No1.London International Institute for the Environment and Development, Windhoek: Namibia Community Based Tourism Association.
- Rogerson, C.M. & Visser, G. (2004): in *Tourism development issue contemporary*. South Africa .Pretoria: Africa Institute of South Africa.
- SAT [South Africa Tourism] (2004): *Tourism Growth Strategy [S.A]: Gearing up to be globally competitive*. South Africa Tourism: Johannesburg.
- SAAG [South Africa Government Gazette] (2004): *Broad –Based Black Economic Empowerment Act 53, 2003*. Pretoria: Government of South Africa
- Shivers, J.S. (1998): *Essential of recreation services*: Boston: Allyn: Bacon
- SMME, Business Report (2011/12): *Urban –Econ: Development Economists: Durban*.
- SMME Business Support Services Strategy And Policy(2010): *Urban-Econ Development Economists : Durban*
- Spencely, A. (2004): *Responsible nature-based tourism planning in South Africa and commercialisation of Kruger National park*. Diamantis, D. [ed] *Ecotourism: Thomson Learning, London*.
- Spencely, A., Goodwin, H., & Maynard, W. (2004): *Development of responsible tourism guideline for South Africa*. Thomson Learning, London
- Sharma, K. K. (2004): *Tourism and socio-cultural development*. Delhi: Sarup and Sons
- Torkildsen, G. (2005): *Leisure and Recreation Management*. London: E. & F.N. Spon.
- Tribe, J. (2005): *The economics of recreation, leisure and tourism*. London: Longman.
- UIDP [City of UMhlatuze Integrated Development Plan] (2011/212) uMhlatuze Integrated Development Plan -2011-2012 [Online] <http://www.richemp.org> UMhlatuze /IDP [Accessed 13/05/2012].

- Viljoen, J (2007): *Rural tourism hampered by national marketing* .HSRC Review 5 (4):18-19.
- Vivian, T.C. & Smit, L. (2002): *Travel and Tourism: A Sustainable Resource*. Cape Town
- Wahab, S. (2000): Sustainable tourism in the developing world. In Wahab, S. & Pigram, J.J. [eds] 2000: *Tourism, development and growth: The challenge of sustainability* 129-146. London Routledge
- Wahab, S. & Pigram, J.J. (2000) *Tourism and Sustainability: Policy Considerations*. In Wahab, S and Pigram, J.J.(ed), *Tourism Development and Growth: The Challenges of Sustainability*. Routledge, London.
- Walker, R. (2010): *Strategic management communication for leaders*. South-Western Publishers.
- Warburton, D. (1998) *Community and Sustainable Development* .Earthscan, London
- World World Tourism Organisation [WTO] 2004:<http://www.world-tourism.org/frameset/framesustainable.html> [Accessed 17/06/2012].
- Weaver, D. & Lawton, L. (2006): *Sustainable tourism: theory and practice*. New York: John Wiley & Sons.
- Welman, J. C. (2009): *Research methodology*. Cape Town: Oxford University Press.
- Welman, J. C.; Kruger, F & Mitchell, B. (2005): *Research Methodology*. Cape Town: Oxford University Press Southern Africa.
- World Tourism Organization, [WTO] (1997) *International Tourism: A Global Perspective*. WTO Tourism and Training Series,
- UNWTO [United Nations World Tourism Organisation]. (2004) *International Tourism: A global Perspective* WTO Tourism and Training Series.
- Zulu Kingdom (2008): City of uMhlatuze KwaZulu- Natal South Africa.
- Zikmund, W.G. (2003): *Business research methods*. Chicago University of Chicago.

WEBSITES

- BBEE [Based Black Economic Empowerment] (2007): [Online] <http://www.en.wikipedia.org/wiki/broad> [Accessed 25/06/12].
- KwaZulu-Natal Nature Services (2009) [Online]: <http://www.ekznwildlife.com>. [Accessed on 17-05-2012].

- Strategy Defined (2007): [Online]: Definition of Execution
<http://www.wordiq.com/definition/execution> [Accessed on the 2012].
- Strategy. Defined (2007): [Online]: Definition of Community
<http://www.wordiq.com/definition> [Accessed 15/05/12].
- Tourism KwaZulu-Natal Strategy (2008) <http://www.zulukingdom.co.za/KZN-municipalities>. Website [Accessed on17/05/12].

APPENDIX QUESTIONNAIRE

[To All Stakeholders]

Small, Micro and Medium Sized Enterprise (SMMEs) in the uMhlathuze Local Municipality: Tourism policy, planning and execution.

Instruction: Please respond to the questions given by using a cross [x] where appropriate.

A DEMOGRAPHIC CHARACTERISTICS

1. Gender

Male	01	
Female	02	

2. Age

20-30	01	
31-40	02	
41-50	03	
51 and above	04	

3. Ethnic Group

African	01	
White	02	
Indian	03	
Coloured	04	

4. Level of Education

Not Educated	01		College	04	
Primary	02		University	05	
Secondary	03				

5. Occupation

Skilled	01	
Semi-skilled	02	
Un-skilled	03	

Professional	04	

6. Social Level Class

Lower Class	01	
Lower Middle Class	02	
Upper Middle Class	03	
Upper Class	04	

7. Income level (per month)

R1000-R5000	01	
R5001-R10000	02	
R10001-R30000	03	
R30001-R50000	04	
R50001&Over	05	

B UNDERSTANDING & IMPORTANCE OF POLICY

8. Do stakeholders understand the importance of the formulation of policy and planning in relation to SMMEs?

Yes	01	
No	02	
Not Sure	03	

9. Give reasons for your response:

.....

.....

.....

10. Do stakeholders understand tourism policies and planning?

Yes	01	
No	02	
Not Sure	03	

11. Give reasons for your response:

.....

.....

.....

12. Do you think stakeholders participate in tourism policy and planning?

Yes	01	
No	02	
Not Sure	03	

13. Give reasons for your answer

.....

.....

.....

14. One of the definitions explains policy correctly

Conference organisers stay in tourism industry	01	
Policy is a suitable book for venues	02	
Policy is an incentive to tourists	03	
Policy is a prudence or wisdom in the management of affairs	04	

C. ADEQUACY OF TOURISM POLICIES IN SMME MATTERS

15. Do you think are there adequate tourism policies to address matters relating to SMMEs?

Yes	01	
No	02	
Not	03	

16. Give reasons for your answer

.....

.....

.....

17. Please tick which one do you think the policies should address

Policies should provide products to SMMEs	01	
Policies should provide provision on job creation	02	
Provide funds to emerging SMMEs	03	
Policies provide framework	04	

D. LOCAL COMMUNITY'S PERCEPTION OF TOURISM JOB CREATION AND POVERTY ALLEVIATION

18. Do you think the local communities perceive policies and planning as a result of job alleviation?

Yes	01	
No	02	
Not Sure	03	

19. Give reasons to your answer

.....

.....

.....

20. Mark by [x] to any of the statements you agree or disagree

Statement	01 Strongly Agree	02 Agree	03 Undecided	04 Disagree	05 Strongly disagree
Policies and planning created jobs for the local communities					
Jobs created by SMMEs alleviated poverty					
Policies and planning skilled the local communities					
Tourism is made up of various businesses and organisations that provide services that tourists can use.					
Tourism is a very unpredictable and volatile industry					
Micro businesses employ only a few people					
The economy is wealth of resources of a community					

E. COMMUNITY PARTICIPATION IN SMMEs TOURISM ACTIVITIES

21. Do local communities participate in SMMEs related tourism activities?

Yes	01	
No	02	
Not Sure	03	

22. Give reasons to your answer

.....

23 Do you think the following tourism activities local communities participate? Mark by [x]

Beading	01	
Craft making	02	
Swimming	03	
Hiking	04	
Fishing	05	
Gardening	06	

Tennis	07	
Soccer	08	
Gambling	09	
Shopping	10	
Outing	11	
Camping	12	

F. SMME TOURISM CONTRIBUTION TO COMMUNITY BENEFICIATION

24. Do local SMMEs contribute towards local community beneficiation?

Yes	01	
No	02	
Not Sure	03	

25. Give reasons to your answer

.....

.....

26. Please tick by [x] the statement which you think is correct

1. (a) Policies increase the number of in the area.	01	
(b) Policies are well understood by the stakeholders in the area	02	
(c) Policies serves as an action plan in the management and execution of tourism affairs	03	
2(a) Local communities conserve tourism related facilities	04	
(b) Policies assess tourism activities	05	
(c) Policies serves as a set of accepted rules	06	
3 (a) Policies and planning facilitate tourism welfare	07	
(b) Policies serve as a programme of action in supporting communities by affording them opportunities for job creation, employment and poverty alleviation	08	
(c) Policies and planning anticipate the degree of achievement in job achievement	09	
4. (a) Community participation in tourism related activities is referred to communities engage themselves in man –made and nature made activities	10	
(b)Community participation in tourism is referred to local people being involved in providing services to tourists	11	
(c) Community participation in tourism related activities is referred to engagement in planning	12	
5.(a) Community members still believe that the benefits of tourism developed by SMMEs are adequate	13	
(b) Local communities benefit through SMMEs by satisfying their basic needs such as job creation and improve the standard of living	14	
(c) To maximise the benefits it is imperative that the local communities are encouraged to participate in tourism development by creating an enabling environment	15	