

IMPACTS OF
ACCOMMODATION AND CRAFT-BASED
TOURISM
ON
LOCAL ECONOMIC DEVELOPMENT:
THE CASE OF THE MIDLANDS MEANDER

BY
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DECLARATION

The dissertation was undertaken in the Department of Town and Regional Planning, University of Natal Durban under the co-supervision of Professor Tessa Marcus and Professor Peter Robinson. This is an original work by the author and has not been submitted in any form for any other degree or diploma to any other university. Where the work of others has been used, it has been duly acknowledged in the text.

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CHAPTER ONE

INTRODUCTION

1.1 Background

“The Meander is the only one of its kind in the country and is a showcase for country living, art and craft” (Maistry 1999).

In 1985 local artists, potters and weavers collaborated to create an arts and craft route. Six stores opened and what became known as the Midlands Meander began. The overriding aim was to encourage the public to visit the countryside and to give visitors a chance to see crafters at work. As goods were sold directly to the public, it was possible for studios to keep prices down and with active support of the accommodation establishments in the area a unique route was formed (Kenyon, 1998). McCarthy (1997:5) claims that the Midlands Meander is “one of KZN’s few success stories of the past decade”. The hospitality ventures and craft industries form a network of quaint experiences that has begun to place the Natal Midlands firmly on the national tourism map.

Tourism is currently the world’s biggest industry and it continues to expand at a rate faster than the global economy (Feinstein and Thornton 1998:1; White Paper on Tourism 1996:14). In South Africa tourism already contributes between 7 and 8 percent of South Africa’s GDP and this is predicted to grow to over 10% by 2010 (Feinstein and Thornton 1998:5). Travel and tourism is also considered to be the world’s largest generator of employment, presently accounting for about one in 15 jobs in South Africa - a ratio that is expected to move closer to the world average of one in 10 as the sector expands (ibid.).

Since the 1980s successive governments have been increasingly aware of the economic importance and employment-generating potential of this industry - a process that has been heightened through democratic reform (Schroenn 1997:1). The current focus on tourism in South Africa, according to then Mokaba, former minister of Environmental Affairs and Tourism (in Feinstein and Thornton 1998:i), anticipates that tourism will play a leading role in initiating development throughout South Africa, particularly in the more remote and underdeveloped localities. As such, it is

closely linked to another recent policy initiative, namely local economic development (LED). LED aims to stimulate and support services and ancillary businesses through the creation of small, medium and micro-enterprises (SMMEs).

With this understanding in mind, it was considered useful to study the Midlands Meander, as a recently developed tourist route, to ascertain what, if any, impact it has on local economic development.

1.2 The Midlands Meander

The Midlands Meander is described as the largest route of its kind in South Africa, with over 100 enterprises spanning over approximately 64 kilometres from Pietermaritzburg to Mooi River. The route covers a considerable portion of what is known as the KwaZulu-Natal Midlands extending from Hilton (a village north of Pietermaritzburg) to Hidcote, a farming area outside Mooi River; and from Rietvlei and Karkloof in the east to the Dargle Valley and Fort Nottingham in the west (Map 2).

The Midlands Meander covers an historically white mixed commercial farming area that contributes considerably to national agricultural output, particularly in dairy and commercial timber production (McCarthy 1997:3). Most of the Midlands area is committed to pasture (McCarthy 1997:3), which creates a pastoral countryside. Old Victorian farm houses, combined with many small dams and consistently green vegetation on an often hilly terrain, make for a scenic countryside that has proven very appealing to tourists (McCarthy 1997:5).

In the shadow of this ordered commercial pastoralism are black communities living at the back of the buildings and artefacts of commercial agriculture, in displaced urban settlements or on crowded patches of land created by the 1913 and 1936 Black Land Acts, forced removals and other segregationist Apartheid policies.

1.2.1 A Geographically Strategic Location

In the late 1800s to 1900s the main route from Durban to the Reef (now known as Gauteng) passed through Howick and Curry's Post, which are significant nodal points on the Midlands Meander. This formerly busy route was essentially the route that

many Southern Africa's explorers, adventurers and gold or diamond prospectors took in order to penetrate the hinterland (Midlands Meander Website 1998). The construction of a new road, now the R103, followed the expansion of the railway line into the interior. Many of the small businesses of the Midlands Meander are now located on the R103, which has been replaced by the N3 toll road (Map 2).

Today, the Midlands Meander is strategically placed in terms of contemporary national tourism. It straddles the N3 national route and the main railway line which links Gauteng, the industrial and financial heartland of South Africa, to Durban, the country's busiest port and second largest urban/industrial complex (Map 1). The N3 is identified as iNdllovu region's primary corridor (Scott Wilson 1998, *iNdllovu Regional Development Plan*). This corridor is anchored by the location of Pietermaritzburg, the regional capital, which is defined in terms of its location with respect to the towns of Howick and Mooi River. Together, these three towns string the Meander together, enveloping roughly 75% of enterprises on the route. The Howick-Mooi River corridor is an extension of the Durban-Ashburton and Ashburton-Howick corridors, although the latter two are more urban in nature. This route is exposed to high volumes of passing traffic with about 15 000-road vehicles a day (McCarthy 1997:3).



The central part of the Midlands Meander is less than 20 minutes away from Pietermaritzburg and just over an hour's drive to Durban. Both cities have airports that allow for national and international connections. The Midlands Meander also provides the eastern entrance to the Drakensberg (Giant's Castle and Kamberg). The northern end of the Midlands Meander (Mooi River) serves as a gateway to the Southern Drakensberg, particular for tourists from the Free State, Gauteng, Mpumalanga, North West and Northern Provinces heading for the coastal resorts of KwaZulu-Natal (Map 1).

While the geographically strategic advantages of the route are self-evident the actual origins and evolution of the route have little to do with any notion of "route tourism or strategic location". Since this history is largely unrecorded, it is felt appropriate to present it in some detail drawing from key informant interviews conducted for this study.

The Study Area: Midlands Meander



LEGEND

-  N 3
-  Sampled Enterprises
-  R 103
-  Remaining Enterprises (Not Sampled)
-  Railway Line

5 0 5 10 Kilometers

Scale: 1: 275 000



1.2.2 A Brief History of the Meander

The Midlands Meander began as an unplanned economic initiative (Key Informant Interview 1 1999). Its eventual shape and space was largely circumstantial, evolving organically as a craft route that later combined with entrepreneurs running accommodation and other hospitality businesses.

Its genesis stems from two renowned potters, Walters and Glenny, who were working in the Midlands but selling their work to Johannesburg-based galleries (Key Informant 4, 1999). The galleries were inconsistent with their payments and marked up these crafter's work by 200 to 300% (Key Informant Interview 2 1999). In order to survive, Walters and Glenny decided to sell directly to the public, joining up with three others (two painter-artists and the Shuttleworth Weavers) in this endeavour. They began in the early 1980s by hosting joint shows at the studio of an individual crafter, inviting friends, clients and potential customers. Their ideas were loosely drawn from the craft fairs of Europe and the USA, where crafters and artists gathered at appointed venues and times to sell to the public, assess public response to their work and interact with other artists and crafters (Key Informant Interview 2, 1999).

With the help of publicity by word of mouth and coverage in the print media, the shows grew in popularity and subsequently developed into rolling exhibitions, where visitors were encouraged to travel to each of the five venues with the aid of a hand-drawn map (Key Informant Interview 6, 1999). In the process, an arts and craft route through the Midlands began to take form (Abercrombie 1999:55). In this initial phase the Midlands Meander was strictly a crafters route where members were expected to produce or sell fine art and craft of a quality accepted by the members of the arts and craft route (Key Informant Interview 4, 1999).

This exclusivity resulted in the development of two other routes in the area, comprising entrepreneurs who did not qualify for membership or had been excluded from the Meander. One of the routes was called the Midlands Arts and Craft Ramble and consisted of businesses of the hospitality sector (mainly hotels of the Midlands area) and crafters. The other route, the Last Arts Post, included enterprises of the arts and craft and hospitality sectors, as well as other commercial enterprises like a Wimpy restaurant and a lingerie outlet (Key Informant Interview 4, 1999).

A combination of factors precipitated by the 1987 floods, which destroyed Walters' studios, forced a change in approach and led to the amalgamation of the routes in the Midlands in 1992 (Map 3). The inclusion of both accommodation and other hospitality- type enterprises was particularly important, as they comprised an essential component of the general public's attraction to the area and the route.

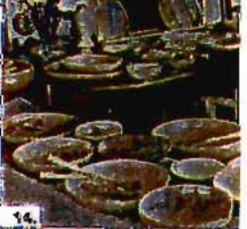
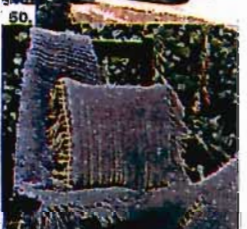
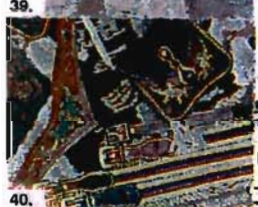
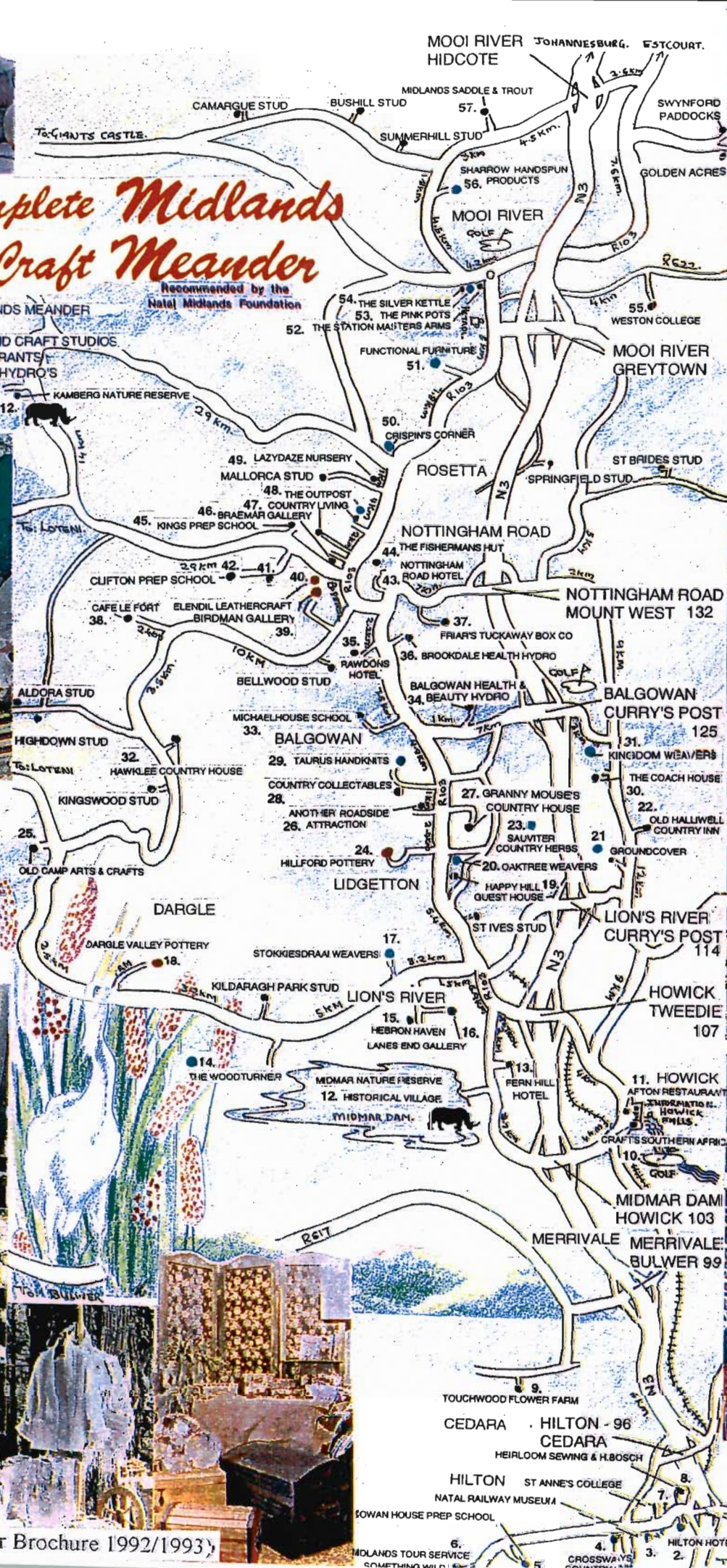
The Midlands Meander Association began as and has remained a voluntary association. The different economic standing and social position of artists-cum-crafters and especially large accommodation establishments, has been a point of tension over a range of issues over the years. These differences notwithstanding, the Midlands Meander has grown exponentially in membership, turnover and public visibility since the initial amalgamation in 1993. At the time of the study it comprised 113 enterprises, with a number of businesses producing mostly on site. Meander enterprises cover a diverse range of activities from some of South Africa's leading hotels and catering establishments to herb and flower gardens, cheese makers, tea gardens, potters and weavers (Midlands Meander Website 1998). Apart from the joining fee, a standards committee ensures that members meet agreed criteria which members regard as essential to preserving the route's character and attractiveness.



The complete Midlands Art & Craft Meander

- INCORPORATING:
- THE ORIGINAL MIDLANDS MEANDER
 - THE LAST ARTPOSTS
 - INDEPENDANT ART AND CRAFT STUDIOS
 - HOTELS AND RESTAURANTS
 - HEALTH AND BEAUTY HYDRO'S
 - SCHOOLS
 - TROUT FISHING
 - GOLF COURSES

Recommended by the
Natal Midlands Foundation



1.3 Research Problem

The aim of this study is to identify the determinants of business success on the Meander and to assess the Meander's impact on local economic development in the Natal Midlands. Firstly, it is hypothesised that established social and economic advantages of entrepreneurs on the route play an important part in determining the Midlands Meander's economic success. Secondly, it is hypothesised that while the Midlands Meander is an undoubtedly successful tourist route it has had a mixed impact on the local economy. This impact is largely shaped by the pre-existing social inequalities between black and white that have been generated by the historically established dual economy of the South African countryside. This inequality is reflected in some of the tension in approach to the Midlands Meander by different enterprises, and is not automatically overcome by economic growth.

1.4 Research Method

1.4.1 Sampling

The Midlands Meander comprises 113 enterprises. A list of members was obtained directly from the Midlands Meander Brochure (September 1998). Given the purpose of this investigation - i.e. to investigate especially craft and accommodation enterprises - the five schools, the Sakabula Golf Course and the Umgeni Valley Nature Reserve were omitted from the sampling procedure. The total study population was therefore determined as 106.

Enterprises on the Midlands Meander are unevenly distributed across three identifiable geographical zones. Twenty-four enterprises lie between Pietermaritzburg and Lions River, 67 are located between Lions River and Nottingham Road and 15 lie between Nottingham Road and Mooi River. To account for this uneven distribution, the overall population was stratified by location.

Using random number tables (Annexure 1), a stratified sample of 40 businesses was drawn, calculated in the same proportions as the geographical spread of study population, i.e. 9 businesses between Pietermaritzburg and Lions River, 25 businesses located between Lions River and Nottingham Road and 6 businesses between Nottingham Road and Mooi River.

Thereafter, the selected sample was reassessed to account for production on site, as well as the distribution of craft and non-craft enterprises. Of the 40 enterprises in the study, 9 produce 80% or more on site. Overall, sixteen enterprises fall into the category arts and craft, 17 are involved in accommodation and seven are classified as “other businesses”, shops and one restaurant. Thirty-five percent of the sample population is composed of original members of the amalgamated route.

Generally, the study population is small, and statistically reliable results would require that all enterprises be included in the study. However, time and resources did not permit such an undertaking. The findings cannot be regarded as statistically representative of Midlands Meander enterprises. However, they can be read as being indicative of the issues under consideration and should be treated as such.

1.4.2 Methods

The primary research in this study was undertaken using both qualitative and quantitative methods. Initial exploratory research was conducted through six interviews with key informants (Annexure 2) in order to get an understanding of the history and growth of the Meander and to establish its significance as a tourism route. Interviews were conducted with founder members, current and past chairmen of the association, a regional planner and the head of tourism for the iNdllovu region. These interviews were conducted face to face and guided by a series of open-ended prompts that allowed a wide-ranging discussion of the process and issues involved. Interviews were taped and transcribed. In the absence of any secondary documentation, these key informant interviews provided invaluable contextual information that enabled the further design of the study.

Thereafter, quantitative methods were used to capture social and economic data on forty enterprises. Using open- and closed-ended questions, a 22-page interview schedule (Annexure 3) was developed and piloted. After modifications, the researcher in face-to-face interviews then administered it over the period July-September 1999. The responses were coded and captured using the Statistical Package for Social

Science (SPSS 8.0 for Windows). The data was then run and analysed. The researcher himself undertook every stage of the research process.

Secondary material was obtained from books, reports and papers, as well as the Internet. The latter provided easy access to government policy documents, as well as organisational and other related websites that are relevant to the study.

1.4.3 Study Outline

Following on from this introductory chapter, Chapter 2 covers key aspects of the literature that are of relevance to this study. Chapter Three presents the results of the primary research. It initially focuses on the demographic and social characteristics of respondents, the kinds of businesses they run and how they run them. The focus then turns to the respondents' gross income, employment and perceptions of their performance with respect to their businesses, as well as the contributions they make to the communities that live in the Meander's shadow. Chapter Four discusses the results with respect to the findings themselves, as well as their resonance with the literature. Chapter Four also finally draws brief conclusions.

CHAPTER TWO

TOURISM AND LOCAL ECONOMIC DEVELOPMENT

Through this review of literature it is intended to define and understand tourism, and within it to locate route tourism as a recent development, as well as to identify and then relate the debates around tourism to assumptions underlying local economic development.

2.1 Tourism

Tourism can be described as an umbrella concept, functionally defined in a number of ways. Tourism is viewed as the temporary movement of people to destinations outside of their normal places of work and residence, the activities during their stay in those destinations and the facilities created to cater for their needs (Mathieson and Wall 1982:1; Bennett 1995:4; Department of the Environment in Futter 1997:14, Creemers and Wood 1997:i).

Without going into a detailed history of tourism, it can be said that tourism has undergone several phases consonant with social and economic changes within and across societies. In the pre-WWII period tourism was largely confined to a minority elite living in capitalist societies of the “centre”, for the most part. The 1950s and subsequent decades saw the rise of mass tourism, which was stimulated by the general improvement in living standards, greater leisure time and improved transport and other means of communication. Mass tourism, as a product of industrial society, has been characterised as the participation of a large number of people in tourism through standardised, rigidly packaged and inflexible holidaying programmes (Pigram and Wahab 1997:50).

In the last two decades of the millenium, the informational age (Castells 1996:Prologue) has transformed and redefined mass tourism to account for specialised interests, differentiated needs and sense of space and place. This has given rise to notions of alternative tourism and a proliferation of special tourism types - route tourism, agri-tourism, adventure tourism, youth tourism, etc., which conceptualises tourism in a flexible way to cater for a fragmented market with specific interests and

needs. Under alternative tourism, discretion and determination of tourist outcomes supposedly rests in the hands of the consumers rather than the “producers” (Hall and Lewis 1998: 53).

An important force motivating the development of “alternative” tourism has been the desire for authenticity. Authenticity is construed as a critical concept in the sociology of tourism as “tourists are moving away from the ‘tinsel and junk’ in the search for more ‘real, natural and authentic experiences’” (Poon in Mowforth and Munt 1998:55). As a form of alternative tourism, the Midlands Meander, with its country setting and variety of unique attractions, can be described as appealing to authentic experience in tourism.

Route tourism, as a sub-type of alternative tourism, could be described as a “special interest tourism.” Broadly defined, this tourism considers the natural and/or cultural features of an area that are unusual, unique, or particularly well developed (Inskeep 1991:245). This form of tourism usually considers an entire geographical region and invariably, involves tours. For example, elsewhere a system of parks and reserves has provided the basis for wildlife and botanical tours, or the local traditional production of hand-woven textiles has resulted in the organisation of textile tours with stops at villages to observe the spinning, dyeing, and weaving process. The Midlands Meander began as a form of specialised route tourism with its exclusive focus on fine art and crafter studies. The Cape Winelands as special interest tourism with its “cheese and wine estate” theme, remains closest to this model (Africa-info 1998). The Midlands Meander has changed. While it remains a form of route tourism, it now has diverse attractions and is less specialised. And it is precisely this diversity of tourist opportunities that attracts people to the route.

The concept of cumulative attraction underpins some of the success of the Midlands Meander. The notion holds that a given number of attractions will do more business if they are located en route, in proximity, or in a logical sequence to each other, than if they were widely scattered (Crompton 1996:13). Two basic types of cumulative attractions have been identified. One involves “similar” attractions, which, located together, attract more visitors than if they are situated part. The other involves complementary attractions - compatible entities with a high incidence of visitor

exchange. The Midlands Meander embodies both aspects of the notion of cumulative attraction.

Some of the Meander's success is attributable to its distinct identity. In rural locations, systematic linkages between individual attractions are important since, these attractions are usually located at some physical distance from one another. Under such conditions, the linkage needs to be thematic rather than merely physical (Strydom 1996:116). The Midlands Meander effectively achieves this with its combination of arts and craft and geographical place.

Geographical place, in the context of the Midlands Meander, is provided by the pre-existing, historically established white commercial farms and the agricultural towns and villages that developed to serve them. In other words, agri-tourism is embedded in the Meander's form of route tourism. Agri-tourism, or "farm" tourism, refers to working farms that supplement their income with some form of tourism business (Inskeep 1991:251). This type of tourism generally requires little investment and represents a successful symbiotic relationship for areas where neither farming nor tourism could be independently justified. Farm holidays provide an additional economic cushion to agricultural enterprises that are subjected to fluctuating and uncertain markets. As such they can help keep the farm working even when adverse conditions prevail in agriculture. (Bramwell & Lane 1993:62).

The Howick-Mooi River corridor, historically, is an important dairy farming area. It has been argued that under current conditions of trade liberalisation and world economic competition, this farming base for the area's economic strength is likely to be eroded, if not undermined altogether (McCarthy 1997:6), and already many farmers in the corridor are diversifying into timber or tourism-related ventures.

Typical of route tourism, as a form of alternative tourism, is the anticipation and effort to instill a sense of community. Kerr (Key Informant Interview 4, 1999) attributes the Midlands Meander's success to its strong community emphasis and spirit of co-operation. Typical of the informational age, networking between members is seen to be an effective way of promoting business as well as community. Members operate

under the simple injunction “market your neighbour as strongly as you would market yourself.”

In general and notwithstanding typologies, tourism draws on the broader economy to function. It relies on primary, secondary and tertiary levels of production and service (Fennell 1999:2).

2.2 The Economic Impacts of Tourism

Economic impact studies of the effect of tourism on development have largely looked at international and national level effects, with few investigations focusing on regional and local impacts (Rebek 1998:8). Several impacts have been noted, although their interpretation as being positive or negative is subject to dispute. In general, a range of conditions influences the kinds of effect tourism will have on economies.

Multiplier Effect

It is held that visitor expenditures represent only the first stage of tourists’ economic impact on a destination area as these expenditures can multiply as the extra income passes through the economy (Murphy 1985:90). In other words, tourism has a multiplier effect, which can be direct, indirect or induced (Creemers and Wood 1997:3). The consequence is a generalised benefit to the local community.

“Local business operators profit from tourists’ spending and as they pay their increased wealth locally in other businesses, the entire community eventually benefits.” (Smith 1995:15)

This said, in real economies the multiplier effect might be limited or constrained. In other words, it really only occurs where a local economy can supply most if not all of the required tourist goods and services (Archer in Harrison 1992:16). Where tourist areas (sub-regions or region) are heavily dependent on imports, coefficients are lowered and there is greater “leakage”. In such circumstances small communities are especially vulnerable. Tourism receipts need to be balanced, therefore, against the “leakage” that any increased tourism expenditure might incur (Harrison 1992:17).

Employment

A second, positive impact attributed to tourism is its contribution to employment. Apart from being a cheap employment creator, the tourism industry is labour intensive and it creates both skilled and unskilled jobs (Culpan, Kasse, Mings, Vorlaufer in Chon and Oppermann 1997:109; Rebek 1998:9). In developing countries where there are high rates of unemployment, it is argued that this benefit may even outweigh other financial considerations (Chon and Oppermann 1997:109). In addition, Cukier et al (in Schroenn 1997:8) argues that employment in tourism improves women's economic standing both through direct job creation and through the opening up of entrepreneurial opportunities. Tourism is also seen as a particularly suitable form of economic activity for small communities with few alternative job opportunities as it capitalises on scenic resources, is labour intensive, and adds to local amenity facilities (Scottish Tourist Board in Murphy 1985:95).

The employment impact, like the multiplier income effects of tourism, can also be categorised in terms of direct, indirect and induced employment (Creemers and Wood 1997:3; Chon and Opperman 1997:111; Rebek 1998:10; Mathieson and Wall 1982:77).

Several authors dispute the contention that tourism's impact on employment is necessarily positive, arguing that it can be ambiguous or even negative. Tourism is not by definition labour intensive. In fact it can be more capital than labour intensive, providing less employment than investments in other sectors (Ruf in Chon and Oppermann 1997:111)

Moreover, employment in the tourism industry is mostly in low-wage jobs with limited skill requirements. Opportunities for skill development are constrained, not least of all because expatriates living in developing countries often take up the managerial positions. The scale of business and the type of work offered also impact on wages. Surveys show that larger corporate or company establishments tend to pay higher wages and have better conditions of employment. Workers also tend to be more organised and are thus better able to secure improved working conditions. Conditions in medium and small enterprises are invariably worse. In Maputoland, for example, a study reveals that Bed and Breakfast establishments often use domestic or

farm workers that are employed interchangeably to meet their tourist enterprise labour needs. Thus, while the facilities provide additional income to entrepreneurs they do not necessarily create extra jobs or extra money for already very lowly paid workers. The gap between managerial and unskilled employees is wider in smaller tourism operations than in public sector or larger, private operations (Creemers and Wood 1997:45). At the same time, while international hotels may create more jobs than smaller local hotels and guest houses, paying higher wages and bringing in more foreign exchange, in less developed countries they tend to import more, have fewer linkages with local infrastructure and provide few entrepreneurial opportunities for the local people (Rodenburg in Harrison 1992:15).

The alleged positive effect on women is also disputed. The employment profiles of many tourism-related enterprises indicate a reliance on migrant labour, female employees, and seasonal work, which contributes to the characteristic low wages and poor working conditions in the sector, given a segmented labour market that is hierarchically stratified by race and gender (Craik 1991:66)

Changing Economic and Social Structures

The development of tourism is often accompanied by other changes in the economic and social structure of destinations. Rebeck (1998:11) argues that the greatest changes in economic structure occur when the transformation is from an essentially primary producing economy to one that is dominated by tourism. This is often described as the wider, long-term consequences of tourist development on the economy (Craik 1991:56). This effect is most evident in underdeveloped economies with limited or traditional industries, especially agriculture.

Tourism is believed to bring new economic stimulus and industries. However, it can also have considerable impact on land use by removing land from agricultural use, inflating its value and spearheading second-wave residential development. Tourism development can also result in the removal of assets from local ownership and the reliance on an economic strategy that is inappropriate for local and regional conditions (Craik 1991:56).

Tourism is said to encourage entrepreneurialism and the strengthening of the middle class (Schroenn 1997:2). The crucial link between a locality and tourism is the uptake of opportunities by entrepreneurs. The performance of local entrepreneurs is therefore a key factor in strengthening and spreading economic opportunities and the benefits of tourism, and is the basic mechanism by which tourism growth is transformed into more generalised socio-economic improvement at the local level (Schroenn 1997:8). However, the extent to which tourism even establishes links with local entrepreneurs and the local economy depends upon four main factors. These are a) the types of suppliers and producers with which the industry's demands are linked; b) the capacity of local suppliers to meet these demands; c) the historical development of tourism in the destination area; and d) the tourist development type (Matheison and Wall 1982:82). Its broader expansion to include newcomers may be even less certain. The existing power structures may simply be reinforced by the growth of tourism, with the lower classes moving into the lowest waged jobs in the industry, while the wealthy are made even more so.

Overall, tourism's impact on the economy is ambiguous, at best mixed. This said, it is necessary to now examine tourism as a set of activities. Tourism is a multi-sectoral economic activity comprising a multitude of component businesses. Two tourism segments, arts and craft and accommodation, as the major components of the Midlands Meander and the focus of the study, will be discussed below.

2.3 Understanding Tourism's Key Components

2.3.1 Accommodation Sector

With 45 accommodation-related businesses on the Midlands Meander, the hospitality segment is a major component of this tourism route initiative. Accommodation is found within the broader category of hospitality, which largely covers both accommodation and catering services (Holloway 1998:142). Accommodation comprises a range of forms of sleeping and hospitality facilities that are either serviced (in which cleaning and/or catering is provided) or self-catering.

Hotels are the most significant and widely recognised form of overnight accommodation and form one of the key elements of most package holidays (Holloway 1998:142). However, what constitutes a hotel and distinguishes it from

Other forms of accommodation is not always clear Lundberg et al (1995:60) indicate that hotels in the broad sense include any public lodging establishment ranging from the bed-and-breakfast family operation of a few rooms to the megahotel of several thousand rooms. The English Hotel Occupancy Survey is more specific, defining an hotel as an establishment with five or more bedrooms, that is not identified as a guest or boarding house and that is not listed as providing bed and breakfast accommodation (Holloway 1998:143). This latter definition is applied to the study.

The historically dominant hotel form of accommodation in tourism is increasingly challenged by other forms of tourist accommodation, both in South Africa and abroad. The growth of partial catering and self-catering establishments as a form of holiday accommodation as well as for business tourism is a result of the growing demand for more flexible types of accommodation and catering than has been available in hotels (Feinstein and Thornton 1998:16). The once-popular fully inclusive holiday comprising three fixed-time meals no longer meets the requirements of modern tourism, where individuals may wish to tour the surrounding area during the day without being tied to the hotel's catering regime (Holloway 1998:143). Partial or full self-catering accommodation is also considerably cheaper and therefore more cost effective for tourists.

Guesthouses and bed and breakfast establishments are smaller, cheaper, less formal forms of accommodation, in which the provision of catering services is limited or optional. The relative smallness of their scale of operation makes them viable in areas where hotels may not be. Also, guesthouses and bed and breakfast establishments are generally family-run, offering limited accommodation to a few people. They serve business tourists in towns and leisure tourists in more remote country towns, rural areas and at the seaside. Establishments of this kind provide a measure of informality and friendliness that is sought by many tourists (Holloway 1998:152-153). They are able to cater for impulse demand that results from the way holiday-makers design their tourist activities, and they are flexible. Bed and breakfast establishments often conveniently expand the supply of beds to meet demand.

Fully self-catering accommodation covers a range of establishments including timeshare apartments, national and provincial park cottages, serviced apartments,

holiday homes, chalets and flats, caravan parks and resorts (Feinstein and Thornton 1998:16). Although there is no official register or inventory of the self-catering industry, the South African AA Guide has a list of 1,758 such establishments listed, of which one fifth are in KwaZulu-Natal (ibid.).

Other contemporary forms of accommodation that do not relate specifically to the study area but fall within the accommodation sector are holiday centres or camps, new holiday villages, second homes and educational accommodation, camping, caravanning and house/holiday boats (Holloway 1998:153-156).

Apart from the nature and competition between the various forms of accommodation described above, an analysis of the hospitality sector also needs to take into account the existence of non-commercial hospitality facilities, often referred to as the visiting friends and relations (VFR) market. In South Africa this category constitutes a substantial share of the accommodation market, given that nationally over 40% (and within the province of KwaZulu-Natal over 50%) of domestic holiday-makers stay with friends and family (Feinstein and Thornton 1998:12).

2.3.2 Arts and Craft

With 43 craft-related businesses, arts and craft is the dominant theme around which the Midlands Meander has developed. The relationship of arts and craft to tourism is extremely complex and difficult to define, partly due to ambiguities about what constitutes tourist activities on the one hand, and partly due to ambiguities about what constitutes craft on the other.

The Arts and Culture Task Group (ACTAG) (in DACST 1998:8) provides a functional definition of craft that is a useful for the purposes of this study. They say that craft is

“...the production of a broad range of utilitarian and decorative items manufactured on a small scale with hand processes being part of the value added content. The production of goods utilises a range of synthetic and natural materials.”

The craft industry is an extremely diverse industry covering media, materials and functions ranging from glass, textiles, ceramics and jewellery to curios, industrial appliances and everyday utility objects (DACST 1998:8). Craft can be located in galleries and museums, on sidewalks, at trade fairs and outside airports. Craftart is also considered as embracing the so-called higher realms of arts and culture through its production of traditional and contemporary artefacts, yet it may also involve mass production.

For a clearer understanding of this diverse industry, the South Africa Craft Industry Report divides the sector into six sub-categories that are not necessarily mutually exclusive. These are:

- *Traditional art* constitutes culturally specific products, whose meaning and significance is generated and shared by members of a specific community. Such goods are often produced for the domestic market.
- *Designer goods* result from the deliberate adaptation of traditional art to satisfy the tastes of the international market and are often decorative in nature.
- *Craftart* is what is produced when a craft overlaps significantly with traditional art, and has been defined as products which are produced entirely by hand by skilled producers but are not considered “fine art”.
- *Functional wares* are mass-produced hand-made goods that are produced in small workshops or factory-like conditions, such as pottery, furniture and homeware.
- *Souvenirs* are “inexpensive, universal trinkets or simplified crafts” which often sell the memories for a specific location.
- *Musical Instruments* are a very popular craft item, and may prove to be very valuable tools for promoting cultural crafts locally and internationally, (DACST 1998:9).

The different types of craft arise from different needs. Canclini (1993:77) distinguishes four main reasons for people demanding or needing craft in general. These are 1) for *practical* purposes, as part of a daily life (plates, clothes); 2) for *ceremonial* purposes, bound to religious or festive activities (masks, pottery adorned with sacred scenes); 3) for *status*, as craft serves as means of social distinction for sectors with high purchasing power (jewellery, carved furniture); and 4) for *aesthetic*

or *decorative* purposes where it is meant to enhance dwellings, in particular (*amates* or trees, mobiles).

With regard to the relationship between tourism and craft, most studies have focused on the link between craft and culture. On the one hand, tourism is regarded as having a negative impact on culture through the commodification of traditional art forms (Harrison 1992:20). Tourist demand for artefacts is held to transform “functional traditional art” rooted in religious ritual into mass, commercial production of souvenirs and novelties. In turn, this pseudo-traditional, colloquially termed “airport art” leads to the erosion of culture (Harrison 1992:21, Mathieson and Wall 1982:168).

On the other hand, this same process of commodification is regarded as positive, in that it is seen as being a way of rejuvenating culture as well as of ensuring that local people benefit directly from tourism (Chon and Oppermann 1997:120; Craik 1991:90). In South Africa one of the underlying assumptions of good relations between nature reserves and neighbouring communities is the stimulation of curio production for game park and nature conservation tourists. This is one of the foci of the Kruger National Park's small business development projects in tourism, for example. (Botha et al 1995:5).

From the perspective of livelihood generation in poor communities in South Africa, the potential of craft goes largely unrecognised. Yet in KwaZulu-Natal craft is an extensive component of informal sector activity among people living in impoverished, rurally located black communities. Besides the fact that it has few barriers to entry, and is innovative and adaptive to changing economic and social conditions, craft also has considerable potential to stimulate development (Marcus 1999:40). Yet, the link with tourism is not “natural” or even predominant, as this pilot study of craft in the shadow of the Midlands Meander has shown. This brings the discussion to the next issue, namely understanding local economic development and how crafting and tourism in general fit in this framework.

2.4 Local Economic Development (LED)

2.4.1 Assumptions and Definitions

Local economic development is an approach to policy intervention that reflects a change in focus from national to local intervention, and a change in practice where the emphasis in planning is away from control and regulation and towards stimulation of “development” (Harrison 1995:1). The discourse and practice of local economic development, which began in North America and Europe in the late seventies and early eighties, only began to take root in South Africa in the 1990s with the changes ushered in by democratic transformation (Harrison and Naidoo 1999:1).

The idea of local economic development has spread quickly in a context of institutional transformation and economic reconstructing, especially given the economic and social pressures that confront South Africa. The Constitution, which makes specific reference to economic development as an objective of local government, has added impetus to the increasing interest in local economic development (Harrison and Naidoo 1999:1).

As a planning paradigm, local economic development has yet to be consistently defined. This said, various authors provide insight into the meaning of the concept. LED’s “local” emphasis has led to local economic development being described as a sub-national action, which is usually also sub-state and sub-regional, taking place within the context of the local labour market (Bennett 1991:222; LED Newsletter February 1997:1; Davis 1997:7). Nel in the February LED Newsletter (1997:1) sees this action as an applied economic development strategy, which aims to address site-specific needs through “local appropriate solutions”. Further, local economic development is viewed as a process in which local governments and/or community-based groups play an important, if not driving, role. They are expected to harness and manage existing resources as well as enter into partnership arrangements with the private sector or with each other, in order to enhance development opportunities, create new jobs and stimulate economic activity in a specific area (LED Newsletter February 1997:1; IRI and NBI 1998:2).

The broad objective of LED in South Africa, and elsewhere, is the regeneration of local economies through economic growth and job creation. Exposure to the

international market and the uneven impact of globalisation, the demise of centralised state planning and the adoption of neo-liberal economic policies at the national level have together had a considerable effect on South Africa's economy (Nel 1999:1). Sectors that previously benefited from state protectionism have now been exposed to domestic and international competition. Structural unemployment has been aggravated by substantial job losses in both mining and manufacturing. Employment has declined systematically since 1990, with a 10% drop in total employment in the period 1995-1997. Approximately 37% of the economically active population, broadly defined are unemployed. The groups worst affected are rural African men and women who are under the age of 40 (Department of Finance 2000:27, *Budget Review*).

In the study area sectoral decline is evident. McCarthy (1997:5) indicates that whilst manufacturing has remained the largest economic sector after agriculture in the Lions River and Mooi River magisterial districts, it has experienced negative growth for more than two decades. Agriculture too has been negatively affected by changes in the terms of national and international competition, with adverse impacts on profitability and employment.

A related concern of local economic development in South Africa is the need to increase access to economic opportunities for previously disadvantaged communities, especially for people living in the rural areas, the former homelands and small towns of South Africa where the problems discussed above are most severe in their impact.

“Apartheid’s spatial and racial engineering has aggravated conditions described above through unequal levels of education provision, the generation of hopelessness and disempowerment, denied access to land, resources and means of control and rural overcrowding, leading to environmental deterioration.” Nel (1994:2)

In sum, the underlying assumptions of local economic development are that it is locally based, stimulates economic growth through an interactive partnership between private and public sectors, increases employment and is inclusive of all segments of the local population, particularly those previously most disadvantaged by Apartheid.

- The main institutional route to realising local economic development is through the creation of and support for small, medium and micro enterprises.

2.4.2 Small, Medium and Micro Enterprises (SMMEs)

Interest in small, medium and micro enterprises (SMMEs) is coterminous with the general shift to informational capitalism and the reorganisation of production across the globe. In South Africa small, medium and micro enterprises are seen as the primary vehicle through which the challenges of job creation and sustainable economic growth can be met. This is not least of all because globally SMMEs are playing a critical role in absorbing labour, penetrating new markets and generally expanding economies in creative and innovative ways (White Paper on Small Business 1995:10). Small businesses are generally locality-bound. They rely on local sources of raw materials, skills and/or markets, and require (relatively) low initial overheads and entry requirements (LED Newsletter November 1997:1). The use of labour-intensive production methods (Kaliyati 1994:154) as well as a more optimal usage of productive resources (Rasmussen in Kaliyati 1994:154-155), additional characteristics attributed to SMMEs, add to perceptions of their positive contribution to local economic development. Given South Africa's legacy of corporate domination, constrained competition, high rate of unemployment and unequal distribution of income and wealth, small, medium and micro enterprises are regarded as the true engine of local economic development. They are expected to generate employment and equitable income distribution, activate competition, exploit niche markets (both internally and internationally), enhance productivity and technical change, and through all this stimulate general economic development (IRI and NBI 1998:8; White Paper on Small Business 1995:10)

In this scenario, tourism especially is regarded as particularly conducive to the stimulation of SMME-based local economic development. Schroenn (1997:8) argues that small-scale production in tourism-related enterprises generally does not require much finance or experience and makes opportunities available to those who most need them.

Small, medium and micro enterprises are numerous and extremely diverse. In 1995 there were an estimated 800 000 such enterprises in South Africa, absorbing

approximately a quarter of the economically active population (White Paper on Small Business 1995:10). They extend across all sectors of the economy and differ widely with regard to structures, problems, growth potential and access to support. Broadly, they have been categorised into four types, namely survivalist enterprise; micro enterprises, small enterprises and medium sized-enterprises (ibid.).

Survivalist enterprises are those that are embarked upon by individuals mainly out of poverty and in the absence of any resources or income. Microenterprises are very small enterprises, of variable income, often involving the owner only or at the most two paid employees (Dass 1995:25). These enterprises often lack 'formality' in terms of licenses, registrations, accounting procedures, etc. Micro enterprises are also generally limited in their capital, with operators who have only very basic technical or business skills. Small enterprises constitute the bulk of established businesses, with employment usually ranging between five and about 50 workers (White Paper on Small Business 1995:9). They are most likely to operate from industrial premises, be tax-registered and meet other formal registration requirements. They are predominately owner-managed, or controlled directly through an owner community (company). Lastly, medium enterprises are a residual category located between 'small' and 'big' business. Enterprises in this category are viewed as being primarily owner/manager controlled through a shareholder or company base, employing 200 or more workers and having relatively substantial capital assets (Kasongo 1996:14).

Many of the issues around the impact of tourism on social and economic development are repeated in the discussion with respect to local economic development. For the purposes of this study, the critical issue is to look at black entrepreneur involvement in tourist-related small, medium and micro enterprises. Historically, pass laws, Influx Control and the Group Areas Act combined with restricted land rights and the destruction and dispossession of black-owned property to generate a restricted and severely distorted occupational profile among the African majority, in which entrepreneurialism was the exception (Riley 1993:1). Moreover, state support, often fragmented and partial, was directed towards whites (White Paper on Small Business 1995:12). Tourism generally, but nature conservation in particular, was developed and elaborated on the premise that black communities were to be doubly excluded. On the one hand they were not construed as constituting either part of entrepreneurial

initiative or the target market. On the other hand, they were viewed as a source of danger to the preservation and conservation of nature, and were thus deliberately and physically kept out (SPP Reports Vol.4: 1983:243). The legacy of destruction and then exclusion of black economic competition has meant that black SMMEs, particularly in tourism, are non-existent in many places, and where they do exist they are largely confined to the informal economy.

Democratic changes notwithstanding, this inheritance leaves multiple backlogs that have to be addressed in order to create space for black entry into tourism. Key issues include the limited savings and the ongoing difficulties poor black entrepreneurs experience in securing affordable finance from conventional lending institutions, particularly if they are women. This is especially the case with regard to tourism, where until recently private sector funding institutions have regarded the sector as high risk (Ellis and Joubert 1996:74). Limited or inadequate training and education are also obstacles to effective entry into the sector, except at the micro level.

Black entrepreneurs are limited in the resources they can draw on, especially when it comes to marketing and the development of products and services that allow them to enter established or new markets (Ellis and Joubert 1996:76). Also, they are constrained by limited infrastructure and a poor transport system, especially in rural areas where the primary source of transport is privately-owned “public” mini-bus taxis (Marcus 1999) as well as the absence of basic services. Furthermore, black incorporation into tourism has also had to contend with the myopia of racial and class bias in the established industry. Narrow in its outlook, the industry has taken a restricted view of how to approach black entry and presence in the sector, both with respect to black people as entrepreneurs and with respect to them as clients (tourists) (White Paper on Tourism 1996:6).

Despite a significantly improved policy environment, for a range of reasons black entry into tourism through the route of small, medium and micro enterprises, is beset with historically established inequalities and discrimination that will not be easily overcome. More generally, the interface between tourism, local economic development and small, medium and micro enterprises is everywhere conditioned by

existing practices and relations that often reproduce structural inequalities and constraints.

The predominately “white” Midlands Meander could be described as an example of such, where pre-existing social inequalities between black and white have been generated by a historically established dual economy in the countryside. An in-depth analysis of the sampled enterprises of the Midlands Meander tourism route is thus conducted in the following chapter in order to develop an understanding of these tourism-related enterprises and their actual and potential impact on local economic development.

CHAPTER THREE

THE MIDLANDS MEANDER AND SMME ANALYSIS

In setting out the analysis, this chapter will be divided into three sections. Section one describes the contextual background of respondents and their businesses. Section two sets out the employment characteristics of the enterprises in the study. Section three examines income and overall performance.

3.1 Respondents and their Businesses

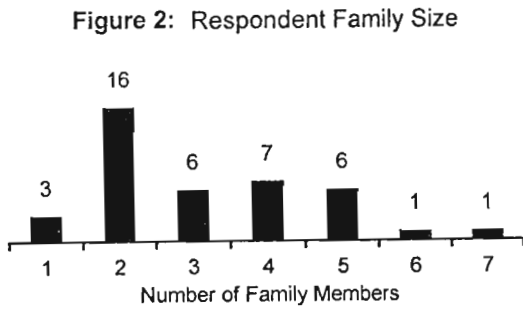
Of the 40 enterprises surveyed, 17 are from the accommodation sector and 16 are art and craft establishments, six are non-craft shops and one is a restaurant. Nine of the art and craft enterprises make 80% or more of their products on site and are considered to be genuine crafters. The breakdown of enterprises per sector is graphically displayed below in figure 1.



Twenty-one female and 19 male respondents were interviewed. Racially only one respondent is Indian and the rest are white. Respondents range in age from 25 to 65 with an average age of 49.

No respondents were born in the local area although five respondents were born in Pietermaritzburg and 40% of respondents (n=16) were born in KwaZulu-Natal. The remainder are from other parts of South Africa (n=12), Africa (n=3) and elsewhere (n=9).

Family size of respondents is set out in figure 2. It shows that two respondents are single and live on their own whilst 38 are married or live with partners. Families range in size from one to seven people, with the majority (n=38) having four or fewer members.



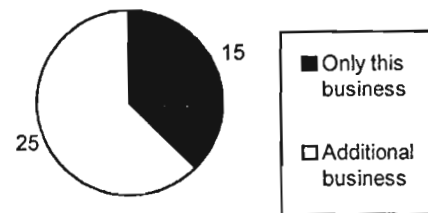
3.1.1 Ownership

The majority of respondents (34) are owner operators, with only six, mostly arts and crafts and other shops, renting the property they use. Eight enterprises are company or corporately owned, five of them being family-based companies. The rest are individually owned. In terms of property, only 13 respondents are paying off bonds. The rest own their property.

25 respondents (63%) have other businesses additional to the enterprise under study. These businesses are owned by the respondents themselves or by other family members that contribute to household income.

In the accommodation sector, all the bed and breakfast (n=6) and self-catering enterprises (n=2) are secondary sources of income and occupation for the households concerned. Two respondents who operate guesthouses or lodges have businesses additional to the guesthouse. By contrast, hotels appear to be primary or sole businesses.

Figure 3: Ownership of Businesses



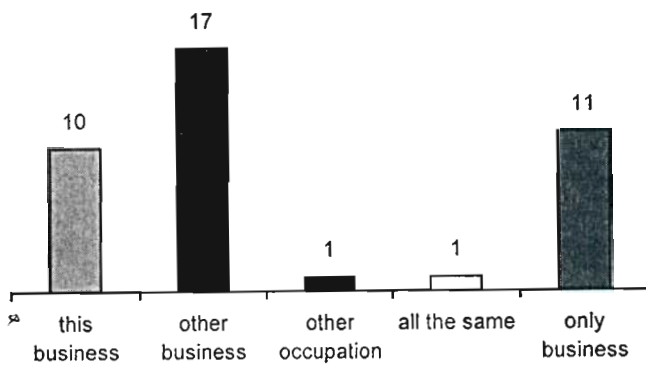
Most respondents who have other businesses tend to have only one additional business interest. Only three have two or three additional businesses contributing to family income. Out of a total of 31 additional businesses, the two largest categories of activity are farming (n=10) and bed and breakfast operations (n=7). Three additional businesses are arts and craft related and another three are restaurants.

Apart from having other businesses, 12 respondents have income sources from other occupations where they themselves or other family members are employed, mostly as

professionals - accountants, doctors, lecturers, etc. Seven respondents have both additional businesses and occupations contributing to their household income. Thus the majority of enterprises have multiple sources of income.

In the context of multiple income sources, over half the respondents report the enterprise in this study to be the most important contributor to family income. As figure 4 shows, only 11 say that it is the only source of household income. In 18 cases

Figure 4: Most Important Income Source



the enterprise surveyed is a secondary source of income and only in one instance is it regarded as equal to other sources.

In explaining their responses, a quarter of the respondents (n=10) indicate that their business is run as

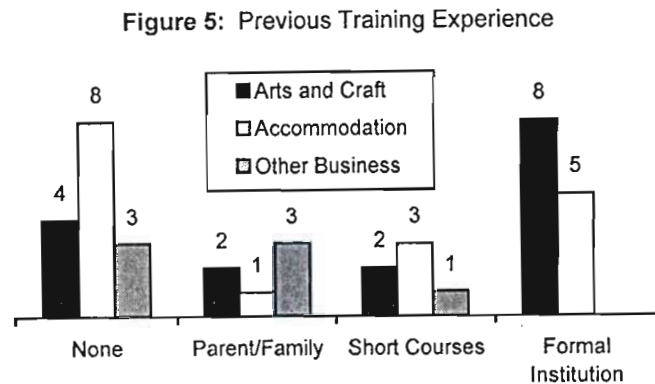
a hobby. Mostly these are bed and breakfast and self-catering establishments that require little start-up finance and have low running costs. Most of the bed and breakfasts and self-catering establishments are found on farms, supplementing the income of farmers (i.e. as a form of agri-tourism). Farming is the main source of income for five of the respondents, whereas it is a supplementary source in the case of four respondents.

Turning to the question of where respondents obtained their startup capital, the majority (n=27) are self-funded. The rest obtained their startup finance either from a bank loan (n=3), or from a retirement package (n=1) or from a combination of the above (n=9). Respondents began their business ventures primarily for two reasons. For the majority (n=27), the prospect of a better quality of life, understood as being in the country as opposed to the city, is a major reason for beginning their business operation. Of these, most (n=16) indicate that their primary objective is to make a profit. This is especially true of those respondents for whom the business is the only or main source of household income. A further 12 respondents began their business to keep themselves occupied or as a hobby. In other words, notwithstanding their levels

of economic performance, their enterprises were initiated for non-economic reasons: With three exceptions, all respondents have embarked on their business ventures with a long-term livelihood or occupational perspective.

3.1.2 Education and Training

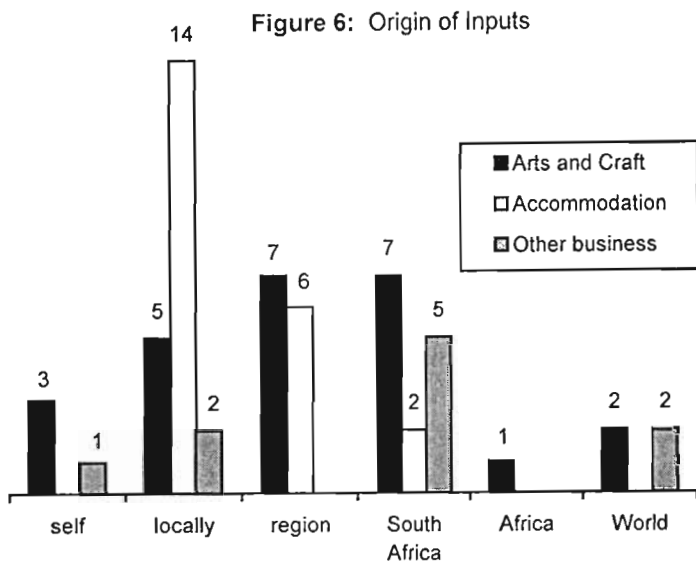
In terms of education and training, generally, respondents are well educated. All have completed schooling, with the majority having completed tertiary education. Of the latter, 14 respondents have completed university and 19 have non-university tertiary education. Seven respondents only have Standard 10.



In terms of training for their specific business enterprise, the picture is more mixed. Fifteen respondents have had no specialist training or preparation. Six draw on the experiences of their parents or families, 13 received training from a formal institution (degree/diploma) and six have completed short courses. Looked at by sector, the graph above shows that formal training is strongest amongst crafters. Respondents involved with accommodation are evenly divided between those with and those without specialist training. The former tend to be hoteliers or professionals while the latter tend to be involved in bed and breakfast, self-catering and guest house establishments.

3.1.3 Production

Of particular interest is the question of where respondents secure their productive resources. The majority of enterprises rely on local resources for their inputs. Figure 6 shows, that while only four respondents make or grow their own inputs, more than half (n=21) buy locally. The tendency to purchase local inputs is particularly strong in the accommodation sector, and this relates mainly to food purchases that are perishable. Arts and craft enterprises tend to source materials more broadly, although the majority (n=15) still buy in KwaZulu-Natal and the locality itself.



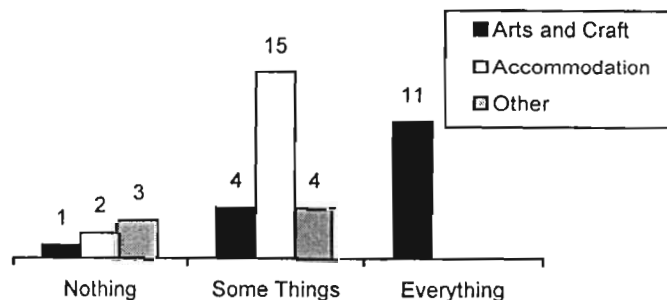
While seventeen of the respondents say that purchases are made outside the local area because they cannot be produced locally, the majority (n=23) feel that the purchases they are making could potentially be produced locally, but they are hard to find. Products that could

potentially be locally substituted are largely arts and crafts items. Respondents mentioned simple woodwork products, wooden frames, woven mats, baskets and decorations, leather shoes and fabrics.

The majority of the respondents produce at least some of their products on site, with only six indicating that they make nothing themselves, as figure 7 shows. Although nine respondents were selected on the basis that they produce 80% or more on site, another two in the study report producing on site everything they sell. Amongst arts and crafts, genuine crafting enterprises remain

predominant in the Meander. Products include a wide variety of items including wood, glass, shoes and leather goods, furniture, ceramics, clothes, bags, hand crafted paper, mohair carpets,

Figure 7: Production on Site



paintings, embroided items and functional wire work. Food is produced on site in 17 businesses. Fifteen of these businesses fall within the accommodation sector and one is a restaurant.

Respondents give four main reasons for producing on site. Firstly, producing on site saves on costs. Respondents do not incur additional rental, electricity and other basic expenses. Through direct marketing they are also able to avoid middlemen. Secondly, producing on site allows for more effective quality control by the owner as personal attention can be given to every level or phase of the production process right through to the marketing and selling of the finished product. A number of businesses evolved from respondents' hobbies and their dedication and passion reflected in their enterprises. Thirdly, producing on site allows for flexibility around a multiplicity of issues. Respondents say they can produce to order and specificity, which allows them to respond to changing demand. They can also modify working hours and seasons according to demand, other business imperatives, as well as their own personal circumstances. Finally, operating on site creates marketing possibilities in that location and production are additional "tourist" values that lend authenticity to the finished product. This applies as much to craft as it does to accommodation and food enterprises.

3.1.4 Clientele

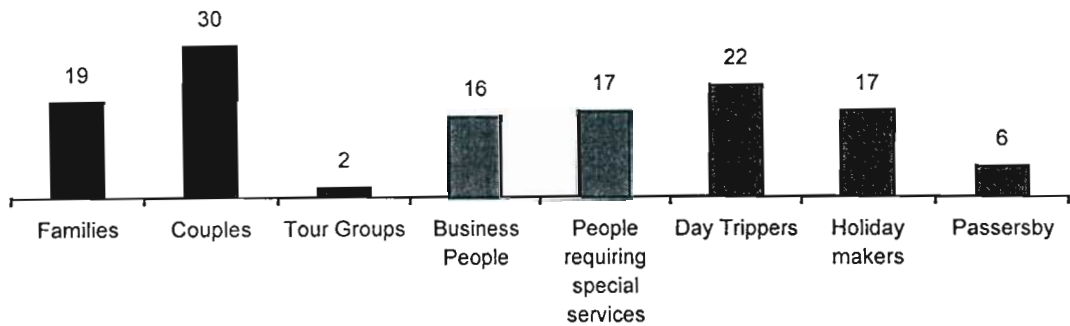
Looking at the markets and clientele of Meander enterprises, both arts and craft and accommodation enterprises service a local and "external" domestic market as well as foreign clientele.

In terms of production, arts and craft enterprises place a premium on the export market. Two respondents export their entire product, while nine others export at least some of the things they produce. Five respondents export to places in South Africa outside KwaZulu-Natal, while six export to North America and Europe.

For both sectors, clientele are predominantly domestic tourists. For 15 respondents most are from within the province, while for 13 their clientele includes both local (KwaZulu-Natal) and external tourists, drawn mainly from Gauteng as well as from other parts of the country.

The demographic characteristics and types of tourists on the Meander are set out below in figure 8. Most tourists on the Meander are couples or families, with few

Figure 8: Nature of Clientele

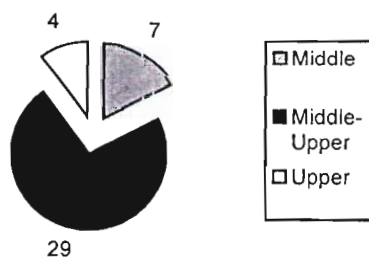


respondents reporting organised groups of tourists. Just over half (21) of the respondents describe the majority of their clientele as being mostly middle-aged, and a further 16 describe their clientele as being a combination of young, middle-aged and elderly people, with only three saying they had mainly young clients.

The majority of respondents (n=34) say that most of their clients are white, although a few report serving a racially mixed clientele. In terms of gender, the bias is towards women, although there are also many couples who go on the Midlands Meander. No enterprises indicated that they had predominantly male customers.

The above figure shows that, in terms of tourist type, most respondents indicate that

Figure 9: Customer Income Level



daytrippers makeup the majority of their clientele. Meander tourism also seems to be largely purposive. Tourists come on the Meander to do business, to have a holiday or to acquire specific types of goods and services. Only six respondents indicate that passersby make up a substantial proportion of their clientele base.

In terms of income of target markets, all respondents aim to attract people from middle to upper income bracket, as is displayed in figure 9.

3.1.5 Contact Time and Seasonality

Most of the enterprises (n=36) are open seven days a week, with three enterprises open for six days and one enterprise open for four days a week. Of those enterprises that had specific opening and closing times (n=26), the average enterprise opens at 8.30 a.m. and closes at 4.30 p.m. Contact time with customers differs across the sectors. The average length of stay of clientele at most arts and craft enterprises is an hour or less. In the accommodation sector, most clientele stay for between one and two nights on average, and only two respondents have clientele staying two to three nights.

Seasons of trade tend to vary among the respondents. Four respondents indicate that they have no identifiable seasons. Most respondents indicate that the months of December, January and April seem to make up the peak season. These months are significant in that they fall in the periods that coincide with school and public holidays. Weekends, especially long weekends, are also regarded as peak periods by a number of respondents.

February and March are described as a brief mid-peak period, building up to a short peak period over the month of April (Easter break). The months of May, June and July constitute the low-seasonal period for most respondents. They say, "the drier, colder winter months seem to be quieter than the warmer, greener (more scenic) summer months." However, for some (n=5) July is regarded as a peak seasonal period and June as a mid-season period. August and September are described as a general mid-seasonal period with October and November constituting the mid-peak period.

Having established the kinds of enterprises, their reasons for locating in the Midlands, their generally preferred mode of production, their clientele, as well as their contact time and seasonality, the study will now look at the incomes these enterprises generate.

3.1.6 Organised Affiliations

All respondents interviewed are members of the Midlands Meander Association. Length of membership ranges from 1-10 years, with an average membership period of just under five years. The majority of respondents (33) are passive members of the

Midlands Meander Association, having joined to increase their public exposure through the marketing efforts and publicity that the association provides. Seven respondents describe themselves as generally active, i.e. working as a member of a committee or cell group, but only three interact on a regular basis with fellow members with regard to issues concerning the Midlands Meander.

3.2 Income

Generally, the study sought to obtain gross income data for the enterprises. Three enterprises did not give income data. The gross monthly income for 37 enterprises collectively totals R2,109,133. Gross incomes range from R1,000 to R350,000, with an average of R54,121. The median gross income is R16,667 with nearly half the enterprises generating this amount of money or more a month.

Looked at in terms of whether income from the enterprise in the study is the sole or a supplementary source of household income, the data reveals that all six enterprises with gross incomes of R3,000 or less have additional incomes from other businesses. Similarly, of the fourteen respondents who indicated that they do not have an additional business to support their families, only three earned more than R3,000 but below R15,000 per month. The majority are able to generate even higher gross monthly incomes.

In terms of enterprises that were part of households with multiple income sources, 63% (n=10) had incomes of R7,500 or more from the business in the study, as did the two businesses that each had three additional businesses contributing to household income.

3.2.1 Comparing Incomes by Sector

Comparing incomes by sector, the data suggests interesting findings. The first relates to the relative importance or weight of each sector by income generated. The aggregate total of all 15 arts and craft enterprises monthly incomes is R1,092,195, compared to R718,300 for those 15 in accommodation. In other words, while arts and crafts generate over half (55%) of the total gross monthly income earned by all the businesses in the study, accommodation generates only 36%.

Secondly, the table below shows that for both arts and crafts there is a similar distribution of enterprises across the income spectrum. Nine enterprises in the accommodation sector and 12 from the arts and craft sector have gross incomes of R7,500 or more a month. Also, although the numbers are too few to attribute significance to earnings that are greater than R50,000 a month, what is clear is that only a handful of enterprises in both sectors are able to generate very large incomes. Within both sectors, the majority of enterprises are medium or small businesses when judged by gross income. A notable difference between the sectors is that proportionately more accommodation-related enterprises than arts and craft enterprises are at the bottom end of the spectrum (below R7,500) than there are arts and craft ones. The gap between the income of guesthouses and bed and breakfasts and that of hotels is also wider.

Table 1: Monthly Income by Type of Enterprise

Income	Arts & Craft	Accommodation	Other Business	Total
1. R 0 – R 1000	1	3	0	4
2. R 1 001 – R 3 000	1	1	0	2
3. R 3001 – R 7 500	1	2	2	5
4. R 7 501 – R15 000	4	3	1	8
5. R 15 001 - R 50 000	2	3	3	8
6. R 50 001 – R 100 000	1	0	1	2
7. R 101 000 – R 400 000	5	3	0	8
Total	15	15	7	37

In general, judged by gross income, most enterprises on the Midlands Meander can be considered to be small- and medium-sized enterprises. Most are also not the sole sources of household income for respondents, and as such they contribute to the generation of middle class livelihoods and life-styles for them.

What impact these enterprises have on employment will be looked at next.

3.3 Employment

3.3.1 The Size and Composition of the overall Labour Force

A total of 272 people are employed in 30 businesses. Seven respondents do not have any employees, and labour information was unobtainable from three enterprises. Looked at by sector, employment information was obtained from 12 arts and craft enterprises, 13 accommodation sector enterprises and five businesses that are classified as 'other'. Individual enterprises employ between one and 45 workers.

Eight enterprises employ only one person each, while 14 employ five or more workers. Looked at by gender, the ratio of female to male employment is 172:100; that is, 63% of the workforce is female. Three quarters of employees are African (n=203), 60 are white (22%) and 9 (3%) are Indian.

All except one employee are local. Only two enterprises formally employ family members, employing one and six family members respectively. This said, a number of the respondents have family members informally assisting in the business operation.

Most employees in these enterprises (88%) work full-time. Ten enterprises employ a total of 15 part-time employees and a further 17 employees are hired by five enterprises as casual workers.

In terms of skills, 60% of the work force (n=164) are described as skilled or semi-skilled, while 30% (n=77) are unskilled. A further 31 employees are in managerial positions.

3.3.2 Comparing Employment by the Sectors

If the size and composition of employment is desegregated by sectors, there are differences between accommodation and arts and craft, although, given the small numbers involved, it is difficult to assess the significance of this variation. The employment ratio of the sectors is 53:47 (n=140:126), suggesting that arts and crafts provide somewhat fewer direct employment opportunities than accommodation does. Figure 10 reveals that, judged by the number of people they employ, most businesses in the arts and craft sector tend to be micro enterprises, employing five or fewer workers. By contrast, nearly half of the enterprises providing accommodation fall into

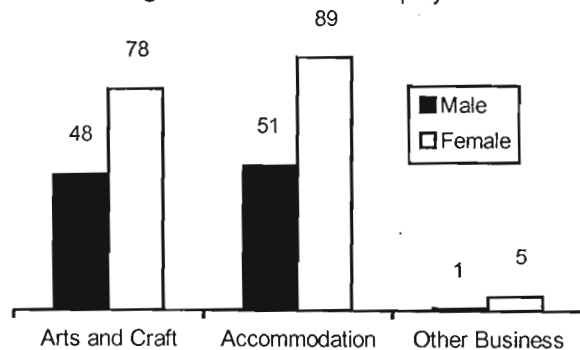
Figure 10: Arts & Craft and Accommodation Employment



the small business category, employing six or more people. Mostly, however, accommodation enterprises are concentrated at the lower end of this business spectrum. This picture looks different if we assess employment by gross income. All enterprises in the arts and craft sector with incomes less than R50,000 a month employ fewer than five employees. In the accommodation sector the majority of the enterprises that employ five (or fewer) employees have an average income that is less than R15,000 a month.

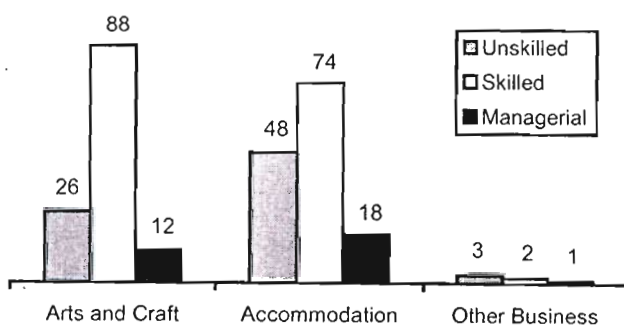
The difference between the sectors is stronger when it comes to looking at the gender of employees. Accommodation enterprises employ proportionately more women than men when compared to those in arts and crafts. From figure 11, the ratio for both sectors is approximately 3:2 women to men.

Figure 11: Gender of Employees



In terms of race, both sectors employ similar numbers of black employees (n=103 and n=97), by far the dominant racial group employed in these enterprises. When it comes to white employment, arts and craft enterprises employ exactly half the number of

Figure 12: Occupation and Skill Levels



whites employed by accommodation enterprises (n=19 cf n=38). Indian employees make up a very small component of the sample's racial composition in both sectors.

In both sectors almost all

skills and position in the occupational hierarchy proportionately more skilled employment opportunities are provided in arts and craft enterprises as compared to those in the accommodation sector. But when it comes to management work opportunities, the accommodation sector provides more jobs than does arts and crafts.

3.3.3 Wages

Turning to wages, the monthly wage bill of the 30 enterprises who employ workers and gave information on employment collectively totals R306,733. The range of payments on wages and salaries across these enterprises is quite vast - starting at as low as R40 and extending to as high as R55,000 per month, with an average total monthly wage bill of R10,224. The median monthly wage bill, however, stands at R3,167, signalling that the majority of enterprises do not have particularly high labour costs relative to income, as will be shown later.

If wage bills are analysed by sector, there is a notable difference between arts and craft and accommodation enterprises. In the first instance, in gross terms the wage bill for 12 arts and craft enterprises is R196,500, compared to R107,393 for 13 businesses involved in providing accommodation. Thus, despite employing fewer workers and comprising fewer enterprises, arts and crafts contribute 64% to the total wage bill. The average wage earned in arts and craft enterprises is double that earned in the accommodation sector (R16,375 compared to R8,261).

Secondly, the floor and ceiling of the wage bills are notably higher for arts and craft enterprises than for those in accommodation, as table 2 shows. Whereas five accommodation enterprises have a wage bill below R1,000, this figure is the base line wage bill for arts and craft enterprises.

Table 2: Sectoral Wage Bill Comparison

Wage bill	Arts and craft	Accommodation	Other Business
1. R0 – R 500	0	2	3
2. R 501 – R 1 000	0	3	2
3. R 1 001 – R 3 000	4	1	0
4. R 3 001 – R 7 500	3	4	0
5. R 7 501 – R 15 000	1	1	0
6. R 15 001 – R 30 000	1	1	0
7. R 30 001 – R 60 000	3	1	0
Total	12	13	5

At the top end of table 2, more arts and craft enterprises have a higher wage bill than those in accommodation. Within both sectors, there is also a difference between managerial and non-managerial wage bills, which reflects their skill and management components. Where enterprises employ both managers and workers, between 45% (accommodation) and 50% (arts and craft) of the wage bill goes to managerial staff. Art and craft enterprises are more likely to employ higher skilled workers than those in accommodation, while within the accommodation sector hotels are particularly dependent on managerial staff whereas bed and breakfast establishments are often owner managed.

Sectoral differences are evident when average wages per employee are calculated. With regard to full-time and part-time employment (but excluding casual workers), the average wage for a manager in the arts and craft sector is R8,146. This is 66% more than the average managerial wage (R2,667) in the accommodation sector. This differential may be less acute if non-cash perks are considered, since often management is provided with free accommodation and food in the latter sector, a practice unknown in arts and craft. The sectoral difference in average wages per employee extends to non-managerial workers. Thus, in arts and craft enterprises the average non-managerial wage is R930 per month compared to R512 per month in accommodation.

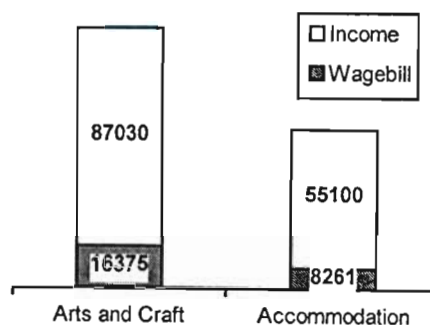
Generally, wages constitute a component of enterprise costs across the sectors. The skill and managerial composition of the workforce, as well as historical employment practices in the sectors, influence the relative weight and importance that wage bills

have in enterprises. A greater tendency to employ skilled workers in arts and crafts is reflected in the size of the sector's overall wage bill as well as average monthly wages when compared to accommodation enterprises.

In the accommodation sector the only enterprises with an employed managerial staff were the three hotels and one guesthouse. The three hotel establishments provided information on non-managerial wage bills. Five businesses from the arts and craft sector indicated that they pay managerial wages. It is important to note that in this sector some of the managers have a share in the enterprise profits. The average managerial wage bill (i.e. the difference between the average total wage bill and the average non-managerial wage bill) for the five businesses in the arts and craft sector, at 64% of the average total wage bill (per enterprise), is 8% higher than the average managerial wage bill for the three businesses in the accommodation sector.

Generally, wages are a component cost of most enterprises in both arts and craft and accommodation. Their relative weight as a direct cost needs to be judged against overall income. Although the wage income ratio varies from enterprise to enterprise, taken globally, figure 13 alongside shows that as a direct expenditure it represents 15% and 19% of total gross income for the arts and craft and accommodation sectors, respectively.

Figure 13: Average Wagebill and Income Comparison

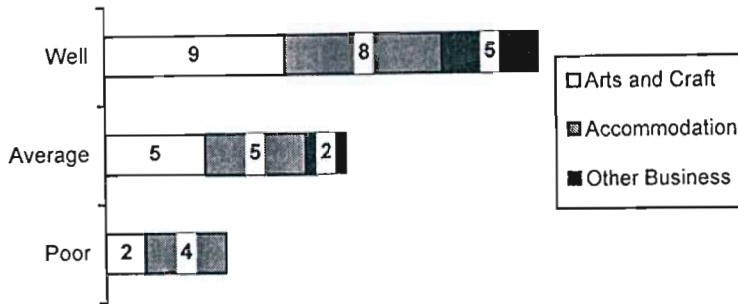


Having assessed Midlands Meander enterprises through objective indicators of their performance, it is useful to review subjective perceptions of business performance and the constraints respondents face.

3.4 Perceptions of Performance

To assess enterprise performance, respondents were asked to evaluate their own businesses. The majority of respondents (n=22) describe their enterprise as performing well, as the bar graph in figure 14 shows. Twelve respondents feel business performance is average while only six describe it as poor. There seems to be

Figure 14: Performance



little sectoral difference in opinions about business performance. Also, these perceptions of performance appear to have little to do with actual income generated as those who regard their

businesses as doing well, average or poorly cover the full income range. As such, these views reflect subjective assessments that are based on individual expectations regarding their business performance and prospects.

Respondents identify several factors that influence business performance. These can be divided into those they regard as positive and those they regard as negative.

3.4.1 Positive Impacts

Successful marketing is one of the most common reasons given by respondents for their business success. Most enterprises attribute this to their membership of the Midlands Meander Association. They regard the successful professional marketing strategies of the Association, particularly location on the Midlands Meander map, as being key. It has given the Midlands Meander a high public profile as a popular tourism route that is reinforced by frequent coverage in the print media and continuously attracts new clientele into the area. A few respondents also attribute their success to their own marketing initiatives and promotions.

The Midlands Meander Association acts as a critical support network where entrepreneurs share experiences, raise and maintain quality of production and services and encourage clients to visit other members. Through the organisation, individual members find that they are able to address more effectively specific local council and other issues.

Respondents identify the uniqueness of the location as another important factor influencing business performance. The area is strategically placed in terms of tourism as another important factor influencing business performance. Respondents point out

that the Midlands Meander is accessible from major transport routes such as the R103 and the N3. It is proximate to major urban centres (Pietermaritzburg, Durban and Johannesburg). And the presence of very established private schools in the area also has a role to play in business success in the area. Moreover, it is situated in a managed and familiar but scenic and “natural” countryside, and it is en route to the Drakensberg tourist destination.

Respondents indicate that it is the nature and quality of the products and services offered to the client that ensure good business performance. Personalised interest, effort and enthusiasm are reflected in the outputs. In the arts and craft sector for example, products are handcrafted and great attention is paid to detail. Durable, high quality products are produced at prices which customers can afford. Similarly in the accommodation sector a number of the enterprises are small-scale operations where the entrepreneur is able to give personal attention to detail. In most of the bed and breakfast operations, for example, the owner is responsible for all operational tasks from taking the initial phone call made by the client to preparing the meal. The entrepreneur has a higher level of interaction, with the ability to offer greater personal attention to clients, which is less likely to occur in larger establishments.

Effective management or operation of the business is regarded by some as contributing to their performance. As most of the enterprises are small- and medium-scale, management tends to be personal and hands-on, with many entrepreneurs being involved in every stage of production.

Production on site, too, has a number of economic benefits for the small business operator. Cheaper operating costs, especially where production is on site, is felt by some respondents as having a significant influence on their business's performance.

3.4.1 Negative impacts

A third of respondents indicate that seasonality has a particular effect on income, with their enterprises showing a significant decrease in their average earnings in the low-season months. On average, incomes drop by 38% in the low season. However, income increases in peak seasons show greater variability. Of 20 respondents who

reported seasonal differences, peak season income rose over average monthly income by between 7% and 500%, with an average peak season increase of 89%.

In terms of sectors, seasonality particularly seems to affect arts and craft enterprises. And within the accommodation sector, guesthouses are more prone to seasonal influences than hotels and larger establishments. This is not surprising given the context: where a large proportion of trade takes place on weekends and over long-weekends, cold or wet weather and unsurfaced roads deter customers.

Many respondents see the poor performance of the South African economy as the underlying reason behind poor business performance. Especially, they identify the high and rising cost of fuel, which increases costs of goods and services and also deters the predominantly private vehicle-based tourism that is characteristic of the Meander as a tourism route.

While the positive aspects of the route's remote, rural location are recognised, many respondents also observe negative impacts of the location on business performance. It is important to indicate that only certain areas of the Midlands can be described as remote in location, making this a factor that is not universally negative. The time and distance from suppliers and other potential markets can be seen as an opportunity cost of being on the Midlands Meander. Half the respondents indicate that distance from the main transport routes and urban areas causes supplier problems and higher delivery costs. Also, the longer time taken to deliver goods creates problems in producing for demand, which is how most small businesses operate. Thirteen respondents indicate that they have high tele-communication costs.

In more remote locations poor road infrastructure is seen to impact negatively on business performance. More than half the respondents (n=22) indicate that the poor condition of roads, as well as the fact that many roads are unsurfaced, is a deterrent to clientele, especially those in the luxury vehicle, upper-income bracket. It is also a deterrent to suppliers, especially given that SMME bulk orders tend to be smaller and less profitable to the supplier.

General problems regarding suppliers are identified by a number of respondents as having a negative impact on performance, as well. Some respondents have experienced problems with the overall efficiency and reliability of their suppliers. Delays in delivery and pressure to put in orders that are larger than required are common. Some respondents have to resort to fetching their own supplies, which raises their costs of transport. Also, local business services are narrow in range and are often of poor quality, forcing respondents to seek such services further afield.

Respondents consider crime and violence to be a constraint to business in the area. This has less to do with actual and locally perceived levels of crime on the Midlands Meander, which the majority of respondents consider to be low and largely petty. Rather, it is related to broader public perceptions of violence and crime in the countryside that is largely media-generated. Incidents of violence in Richmond, roughly 40 kilometers away from the Midlands Meander, for example, have been felt to affect tourist security and sense of confidence in the area.

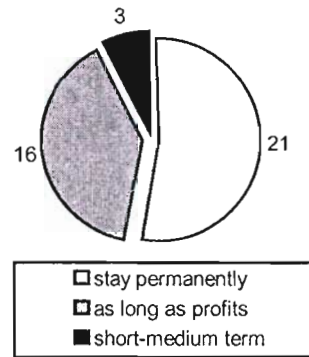
At least a quarter of the respondents sees the cost of labour as a problem. Several enterprises have allowed the number of their employees to decrease through natural attrition, while others have chosen not to expand, even in the face of increasing demand, because of the implicit labour costs. Some mention that the history of trade union activism in the area is a deterrent, especially for small businesses, also needs to be made.

Another labour-related hindrance to businesses on the Midlands Meander is identified by 30% of respondents as lack of skilled labour in the area. Respondents, particularly those operating enterprises from the arts and craft sector, describe the difficulty in locating skilled labour and the high costs associated with skilling (i.e. training) largely unskilled labour. A quarter of the respondents indicate that a lack of suitable housing for their employees is a problem, as many of the businesses have to support the housing needs of their employees.

Where entrepreneurs have taken up their businesses as hobbies rather than as livelihood strategies, such enterprises tend to underperform or not develop to their full potential, not least of all because there is no financial imperative to do better.

Good economic performance and positive perceptions about the area and entrepreneurial activities outweigh constraints. Generally, most respondents say they are committed to continuing with their enterprises over the medium to long term. Quality of life and profitability are the two conditioning determinants, as figure 15 shows.

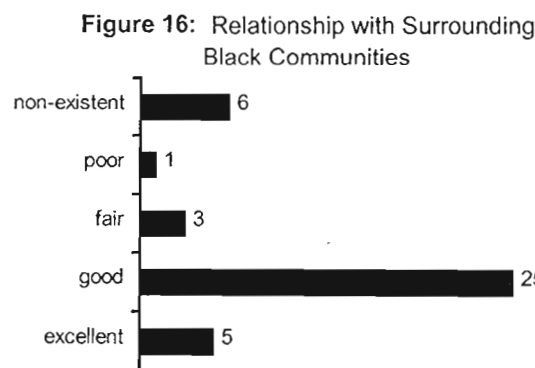
Figure 15: Future Commitment to the Enterprise



Having established the main characteristics of entrepreneurial activity on the Meander, what of their relationship to the surrounding communities that lie in their shadow? We know that these communities are neither a target source of resources or products nor are they considered to be potential clients or a factor influencing potential clientele. They do, however provide, a vast labour pool from which enterprises can draw. How do respondents perceive their relations with the shadow communities?

3.5 The Midlands Meander and its ‘Shadow’ Communities

The majority of respondents describe their relationship with the black communities in the Midlands Meander’s shadow in positive terms. As figure 16 shows, 30 respondents describe their relationship as either good or excellent, while four describe their relationship as either fair or poor and a further six respondents indicate that they



have no relationship at all with their black neighbours. For the most part, this relationship can best be described as one that is passive. Most respondents appear to understand a good relationship to be one that entails no problems with the locally hired workforce (i.e. good

employer-employee relations) and a peaceful, ‘trouble-free’ coexistence with adjacent black communities. The few respondents who describe having a good and active relationship with the local black communities assist with transport, albeit in an ad hoc

way, offer assistance to local farm schools or support some recreational activities, like sponsoring local soccer. One respondent assists with the collection of firewood.

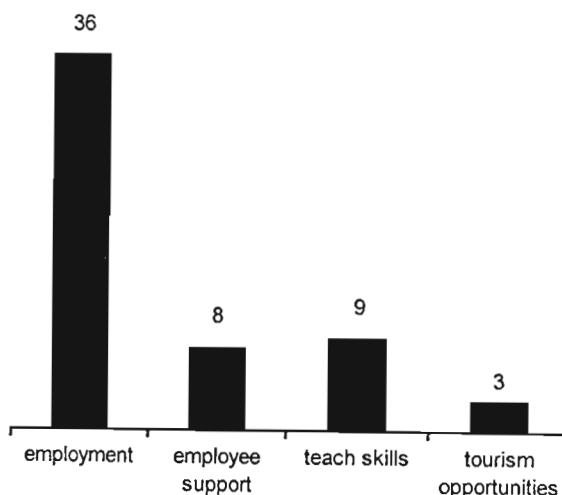
The few respondents who describe their relationship with the local black community as average or poor do so mainly because of the perceived threat of crime that has been associated with rural black communities in the Natal Midlands, even though most have no direct experience of crime. Those respondents that describe their relationship with the local black communities as non-existent describe it as such because of their choice to live a reclusive existence, which is an important reason for their locating on the predominantly rural Midlands Meander.

Generally relations (good or bad) between entrepreneurs and the historically disadvantaged local black communities in the area are realised through the labour nexus. The relationship is race and class bound, i.e. it is one between middle class white employers and working class black employees.

The strength of this nexus is starkly revealed in responses to the question on how the Midlands Meander contributes to local black communities. The majority (n=36) say that it contributes through the employment opportunities provided by the tourist route. Enterprises provide jobs, which respondents maintain are better paying than those on the farms, and they also create jobs for women. They provide employee support, specifically housing,

some medical assistance and contributions to school fees. The additional perceived benefit of skill enhancement is also employment related. It is far from universal. Thus, among respondents, ten offer no training and most (n=28) provide training in an informal way, “on the job” so to speak. Only one entrepreneur provides formal training and another provides both formal and informal training.

Figure 17: Contribution to Local Black Community



Overall it is important to note that, aside from employment, only three respondents refer to the potential benefit that the Meander tourist market itself creates for black communities in its shadow. They say that they support entrepreneurs (local crafters) from disadvantaged communities by selling employee-made crafts through their outlets at no cost. Some respondents presume the Meander to have a non-specific multiplier effect that is of benefit to all, and they also presume that it enhances the local inhabitants' sense of community, although how it does so is unclear.

By its composition and focus the Meander Association itself reinforces entrepreneurial insularity and an outreach programme that would go beyond the provision of what in overall terms is a small number of jobs, is lacking. Just under half of the respondents (n=19) think the Midlands Meander's contribution to the local disadvantaged communities in its shadow should be improved. Respondents make various suggestions in this regard, including finding ways to encourage entrepreneurship, develop craft skills as well as marketing capacity, encourage diversification of activities and products, secure local supplies and services and provide marketing outlets.

The present reality suggests that the tourist route continues in the tradition of inter-community relations established by white commercial agriculture, where black communities are excluded from the entrepreneurial engine except in terms of the historically low-paid labour they can provide (Marcus 1999.). For the present, the potential for synergy across race and class seems to be poorly developed.

CHAPTER FOUR

DISCUSSION AND CONCLUSIONS

Having established the main socio-economic characteristics of the enterprises studied, it is proposed to critically assess these findings in so far as they relate to the literature discussed in Chapter Two.

4.1 Understanding the Successes of the Midlands Meander

In the context of an effort to grow tourism as an industry in South Africa, the Midlands Meander is an example of successful locality-bound route tourism that has expanded exponentially over the decade of the '90s. The majority of enterprise-owners in this study indicate that they are performing well and show gross incomes that reflect their capacity to generate or contribute substantially to individual livelihoods, in line with the owner's expectations.

A number of key factors combine to produce this success. Above all else, these are:

a) pre-existing or easy access to capital; b) relatively high levels of education, even when such education is not directly related to the specific business; c) the low levels of risk involved in the undertakings, relative to overall household income generation; and d) the linkage forged between entrepreneurs through their membership of the Midlands Meander Association. The study shows that the location of the route and the interaction of arts and craft and accommodation have also contributed to enterprise success, although on their own they are insufficient to account for the Meander's present standing.

The success of the Midlands Meander as a form of route tourism, underscores the impact of cumulative attraction, where despite their physical separation over a large area enterprises are joined conceptually together as if they are located en route, in proximity, or in logical sequence to each other. The systematic linkage between businesses which is both thematic and physical is key to the Midlands Meander Association's marketing strategy. Marketing the Midlands Meander in this way, i.e. as a tourism route initiative, is a major reason behind the financial success of SMMEs on the Midlands Meander. This is particularly significant considering that a major

problem facing tourism SMMEs in South Africa is the problem of accessing both existing and new markets.

The linking of businesses to a marketing association is another important feature of the Midlands Meander's success, as this affiliation and sharing of resources has generated a sense of community among members. This said, the notion of community that is used and subscribed to is restricted and exclusive. The successful Midlands Meander community largely comprises white, middle class entrepreneurs whose strongest linkages are with other white middle class business people (farmers and service providers) in and beyond the locality. Members of the Midlands Meander neither consider nor are encouraged to consider themselves as part of a broader community that transcends the boundaries of colour and class within the local area - a conceptual framework that is essential for effective local economic development.

With more than one income source contributing to household income (i.e. additional businesses and occupations), most of the owner-operators have greater freedom to experiment with niche markets. Income sources from the additional occupations are mostly from professional occupations. This provides the potential for hobbies to develop into businesses, unhindered by initial start-up and operating financial constraints or the imperatives of necessary livelihood generation. It is important to note that all the 'small' enterprises that have low financial barriers to entry and low running costs, i.e. those in bed and breakfast and self-catering, provide a secondary source of income for respondents. In other words, although individuals with a small amount of capital can start up, the survey reveals that none of these businesses provides the main income source for a household. Farming activities, in most cases, are the main source of household income supporting the SMME and it is clear that the very nature of agri-tourism allows for successful SMME operation.

Managerial inadequacy, incompetence, inefficiency and inexperience are common reasons for the failure of SMMEs, and the absence of adequate training has been described previously as one of the greatest deficiencies in the tourism sector. In this study of the Midlands Meander, an important reason for the success of the enterprises is that most owner-operators are well educated and have undergone some form of training. The nature and quality of the products and services offered to clients are

other factors that critically contribute to the success of these businesses. For many of the respondents, particularly small-scale enterprise owners, their business operation is also their hobby. Personalised interest, effort and enthusiasm are thus reflected in the success of these businesses.

Production on site, too, has been seen to have a number of economic benefits for the small business operator. Cheaper operating costs are achieved through working from home, on property that, for the most part, is owned by the operator and where running costs such as rental, electricity and water are kept to a minimum. Through these savings, Meander entrepreneurs are able to keep prices down, which increases their products' appeal to clients and the income they are able to generate.

One of the major features of the Midlands Meander success is that the Meander is targeted at a particular market. Most clientele are day-trippers, backed up by holidaymakers, who are predominantly white, middle-aged couples from the middle-upper income group. Generally, over 35-year-old white tourists are more affluent, enjoy higher disposable income and more leisure time and tend to be more flexible in the timing and duration of their travels (Vellas and Becherel 1995:xxiv). As such they bring in income and help lengthen the period in which income is attracted to the route.

Although the majority of respondents referred to the successes of their operations, they also highlighted several constraints to enterprise performance that they faced. Ironically, the very essence of the Midlands Meander route - its remoteness of location and countrified, "rough", unsophisticated atmosphere - was identified as a negative influence on business performance. Time and distance from suppliers and poor road infrastructure were costs that had to be borne both in production and sometimes in service and sales, where these were seen to deter potential clientele.

Seasonality, too, impacts on income and business performance, with most respondents experiencing fairly considerable income fluctuations between on- and off-season periods. Generally, the overall performance of the South African economy was also regarded as a factor affecting business performance, especially as the rising cost of fuel increases the cost of goods and services and deters clientele in an economic

endeavour that has been structured around and designed to meet a predominately private-vehicle-based clientele.

Overall positive economic performance and perceptions about the area outweigh the constraints, however, with most respondents expressing a commitment to continuing with their enterprises over the medium to long term under these conditions.

The success of the Midlands Meander is clear. But could it be made more successful in a more broadly defined way? Do opportunities exist for bringing more people into the area through the attraction of a more diverse clientele base? The answer is categorically yes. The Meander has not begun to tap into the large and growing urban, African middle class tourist market. The artefacts and cultural experiences in Zulu rural traditionalism are largely ignored, and this is despite the fact that the local, shadow communities provide a craft and heritage focus within its midst.

Secondly, the focus on a predominately private-vehicle-based clientele is restrictive and may become a major constraint as fuel costs rise or even fluctuate. The Meander has yet to attract tour operators, despite the fact that by its very nature route tourism provides great opportunities for organised tour outings.

Tour-based activities and a more diversified clientele, as well as greater integration into regional events with national appeal, such as the Midmar Mile swim or the Splashy Fen music festival, can contribute to the reduction of the impact of seasonality, an expansion of the client base and the durability of the route over time.

4.2 Determining the Nature of the Enterprises

The study of Midlands Meander enterprises throws up several issues related to small, medium and micro enterprises (SMMEs), two of which warrant consideration. The first relates to definition. Generally, SMMEs are classified in terms of the number of people employed in each enterprise. According to this classification most of the enterprises studied are micro enterprises, employing five or fewer people, with the remainder falling into the small business category.

However, if the enterprises are judged by the gross income they generate, most enterprises studied could be considered to be small and medium enterprises, depending on what they are compared against. They seem to generate comparatively substantial incomes even if their enterprises fall into the lower end of the business spectrum in terms of employment.

Thus, comparing gross monthly enterprise income and the average monthly incomes of South African households for 1996, a third of the enterprises in the accommodation sector earn less than the average household income (R3 504), while a third have turnovers higher than the average income of the wealthiest 10% percent of South African households (R18 561) (Department of Finance 2000, *Budget Review*). Only two arts and craft enterprises earn below the monthly average household income in South Africa whereas seven have turnovers exceeding the average household income of the wealthiest 10% in the country. Of course this is not a strict comparison, as the incomes of the businesses surveyed are gross figures (i.e. income before tax), whereas the figures for average monthly household income are calculated after income tax is deducted. Moreover, gross income is not total household income for the majority of respondents concerned. Thus, in both sectors, all enterprises with average monthly turnovers less than the national average household income have at least one other business or occupation contributing to household income.

This last point - that most of these enterprises are not the sole source of household income for respondents - leads to a second issue of concern regarding SMMEs, i.e. the extent to which they are an avenue to empowerment. This study highlights the fact that additional businesses and occupations provide a safety net for the majority of these entrepreneurs, who begin with multiple advantages regarding access to capital and education. For the most part, they are not enterprise-dependent and as such they have both additional resources and greater latitude to take risks and to carry costs over a longer period in an economic context where risk and uncertainty often suppress or lead to the failure of small enterprise initiatives. This is unlike micro and small black entrepreneurial initiatives, which are invariably single enterprises, income-dependent and poorly resourced in capital and skills (Marcus 1999).

4.3 The Meander's Contribution to LED

Both the above sets of issues raise a third, namely how, if at all, the Midlands Meander is linked to local economic development (LED). In South Africa an overarching objective of LED is to increase economic opportunities at the local level, especially for the majority of the population systematically disadvantaged by the spatial and racial discriminations of Apartheid. It is held that this expansion would occur in one of two ways, either through the stimulation of enterprise opportunities among black communities, or through the creation of more employment opportunities. In locating itself in historically white-owned commercial agriculture, the Midlands Meander has tended to draw from or be trapped in the legacy of a bifurcated rural economy, in which the circle of community and economic interaction is drawn first around the enterprises themselves and then around existing white service providers.

Although a number of Meander enterprises purchase their inputs locally, most of these inputs relate to perishable foodstuffs. Creemers and Wood (1997:48) indicate that as far as the geographical distribution of indirect employment is concerned most accommodation operations primarily use local suppliers. With the exception of five enterprises, most raw materials, particularly those required by the arts and craft sector, are purchased from outside the local area. This is so despite the fact that a number of respondents identified arts- and craft-related products that could be produced locally and that would contribute to local economic activity and development.

Even though a number of the enterprises purchase their inputs locally, the multiplier effect is not particularly significant and there is considerable leakage out from the local economy. The majority of inputs are sought from elsewhere outside the local area. Generally, there has been little effort to bring in or develop the resource pool that exists among black neighbouring settlements. Only three respondents referred to the potential benefit that the Meander tourist market creates for black entrepreneurs. Some respondents also indicated that they assist local crafters from disadvantaged communities by selling employee-made crafts through their outlets at no charge. In the study area, however, the white middle class operate SMMEs and the blacks tend to comprise the labour force.

Where services have been poor or absent, the tendency has been to look away from the locality and area. Further, all enterprises supply clientele from outside the local area, which means that upstream value added to products and services is also externalised. Meander entrepreneurs have been inclined to rely on established service providers and to seek out a clientele who for the most part are white. In other words, the network of externalised linkages has not only reinforced existing racial inequalities but it has also tended to work counter to local economic development, understood in the broadest sense.

What of direct employment? The above paradigm is applied and equally negatively affects direct employment, which is held by Meander entrepreneurs to be their main contribution to the local economy.

Generally, the Midlands Meander's contribution to direct employment is only marginal. In terms of the work opportunities they create, most of the enterprises in the study are micro or small enterprises. As such they offer few job opportunities and invariably draw on an existing work force, where there is a need for additional labour. In other words, either they create no new jobs, or, where extra work arises, they use already hired domestic or farm workers to meet these needs. There are exceptions both in larger upmarket accommodation enterprises as well as in arts and craft enterprises which "take off". These are able to create new jobs, but generally they tend to be atypical of Meander enterprises.

Looking at the racial and gender composition of the workforce employed in enterprises studied, the majority of workers (75%) are black, which is significantly higher than similar tourist enterprises in KwaZulu-Natal, where black employees constitute 49% (Creemers and Wood 1997:35). This difference may be a factor of the size of the sample, although it may also reflect local employment practice differences. The gender composition of the Midlands Meander workforce is more typical of tourism in the region, with most workers in the sector being female (66% in the study, cf 57% regionally) (Creemers and Wood 1997:36). In a context where African women in particular are disadvantaged in the formal labour market, route tourism like the Meander makes some contribution to overcoming this barrier.

Another notable feature of the enterprises studied is that where they do provide employment it is largely in full-time work. The fact that the Meander labour force consists mainly of full-time employees is important, given that the employment profiles of many tourism-related enterprises indicate a dependence on migrant or seasonal labour, which tend to be lower paid and with fewer entitlements.

While much of the work is full-time, employment on the Midlands Meander tends to be concentrated in unskilled occupations. This is typical of tourism as an industry, although the distribution of skill across the sector will be significantly influenced by definitional, enterprise type and scale issues. The findings of this study suggest that skilled employment outweighs unskilled employment in the accommodation and especially in the arts and craft enterprises. Managerial employment is limited across the sector and in this study.

The suggestion that wages are a constraint to expanded employment by Meander entrepreneurs needs to be carefully weighed, given that overall between 15% (arts and craft) and 19% (accommodation) of gross income is allocated to wages. The question arises as to how it is distributed.

In terms of wages, historical inequities persist, especially where route tourism draws on local wage standards as they are elaborated by domestic and farm employment or white managerial expectations. Thus, despite their numbers, management absorbs a substantial proportion of the wage bill (50%) on the Meander, with managerial wages as much as nine times greater than the average non-managerial wage bill in the arts and craft enterprises. Creemers and Wood (1997:37) also found that the gap between managerial and non-managerial workers to be wider in the smaller tourism operations compared to public or larger private operations. This also seems to be the case on the Meander.

Almost without exception, management is white. Creemers and Wood (1997:37) found that in the KwaZulu-Natal tourism industry white employees earn on average three times more than their black counterparts - a fact they attribute to the preponderance of black employees in unskilled positions.

For the majority of workers on the Meander, wages are low - a fact that is not incidentally related to the demographic characteristics of the workforce (black and female) and its location in the former white countryside. Wages average R721 a month, although there is a significant difference between average monthly wage levels in accommodation (R512) and arts and craft (R930). For employment, the former tends to draw from domestic or farm worker households or domestic and farm workers who are used as substitutes in these establishments, where more often than not they are extensions of the larger farming enterprise. The latter tend to be more specialised and skilled, with a rate of pay that is consciously set higher than the local going labour rates.

Comparatively, average wages (of the accommodation and arts and craft enterprises) at R721 a month are not excessively low for South African rural areas, given that according to the 1996 Census 66% of all non-urban men and 82% of all non-urban women employed in KwaZulu-Natal have a monthly income of R1 000 or less (Stats SA 1996). However what is clear, is that wage levels are set by prevailing local rates, and tourism as a sector is not likely to break the connection that has been established in the South African countryside between low wages and black employment.

4.4 Conclusion

The undoubted success of the Midlands Meander is premised on historical assumptions that do not necessarily fit within the paradigm of local economic development, as elaborated by present government policy.

One of the major constraints to the stimulation of LED and the incorporation of local black entrepreneurs in partnership with existing and new Midlands Meander initiatives, is the paradigm in which the tourist route has developed. Externally introduced, it has inherited and been absorbed by historically established local racial and class divisions which assume the labour nexus to be the primary if not sole link between black and white people living in the area. Black entrepreneurship and clientele are not seen or imagined as being possible contributors to the long-term sustainability of the enterprise. Yet, real opportunities exist for the Meander to think and do otherwise. This is so, not least because of existing skills and interest in neighbouring black communities, the potential to share and stimulate synergies, as

well as a real and growing black middle class tourist market that would be attracted to the area. Entrepreneurial insularity among current Midlands Meander members and the absence of an effective outreach programme that goes beyond the provision of a small number of jobs are obvious problems that need to be overcome.

This study also shows that SMME and local economic development will not spontaneously arise by mere declaration of intent. Existing economic constraints, coupled with education and other resource limitations, combine to inhibit the spontaneous generation of entrepreneurialism, other than at a survivalist level. If there is an important lesson to be learnt from the success of the Meander enterprises, it is that they began their businesses with considerable resource advantage, which opened up possibilities for risk-taking as well as innovation. In the absence of these capital and human resources, the low entry barriers into the sector may not be sufficient to allow black or poorly resourced entrepreneurs to risk-take and manage adversity, even when the initiatives they take may reflect a sound reading of market interest.

The Midlands Meander is an outstanding example of successful route tourism, but it has yet to become an example of tourism-driven local economic development that reaches across racially and socially divided communities that share common space.

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ANNEXURE 1 – RANDOM SAMPLING TABLE

RANDOM SAMPLING NUMBERS

20 17	42 28	23 17	59 66	38 61	02 10	86 10	51 55	92 52	44 25
74 49	04 49	03 04	10 33	53 70	11 54	48 63	94 60	94 49	57 38
94 70	49 31	38 67	23 42	29 65	40 88	78 71	37 18	48 64	06 57
22 15	78 15	69 84	32 52	32 54	15 12	54 02	01 37	38 37	12 93
93 29	12 18	27 30	30 55	91 87	50 57	58 51	49 36	12 53	96 40
45 04	77 97	36 14	99 45	52 95	69 85	03 83	51 87	85 56	22 37
44 91	99 49	89 39	94 60	48 49	06 77	64 72	59 26	08 51	25 57
16 23	91 02	19 96	47 59	89 65	27 84	30 92	63 37	26 24	23 66
04 50	65 04	65 65	82 42	70 51	55 04	61 47	88 83	99 34	82 37
32 70	17 72	03 61	66 26	24 71	22 77	88 33	17 78	08 92	73 49
03 64	59 07	42 95	81 39	06 41	20 81	92 34	51 90	39 08	21 42
62 49	00 90	67 86	93 48	31 83	19 07	67 68	49 03	27 47	52 03
61 00	95 86	98 36	14 03	48 88	51 07	33 40	06 86	33 76	68 57
89 03	90 49	28 74	21 04	09 96	60 45	22 03	52 80	01 79	33 81
01 72	33 85	52 40	60 07	06 71	89 27	14 29	55 24	85 79	31 96
27 56	49 79	34 34	32 22	60 53	91 17	33 26	44 70	93 14	99 70
49 05	74 48	10 55	35 25	24 28	20 22	35 66	66 34	26 35	91 23
49 74	37 25	97 26	33 94	42 23	01 28	59 58	92 69	03 66	73 82
20 26	22 43	88 08	19 85	08 12	47 65	65 63	56 07	97 85	56 79
48 87	77 96	43 39	76 93	08 79	22 18	54 55	93 75	97 26	90 77
08 72	87 46	75 73	00 11	27 07	05 20	30 85	22 21	04 67	19 13
95 97	98 62	17 27	31 42	64 71	46 22	32 75	19 32	20 99	94 85
37 99	57 31	70 40	46 55	46 12	24 32	36 74	69 20	72 10	95 93
05 79	58 37	85 33	75 18	88 71	23 44	54 28	00 48	96 23	66 45
55 85	63 42	00 79	91 22	29 01	41 39	51 40	36 65	26 11	78 32
67 28	96 25	68 36	24 72	03 85	49 24	05 69	64 86	08 19	91 21
85 86	94 78	32 59	51 82	86 43	73 84	45 60	89 57	06 87	08 15
40 10	60 09	05 88	78 44	63 13	58 25	37 11	18 47	75 62	52 21
94 55	89 48	90 80	77 80	26 89	87 44	23 74	66 20	20 19	26 52
11 63	77 77	23 20	33 62	62 19	29 03	94 15	56 37	14 09	47 16
64 00	26 04	54 55	38 57	94 62	68 40	26 04	24 25	03 61	01 20
50 94	13 23	78 41	60 58	10 60	88 46	30 21	45 98	70 96	36 89
66 98	37 96	44 13	45 05	34 59	75 85	48 97	27 19	17 85	48 51
66 91	42 83	60 77	90 91	60 90	79 62	57 66	72 28	08 70	96 03
33 58	12 18	02 07	19 40	21 29	39 45	90 42	58 84	85 43	95 67
52 49	40 16	72 40	73 05	50 90	02 04	98 24	05 30	27 25	20 88
74 98	93 99	78 30	79 47	96 92	45 58	40 37	89 76	84 41	74 68
50 26	54 30	01 88	69 57	54 45	69 88	23 21	05 69	93 44	05 32
49 46	61 89	33 79	96 84	28 34	19 35	28 73	39 59	56 34	97 07
19 65	13 44	78 39	73 88	62 03	36 00	25 96	86 76	67 90	21 68
64 17	47 67	87 59	81 40	72 61	14 00	28 28	55 86	23 38	16 15
18 43	97 37	68 97	56 56	57 95	01 88	11 89	48 07	42 60	11 92
65 58	60 87	51 09	96 61	15 53	66 81	66 88	44 75	37 01	28 88
79 90	31 00	91 14	85 65	31 75	43 15	45 93	64 78	34 53	88 02
07 23	00 15	59 05	16 09	94 42	20 40	63 76	65 67	34 11	94 10
90 08	14 24	01 51	95 46	30 32	33 19	00 14	19 28	40 51	92 69
53 82	62 02	21 82	34 13	41 03	12 85	65 30	00 97	56 30	15 48
98 17	26 15	04 50	76 25	20 33	57 84	39 31	21 31	50 14	96 27
08 91	12 44	82 40	30 62	45 50	64 54	65 17	89 25	59 44	69 95
37 21	46 77	84 87	67 39	85 54	97 37	33 41	11 74	90 50	29 62

Each digit is an independent sample from a population in which the digits 0 to 9 are equally likely, that is each has a probability of $\frac{1}{10}$.

16 16	57 04	81 71	17 46	53 29	73 46	42 73	77 63	62 58	60 59
98 63	89 52	77 23	61 08	63 90	80 38	42 71	85 70	04 81	05 50
01 03	09 35	02 54	51 96	92 75	58 29	24 23	25 19	89 97	91 29
29 07	16 34	49 22	52 96	89 34	17 11	06 91	24 38	55 06	83 59
72 61	80 54	70 99	24 64	11 38	83 65	27 23	40 37	84 58	48 53
71 11	41 82	79 37	00 45	98 54	52 89	26 34	40 13	60 38	08 86
61 05	66 18	76 82	11 18	61 90	90 63	78 57	32 06	39 95	75 94
81 89	42 34	00 49	97 53	33 16	26 91	57 58	42 48	51 05	48 27
10 24	90 84	22 16	26 96	54 11	01 96	58 81	37 97	80 98	72 81
14 28	33 43	01 32	58 39	19 54	56 57	23 58	24 87	77 36	20 97
35 41	17 89	87 04	28 32	13 45	59 03	91 08	69 24	84 44	42 83
07 89	36 87	98 73	77 64	75 19	05 61	11 64	31 75	49 38	96 60
27 59	15 58	19 68	95 47	25 69	11 90	26 19	07 40	83 59	90 95
95 98	45 52	27 35	86 81	16 29	37 60	39 35	05 24	49 00	29 07
12 95	72 72	81 84	36 58	05 10	70 50	31 04	12 67	74 01	72 90
35 23	06 68	52 50	39 55	92 28	28 89	64 87	80 00	84 53	97 97
86 33	95 73	80 92	26 49	54 50	41 21	06 62	73 91	35 05	21 37
02 82	96 23	16 46	15 51	60 31	55 27	84 14	71 58	94 71	48 35
44 46	34 96	32 68	48 22	40 17	43 25	33 31	26 26	59 34	99 00
08 77	07 19	94 46	17 51	03 73	99 89	28 44	16 87	56 16	56 09
61 59	37 08	08 46	56 76	29 48	33 87	70 79	03 80	96 81	79 68
67 70	18 01	67 19	29 49	58 67	08 56	27 24	20 70	46 31	04 32
23 09	08 79	18 78	00 32	86 74	78 55	55 72	58 54	76 07	53 73
89 40	26 39	74 58	59 55	87 11	74 06	49 46	31 94	86 66	66 97
84 95	66 42	90 74	13 71	00 71	24 41	67 62	38 92	39 26	30 29
52 14	49 02	19 31	28 15	51 01	19 09	97 94	52 43	22 21	17 66
89 56	31 41	37 87	28 16	62 48	01 84	46 06	04 39	94 10	76 21
65 94	05 93	06 68	34 72	73 17	65 34	00 65	75 78	23 97	13 04
13 08	15 75	02 83	48 26	53 77	62 96	56 52	28 26	12 15	75 53
03 18	33 57	16 71	60 27	15 18	39 32	37 01	05 86	25 14	35 41
10 04	00 95	85 04	32 80	19 01	85 03	29 29	80 04	21 52	14 76
23 94	97 28	60 43	42 25	26 48	48 13	34 68	39 22	74 85	03 25
35 63	42 90	90 74	33 17	58 77	83 36	76 22	00 89	61 55	13 17
42 86	03 36	45 33	60 77	72 92	10 76	22 55	11 00	37 60	47 73
67 26	92 87	09 96	85 37	82 61	39 01	70 05	12 66	17 39	99 34
91 93	88 56	35 76	97 35	19 37	14 66	07 57	24 41	06 90	07 72
37 14	73 35	32 01	07 94	78 28	90 33	71 56	63 77	89 24	24 28
07 46	50 58	08 73	42 97	20 42	64 68	48 35	04 38	28 28	36 94
92 18	09 46	94 99	17 41	28 60	67 94	26 54	63 70	84 73	76 61
00 49	98 43	39 67	68 40	41 31	92 28	49 57	15 55	11 81	41 89
08 59	41 41	33 59	43 28	14 51	02 71	24 45	41 57	22 11	79 79
67 05	19 54	32 33	34 68	27 93	39 35	62 51	35 55	40 99	46 19
24 99	48 06	96 41	21 25	29 03	57 71	96 49	94 74	98 90	21 52
65 86	27 46	70 93	27 39	64 37	01 63	21 03	43 78	18 74	77 07
52 70	03 20	84 96	14 37	51 05	63 99	81 02	84 56	17 78	48 45
32 88	29 93	58 21	71 05	68 58	79 08	86 37	98 76	70 45	66 23
54 16	39 40	98 57	02 05	65 15	73 23	51 51	75 06	38 13	51 68
95 22	18 59	54 57	44 22	72 35	81 24	14 94	24 04	42 26	92 14
93 10	27 94	90 45	39 33	50 26	88 46	90 57	40 47	71 63	62 59
19 20	85 20	15 67	78 03	32 23	50 59	24 83	64 99	18 00	78 50

Each digit is an independent sample from a population in which the digits 0 to 9 are equally likely, that is each has a probability of $\frac{1}{10}$.

ANNEXURE 2 – RESPONDENTS

INTERVIEWS

List of Key Informants

1. Botha, S. - Head of Tourism at iNdlovu Regional Council.
2. Glenny, I. - Midlands Meander Committee Member, (Midlands Meander Founder).
3. Howard, L. - Town and Regional Planner at iNdlovu Regional Council.
4. Kerr, S. - Director of Tourism Pietermaritzburg, Midlands Meander Committee Chairman 1993 – 1998.
5. Lawrence, J. - Midlands Meander Committee Chairman.
6. Shuttleworth, H. - Midlands Meander Original Member.

QUESTIONNAIRE SURVEY - INTERVIEWS

List of Enterprises

1. Abberly Guest House
2. Addy and Hoyle Gallery
3. Barland
4. Blackwood Cottage Furniture
5. Bramleigh Manor
6. Brooklands
7. Caversham Mill
8. Country Furniture Warehouse
9. Coverz
10. Crispin's Corner
11. Fern Hill
12. Friar Tuckaway Box Company
13. Greenfields Manor House
14. Groundcover
15. Gunther's
16. Hawklee Country House
17. Hebron Haven
18. Hilton Cottage
19. Home of the Flyfisherman
20. Impafana Cottage

21. Magnolia House
22. Mask Trading
23. Miguel's Leather
24. Mother Goose
25. Nogqaza Crafts
26. Nottingham Road Hotel
27. Out of Exitus
28. Penny Lane Guest House
29. Shuttleworth Weaving
30. Swiss Manor House
31. The Cow and Chicken
32. The Glass Studio
33. The Hedgehog and Otter
34. The Plains Farm Stall
35. The Wine Cellar
36. The Woodturner
37. Thistledown Country House
38. Touchwood Flower Farm
39. Tripple Creek Cottage
40. Witsend Workshop

ANNEXURE 3 - QUESTIONNAIRE

CONFIDENTIAL**1. DEMOGRAPHICS**

[CODE BY OBSERVATION OR ASKING]

1.1. Sex:		SEX __
Male	1	
Female	2	
1.2. Age: _____		AGE __
1.3. Race:		RACE __
African	1	
Coloured	2	
Indian	3	
White	4	
1.4. Marital Status		MARRIED __
Single	1	
Married/Living with Partner	2	
Separated/Divorced	3	
Other (specify)	4	
1.5. Size of family living here with you		FAMSIZE __
1.6. Place of Birth		BIRTHPL __
Here	1	
Pmb	2	
Elsewhere KZN	3	
Province SA	4	
Elsewhere Africa	5	
Elsewhere World	6	
1.7. Highest level of education completed		EDUC __
Primary	1	
Secondary	2	
Tertiary (non-university)	3	
University	4	

2. OCCUPATION AND INCOME

I want to begin by asking you some questions about your business and the way you and your family earn your livelihoods

[ASK]

- 2.1 What kind of business are you running here** **BUSTYPE**__
- | | | |
|-------------------|----|--|
| Hotel | 1 | |
| B& B | 2 | |
| Self-catering | 3 | |
| Farmhouse | 4 | |
| Guesthouse/Lodge | 5 | |
| Holiday resort | 6 | |
| Restaurant | 7 | |
| Arts and Crafts | 8 | |
| Other Shops | 9 | |
| Recreation/sports | 10 | |
| Other (specify) | 11 | |
- 2.2 Who owns this business?** **WHOOWNS**__
- | | | |
|---------------------------|---|--|
| Self | 1 | |
| Partner | 2 | |
| Children | 3 | |
| Family Company (local) | 4 | |
| Other Company/Corporation | 5 | |
| Other (specify) | 6 | |
- 2.3. Do you rent or own (with or without loan) property?** **PROPERTY**__
- | | | |
|--------------------|---|--|
| Rent | 1 | |
| Own (with loan) | 2 | |
| Own (without loan) | 3 | |
- 2.4 Do you or any other member of your family, who contributes income to this household, own a business or enterprise other than this one?** **OTHERBUS**__
- | | | |
|--------------|-------------|-------------------|
| Yes | 1 | |
| No | 2 go to 2.5 | |
| Number _____ | | NUMBER1 __ |

2.5 What kind of business(es) is it?

BUSTYP2__

Hotel	1
B& B	2
Self-catering	3
Farmhouse	4
Guesthouse/Lodge	5
Holiday resort	6
Restaurant	7
Arts and Crafts	8
Other Shops	9
Recreation	10
Farm	11
Forestry	12
Other (specify)	13

2.6 Aside from these businesses, are you or any member of your family who contributes to the income of your household employed in any other occupation?

OTHEROCC__

Yes	1
No	2 go to 3
Number _____	

NUMBER2__

2.7 What do they do?

OCCTYPE1__

OCCTYPE2__

OCCTYPE3__

2.8 Of all these enterprises and sources of income, which do you consider to be the most important to your family's security?

NBSOURCE__

This business	1
Other business	2
Other Occupations	3
All the same	4

2.9 Can you explain why you say this?

WHYSOURC__

3. ENTERPRISE/BUSINESS

Now I want to ask you some questions about this particular enterprise?

3.1. What training do you have for this business/enterprise

TRAINING__

- None 1
- Parent/Family background 2
- Short Courses 3
- Formal Institution (Degree/diploma) 4
- Other (specify) 5

3.2. What did you do before you began in this business?

PREVOCC__

3.3 Why did you begin this business?

WHYBGIN1__

WHYBGIN2__

WHYBGIN3__

3.4. Where did you obtain your start-up finance?

FINANCE__

- Bank loan 1
- Other loan 2
- Sale of previous business 3
- Package 4
- Pension 5
- Inheritance 6
- Self-funded 7
- Combination of the above 8
- Other 9

3.5 Do you get your raw inputs for your enterprise from?

INPUTSRC__

- | | Yes | No |
|---------------------|-----|----|
| Self (home grown) | 1 | 2 |
| Buy locally | 1 | 2 |
| Buy in region | 1 | 2 |
| Buy South Africa | 1 | 2 |
| Buy Africa | 1 | 2 |
| Buy World Elsewhere | 1 | 2 |

3.6. Can you think of any products or services purchased by your business from outside the local area you think could be manufactured or produced locally?

MANULOC1___
MANULOC2___
MANULOC3___

3.7. What, if any services or products do find difficult to obtain?

DIFFOBT1___
DIFFOBT2___
DIFFOBT3___

3.8. Do you manufacture or produce anything on site?

PRODUCE___

- Yes, everything 1
- Yes, something's 2
- No 3 go to 4

3.9. What do you manufacture or produce?

WHATPROD___

3.10. (If yes) why do you produce or manufacture in this way?

WHYPROD1___
WHYPROD2___
WHYPROD3___

4. EMPLOYMENT

This brings me onto the employment opportunities that your business provides?

4.1. Excluding yourself, how many people work in this business?

Full time (number)	No ___	WORKFT ___
Part time	No ___	WORKPT ___
Casual	No ___	WKCASUAL ___

4.2. Can you tell me about your workforce? How many people are...?

Family members	No ___	FAMMEMB ___
Black	No ___	BLACK ___
White	No ___	WHITE ___
Indian	No ___	INDIAN ___
Female	No ___	FEMALE ___
Male	No ___	MALE ___
Local	No ___	LOCAL ___
Migrant	No ___	MIGRANT ___
Skilled and semi-skilled	No ___	SKILLED ___
Unskilled	No ___	UNSKILL ___
Managerial	No ___	MANAGE ___

4.3. How long has this firm/enterprise been operating at this scale with respect to the labour force?

LONGEMPL ___

4.4.1. Have there been any changes in the labour force since the beginning?

Yes	No	CHANGELF ___
1	2 go to 4.5.1.	

4.4.2. What changes have there been and what has been the reason for them?

WHATCHA1 ___
 REASCHA1 ___
 WHATCHA2 ___
 REASCHA2 ___

4.5.1. What is your current total wage bill?

WAGEBILL ___

4.5.2. Can you tell me what the wage bill for non-managerial staff is?

NONMANWB__

4.6. Approximately what percentage of your gross income (turnover before tax) goes towards your wage bill?

PERCGRIN__

4.7. What are your main costs?

MAINCOST__

5. CLIENTELE/CUSTOMERS

The next issue that we will talk about is your clientele

5.1. Would you describe your main clientele as?

	Yes	No	
Day trippers	1	2	DAYTRIP__
Holiday makers	1	2	HOLIDAY__
Passers-by	1	2	PASSERS__
People needing specialised services	1	2	SPECIAL__
Businesspeople	1	2	BUSINESS__
Families	1	2	FAMILY__
Couples	1	2	COUPLE__
Tour groups	1	2	TOURGRP__
Other (specify)	1	2	OTHER__

5.2. Where are the majority of the clientele you serve from?

CLEINFRO__

The local area (Midlands)	1
Elsewhere in KwaZulu-Natal	2
Other provinces in South Africa	3
Rest of Africa	4
International locations	5
Other	6

5.3. Which of the following best describes your clientele in terms of age, race and sex?

5.3.1. Age

AGE2__

Mostly old	1
Mostly middle age	2
Mostly young	3
Combination of the above	4

5.3.2. Race

RACE2__

White	1
Indian, Black	2
Coloured, Indian	3
White, Coloured, Indian	4
White, Coloured, Indian, Black	5
White, Black, Indian	6
White, Indian	7
White, Black	8
Black	9

5.3.3. Sex

SEX2__

- All female 1
- Mostly female 2
- Male/female 3
- Mostly male 4
- All male 5

5.4. In terms of income, would you describe the income category of your clientele as...? INCOMCL__

- Low income 1
- Lower-middle income 2
- Middle income 3
- Middle-upper income 4
- Upper income 5

6. PERFORMANCE

This leads me into asking questions about performance

- 6.1. What is the clientele's average length of stay?** LENGSTAY__
- | | |
|--------------------------------------|----|
| 1 hour or less | 1 |
| 2-3 hours | 2 |
| Half a day (i.e. morning, afternoon) | 3 |
| Daily visit | 4 |
| 1-2 nights | 5 |
| 2-3 nights | 6 |
| 3-5 nights | 7 |
| 5-7 nights | 8 |
| > One week | 9 |
| Other | 10 |
- 6.2. Approximately how many people do you serve in a day?** NCLIENTS__
- 6.3. How do you define your seasons?** DEFSEAS__
- 6.4. How would you describe the last quarter (3 months), in terms of seasons?** LASQUART__
- | | |
|----------|---|
| Low | 1 |
| Low-mid | 2 |
| Mid | 3 |
| Mid-peak | 4 |
| Peak | 5 |
- 6.5. What would say your average, gross monthly income is over this period?** MONTHINC__
- 6.6. Would you say this is less, the same, or more than other quarters of the year?** LSMCOMP__
- | | |
|------|---|
| Less | 1 |
| Same | 2 |
| More | 3 |

6.7. What would you be earning in these other quarters?

WHATERN1___
WHATERN2___
WHATERN3___

6.8. How many days a week do you open for business?

OPENDAYS___

- 7 days a week 1
- 6 days a week 2
- 5 days a week 3
- 4 days or less 4
- Month end only 5
- Other (specify) 6

6.9. What is your daily opening hours?

STARTHRS___
ENDHRS___

6.10. Would you like to keep longer hours?

OPENLONG___

- Yes 1
- Possibly 2
- No 3 go to 6.11.

6.11. What factors prevent you from opening longer?

Yes No

- Safety 1 2
- Not enough customers 1 2
- Other (Specify) 1 2

SAFETY___
CUSTOM___
OTHER___

6.12. Would you say that your business is doing very well, well, average or poorly at the moment?

PERFORM___

- Very Well 1
- Well 2
- Average 3
- Poor 4

6.13. Why do you say this?

WHYSAY1___
WHYSAY2___
WHYSAY3___

6.14. Which of these factors have a significantly positive influence on your business's performance?

	Yes	No	
Location on Midlands Meander	1	2	LOCMM__
Accessibility to important transport routes (e.g. N3, R103)	1	2	ACCESS__
Relative proximity of cities (PMB, DBN, JHB)	1	2	PROXCITY__
Proximity to private schools (Hilton, Michealhouse, Treverton)	1	2	PROXSCH__
Quality and supply of local labour	1	2	QSLAB__
Local customer loyalty	1	2	LOYALTY__
Proximity of inputs/ resources	1	2	PROXINP__
Competition in the area	1	2	COMPET__
The natural environment	1	2	NATURAL__
Other	1	2	OTHER__
A combination of all of these	1	2	COMBIN__

6.15. Which single factor affects your business/enterprise most strongly in a positive manner?

AFFECTST__

Location on Midlands Meander	1
Accessibility to important transport routes (e.g. N3, R103)	2
Relative proximity of cities (PMB, DBN, JHB)	3
Proximity to private schools (Hilton, Michealhouse, Treverton)	4
Quality and supply of local labour	5
Local customer loyalty	6
Proximity of inputs/resources	7
Competition in the area	8
The natural environment	9
Other	10

6.16. What factors would you say impact negatively on your business's performance?

NEGATIV1__

NEGATIV2__

NEGATIV3__

6.17. How would you rate your business in terms of service and quality of the product offered?

(Scale 1-10)

Service _____

SERVICE__

Final Product _____

PRODUCT__

6.18. Do you export any of your produce?

EXPORT__

Yes, all	1
Yes, some	2
No	3 go to 7

6.19. Where do you export?

WHERE _____

- | | |
|-----------------------|---|
| Rest of South Africa | 1 |
| Africa | 2 |
| North America/ Europe | 3 |
| Asia | 4 |
| Combination of above | 5 |
| Others | 6 |

7. MIDLANDS MEANDER

I want to ask you some general questions about the Midlands Meander

7.1. Are you a member of the Midlands Meander association?

MEMBER__

Yes No

1 2

7.2 How long have you been a member?

TIMEMEM__

7.3. What kind of a member are you? (i.e. what kind of a role do you play in the organisation)?

MEMTYPE__

Passive 1

Issue specific 2

Generally active (committee) 3

7.4. Why did you join the Midlands Meander organisation?

WHYJOIN1__

WHYJION2__

7.5. What are the three main benefits/prospects of joining this organisation?

PROJOIN1__

PROJOIN2__

PROJOIN3__

7.6. Are there any shortcomings/downfalls of being part of this organisation?

DOWNFAL1__

DOWNFAL2__

DOWNFAL3__

7.7. How often do you talk to fellow members, on matters concerning the Midlands Meander association?

INTERACT__

- | | |
|--------------|---|
| Very often | 1 |
| Often | 2 |
| Now and then | 3 |
| Hardly ever | 4 |
| Never | 5 |

7.8. In what way, if any, has the recent marketing of the Midlands Meander made a difference to your business?

MARKETI__

7.9. In terms of advertising how would you rate the following, using a scale of 1-5, where 5 is very important and 1 is not important?

- | | |
|--|-------------------|
| Midlands Meander Brochure (14 page pamphlet) _____ | MMBROCH__ |
| You're own pamphlet/s _____ | OWNPAM__ |
| Magazine _____ | MAGAZINE__ |
| Newspaper _____ | NEWSPAP__ |
| Radio _____ | RADIO__ |
| Television _____ | TELEV__ |
| Sign boards _____ | SIGNS__ |
| Word of mouth _____ | MOUTH__ |

7.10.1. Do you normally interact with local government through:

LOGGOV__

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |

7.10.2. Do you normally interact with other businesses through:

OTHBUSI__

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |

7.10.3. Do you interact with the local community, through:

LOCCOMM__

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |
| Local community | 4 |
| Other | 5 |
| None of the above, don't do it | 6 |

7.11.1. In what way if any has the Midlands Meander improved?

MPROVED1__

MPROVED2__

7.11.2. In what way could the Midlands Meander improve further?

MPROVEF1__

MPROVEF2__

7.12.1. How would you assess your relationship with the local black community?

RELATCOM__

- | | |
|--------------|---|
| Excellent | 1 |
| Good | 2 |
| Fair | 3 |
| Poor | 4 |
| Non existent | 5 |

7.12.2. Why do you say this?

WHYRELA1__

WHYRELA2__

7.13. In what way, if any, does the Midlands Meander contribute to the local black communities in its shadow?

BLCOMM1__

BLCOMM2__

BLCOMM3__

7.14.1. Could and should the Midlands Meander change its current relationship with the local black communities? CHANGERE ___

Yes No

1 2

7.14.2. If yes, in what way?

WHATWAY1 ___

WHATWAY2 ___

WHATWAY3 ___

7.15. Does your business offer any form of training?

TRAINING ___

Formal	1
Informal (on the job)	2
A combination of the above	3
No, none	4

8. PROBLEMS

I shall now ask questions on perceived problems and disadvantages.

8.1.1. Which of the following do you think are the disadvantages to your business's performance in this area?

	Yes	No	
Time/distance from other markets	1	2	T/DMKT__
Time/distance from suppliers	1	2	T/DSUPP__
Transport costs	1	2	TRANSCOS__
Communication costs	1	2	COMMCOS__
Small size of local market	1	2	SSLOCMKT__
Lack of local support	1	2	LACLOCSU__
Shortage of skilled labour	1	2	SHORTSKL__
Narrow range of local business services	1	2	NARROWBS__
Poor service of local businesses	1	2	PSERLOCB__
Slow growth of local market	1	2	SGLOCMKT__
Lack of suitable housing for employees	1	2	LACSHOU__
Environmental degradation	1	2	ENVIDEG__
Labour costs	1	2	LABCOST__
Poor infrastructure (ie road in need of tarring)	1	2	POORINFR__
Peoples perception of crime in the area	1	2	PERCRIME__
Other(s), please specify	1	2	OTHER__

8.1.2. What is the key problem in operating your business here?

KEYPROB__

- | | |
|---|----|
| Time/distance from other markets | 1 |
| Time/distance from suppliers | 2 |
| Transport costs | 3 |
| Communication costs | 4 |
| Small size of local market | 5 |
| Lack of local support | 6 |
| Shortage of skilled labour | 7 |
| Narrow range of local business services | 8 |
| Poor service of local businesses | 9 |
| Slow growth of local market | 10 |
| Lack of suitable housing for employees | 11 |
| Environmental degradation | 12 |
| Labour costs | 13 |
| Poor infrastructure | 14 |
| Peoples perception of crime in the area | 15 |
| Other(s), please specify | 16 |

8.2. How would you describe crime in the area?

CRIME__

- | | |
|-----------|---|
| Very high | 1 |
| High | 2 |
| Moderate | 3 |
| Low | 4 |
| Very low | 5 |

8.3. Has crime affected your business in any way?

AFFBUSI__

- | | |
|-----|-----------|
| Yes | No |
| 1 | 2 go to 9 |

8.4. In what way, if any, has your business been affected by crime?

	Yes	No	
Personal robbery	1	2	PERSROB__
Theft of money	1	2	THFTMONY__
Theft of goods	1	2	THFTGOOD__
Physical assault	1	2	PASSUALT__
Cancellation of bookings	1	2	CANCBOOK__
Loss of customers	1	2	LOSSCUS__
Loss of staff	1	2	LOSSTAFF__
Other	1	2	OTHER__

9. CLOSING

By way of closing ...

9.1. How would you describe your purpose in terms of this business operation?

PURPOSE__

- | | |
|---------------------------------|---|
| Here permanently (here to stay) | 1 |
| Stay as long as making profits | 2 |
| It is a short-medium term thing | 3 |
| It is a Passing thing | 4 |
| Other | 5 |

9.2. Why do you say this?

WHYSAY1__

WHYSAY2__

WHYSAY3__

[THANK RESPONDENT AND CLOSE INTERVIEW]

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ANNEXURE 1 – RANDOM SAMPLING TABLE

RANDOM SAMPLING NUMBERS

20 17	42 28	23 17	59 66	38 61	02 10	86 10	51 55	92 52	44 25
74 49	04 49	03 04	10 33	53 70	11 54	48 63	94 60	94 49	57 38
94 70	49 31	38 67	23 42	29 65	40 88	78 71	37 18	48 64	06 57
22 15	78 15	69 84	32 52	32 54	15 12	54 02	01 37	38 37	12 93
93 29	12 18	27 30	30 55	91 87	50 57	58 51	49 36	12 53	96 40
45 04	77 97	36 14	99 45	52 95	69 85	03 83	51 87	85 56	22 37
44 91	99 49	89 39	94 60	48 49	06 77	64 72	59 26	08 51	25 57
16 23	91 02	19 96	47 59	89 65	27 84	30 92	63 37	26 24	23 66
04 50	65 04	65 65	82 42	70 51	55 04	61 47	88 83	99 34	82 37
32 70	17 72	03 61	66 26	24 71	22 77	88 33	17 78	08 92	73 49
03 64	59 07	42 95	81 39	06 41	20 81	92 34	51 90	39 08	21 42
62 49	00 90	67 86	93 48	31 83	19 07	67 68	49 03	27 47	52 03
61 00	95 86	98 36	14 03	48 88	51 07	33 40	06 86	33 76	68 57
89 03	90 49	28 74	21 04	09 96	60 45	22 03	52 80	01 79	33 81
01 72	33 85	52 40	60 07	06 71	89 27	14 29	55 24	85 79	31 96
27 56	49 79	34 34	32 22	60 53	91 17	33 26	44 70	93 14	99 70
49 05	74 48	10 55	35 25	24 28	20 22	35 66	66 34	26 35	91 23
49 74	37 25	97 26	33 94	42 23	01 28	59 58	92 69	03 66	73 82
20 26	22 43	88 08	19 85	08 12	47 65	65 63	56 07	97 85	56 79
48 87	77 96	43 39	76 93	08 79	22 18	54 55	93 75	97 26	90 77
08 72	87 46	75 73	00 11	27 07	05 20	30 85	22 21	04 67	19 13
95 97	98 62	17 27	31 42	64 71	46 22	32 75	19 32	20 99	94 85
37 99	57 31	70 40	46 55	46 12	24 32	36 74	69 20	72 10	95 93
05 79	58 37	85 33	75 18	88 71	23 44	54 28	00 48	96 23	66 45
55 85	63 42	00 79	91 22	29 01	41 39	51 40	36 65	26 11	78 32
67 28	96 25	68 36	24 72	03 85	49 24	05 69	64 86	08 19	91 21
85 86	94 78	32 59	51 82	86 43	73 84	45 60	89 57	06 87	08 15
40 10	60 09	05 88	78 44	63 13	58 25	37 11	18 47	75 62	52 21
94 55	89 48	90 80	77 80	26 89	87 44	23 74	66 20	20 19	26 52
11 63	77 77	23 20	33 62	62 19	29 03	94 15	56 37	14 09	47 16
64 00	26 04	54 55	38 57	94 62	68 40	26 04	24 25	03 61	01 20
50 94	13 23	78 41	60 58	10 60	88 46	30 21	45 98	70 96	36 89
66 98	37 96	44 13	45 05	34 59	75 85	48 97	27 19	17 85	48 51
66 91	42 83	60 77	90 91	60 90	79 62	57 66	72 28	08 70	96 03
33 58	12 18	02 07	19 40	21 29	39 45	90 42	58 84	85 43	95 67
52 49	40 16	72 40	73 05	50 90	02 04	98 24	05 30	27 25	20 88
74 98	93 99	78 30	79 47	96 92	45 58	40 37	89 76	84 41	74 68
50 26	54 30	01 88	69 57	54 45	69 88	23 21	05 69	93 44	05 32
49 46	61 89	33 79	96 84	28 34	19 35	28 73	39 59	56 34	97 07
19 65	13 44	78 39	73 88	62 03	36 00	25 96	86 76	67 90	21 68
64 17	47 67	87 59	81 40	72 61	14 00	28 28	55 86	23 38	16 15
18 43	97 37	68 97	56 56	57 95	01 88	11 89	48 07	42 60	11 92
65 58	60 87	51 09	96 61	15 53	66 81	66 88	44 75	37 01	28 88
79 90	31 00	91 14	85 65	31 75	43 15	45 93	64 78	34 53	88 02
07 23	00 15	59 05	16 09	94 42	20 40	63 76	65 67	34 11	94 10
90 08	14 24	01 51	95 46	30 32	33 19	00 14	19 28	40 51	92 69
53 82	62 02	21 82	34 13	41 03	12 85	65 30	00 97	56 30	15 48
98 17	26 15	02 50	76 25	20 33	57 84	39 31	21 30	00 14	06 27
08 91	12 44	82 40	50 62	45 50	64 54	05 17	89 25	59 44	09 95
37 21	46 77	84 87	67 39	85 54	97 37	33 41	11 74	90 50	29 62

Each digit is an independent sample from a population in which the digits 0 to 9 are equally likely, that is each has a probability of $\frac{1}{10}$.

16 16	57 04	81 71	17 46	53 29	73 46	42 73	77 63	62 58	60 59
98 63	89 52	77 23	61 08	63 90	80 38	42 71	85 70	04 81	05 50
01 03	09 35	02 54	51 96	92 75	58 29	24 23	25 19	89 97	91 29
29 07	16 34	49 22	52 96	89 34	17 11	06 91	24 38	55 06	83 59
72 61	80 54	70 99	24 64	11 38	83 65	27 23	40 37	84 58	48 53
71 11	41 82	79 37	00 45	98 54	52 89	26 34	40 13	60 38	08 86
61 05	66 18	76 82	11 18	61 90	90 63	78 57	32 06	39 95	75 94
81 89	42 34	00 49	97 53	33 16	26 91	57 58	42 48	51 05	48 27
10 24	90 84	22 16	26 96	54 11	01 96	58 81	37 97	80 98	72 81
14 28	33 43	01 32	58 39	19 54	56 57	23 58	24 87	77 36	20 97
35 41	17 89	87 04	28 32	13 45	59 03	91 08	69 24	84 44	42 83
07 89	36 87	98 73	77 64	75 19	05 61	11 64	31 75	49 38	96 60
27 59	15 58	19 68	95 47	25 69	11 90	26 19	07 40	83 59	90 95
95 98	45 52	27 35	86 81	16 29	37 60	39 35	05 24	49 00	29 07
12 95	72 72	81 84	36 58	05 10	70 50	31 04	12 67	74 01	72 90
35 23	06 68	52 50	39 55	92 28	28 89	64 87	80 00	84 53	97 97
86 33	95 73	80 92	26 49	54 50	41 21	06 62	73 91	35 05	21 37
02 82	96 23	16 46	15 51	60 31	55 27	84 14	71 58	94 71	48 35
44 46	34 96	32 68	48 22	40 17	43 25	33 31	26 26	59 34	99 00
08 77	07 19	94 46	17 51	03 73	99 89	28 44	16 87	56 16	56 09
61 59	37 08	08 46	56 76	29 48	33 87	70 79	03 80	96 81	79 68
67 70	18 01	67 19	29 49	58 67	08 56	27 24	20 70	46 31	04 32
23 09	08 79	18 78	00 32	86 74	78 55	55 72	58 54	76 07	53 73
89 40	26 39	74 58	59 55	87 11	74 06	49 46	31 94	86 66	66 97
84 95	66 42	90 74	13 71	00 71	24 41	67 62	38 92	39 26	30 29
52 14	49 02	19 31	28 15	51 01	19 09	97 94	52 43	22 21	17 66
89 56	31 41	37 87	28 16	62 48	01 84	46 06	04 39	94 10	76 21
65 94	05 93	06 68	34 72	73 17	65 34	00 65	75 78	23 97	13 04
13 08	15 75	02 83	48 26	53 77	62 96	56 52	28 26	12 15	75 53
03 18	33 57	16 71	60 27	15 18	39 32	37 01	05 86	25 14	35 41
10 04	00 95	85 04	32 80	19 01	85 03	29 29	80 04	21 52	14 76
23 94	97 28	60 43	42 25	26 48	48 13	34 68	39 22	74 85	03 25
35 63	42 90	90 74	33 17	58 77	83 36	76 22	00 89	61 55	13 17
42 86	03 36	45 33	60 77	72 92	10 76	22 55	11 00	37 60	47 73
67 26	92 87	09 96	85 37	82 61	39 01	70 05	12 66	17 39	99 34
91 93	88 56	35 76	97 35	19 37	14 66	07 57	24 41	06 90	07 72
37 14	73 35	32 01	07 94	78 28	90 33	71 56	63 77	89 24	24 28
07 46	50 58	08 73	42 97	20 42	64 68	48 35	04 38	28 28	36 94
92 18	09 46	94 99	17 41	28 60	67 94	26 54	63 70	84 73	76 61
00 49	98 43	39 67	68 40	41 31	92 28	49 57	15 55	11 81	41 89
08 59	41 41	33 59	43 28	14 51	02 71	24 45	41 57	22 11	79 79
67 05	19 54	32 33	34 68	27 93	39 35	62 51	35 55	40 99	46 19
24 99	48 06	96 41	21 25	29 03	57 71	96 49	94 74	98 90	21 52
65 86	27 46	70 93	27 39	64 37	01 63	21 03	43 78	18 74	77 07
52 70	03 20	84 96	14 37	51 05	63 99	81 02	84 56	17 78	48 45
32 88	29 93	58 21	71 05	68 58	79 08	86 37	98 76	70 45	66 23
54 16	39 40	98 57	02 05	65 15	73 23	51 51	75 06	38 13	51 68
95 22	18 59	54 57	44 22	72 35	81 24	14 94	24 04	42 26	92 14
93 10	27 94	90 45	39 33	50 26	88 46	90 57	40 47	71 63	62 59
19 20	85 20	15 67	78 03	32 23	50 59	24 83	64 99	18 00	78 50

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ANNEXURE 2 – RESPONDENTS

INTERVIEWS

List of Key Informants

1. Botha, S. - Head of Tourism at iNdlovu Regional Council.
2. Glenny, I. - Midlands Meander Committee Member, (Midlands Meander Founder).
3. Howard, L. - Town and Regional Planner at iNdlovu Regional Council.
4. Kerr, S. - Director of Tourism Pietermaritzburg, Midlands Meander Committee Chairman 1993 – 1998.
5. Lawrence, J. - Midlands Meander Committee Chairman.
6. Shuttleworth, H. - Midlands Meander Original Member.

QUESTIONNAIRE SURVEY - INTERVIEWS

List of Enterprises

1. Abberly Guest House
 2. Addy and Hoyle Gallery
 3. Barland
 4. Blackwood Cottage Furniture
 5. Bramleigh Manor
 6. Brooklands
 7. Caversham Mill
 8. Country Furniture Warehouse
 9. Coverz
 10. Crispin's Corner
 11. Fern Hill
 12. Friar Tuckaway Box Company
 13. Greenfields Manor House
 14. Groundcover
 15. Gunther's
 16. Hawlee Country House
 17. Hebron Haven
 18. Hilton Cottage
 19. Home of the Flyfisherman
 20. Impafana Cottage
-

21. Magnolia House
 22. Mask Trading
 23. Miguel's Leather
 24. Mother Goose
 25. Nogqaza Crafts
 26. Nottingham Road Hotel
 27. Out of Exitus
 28. Penny Lane Guest House
 29. Shuttleworth Weaving
 30. Swiss Manor House
 31. The Cow and Chicken
 32. The Glass Studio
 33. The Hedgehog and Otter
 34. The Plains Farm Stall
 35. The Wine Cellar
 36. The Woodturner
 37. Thistledown Country House
 38. Touchwood Flower Farm
 39. Tripple Creek Cottage
 40. Witsend Workshop
-

ANNEXURE 3 - QUESTIONNAIRE

CONFIDENTIAL

1. DEMOGRAPHICS

[CODE BY OBSERVATION OR ASKING]

1.1. Sex:		SEX __
Male	1	
Female	2	
1.2. Age: _____		AGE __
1.3. Race:		RACE __
African	1	
Coloured	2	
Indian	3	
White	4	
1.4. Marital Status		MARRIED __
Single	1	
Married/Living with Partner	2	
Separated/Divorced	3	
Other (specify)	4	
1.5. Size of family living here with you		FAMSIZE __
1.6. Place of Birth		BIRTHPL __
Here	1	
Pmb	2	
Elsewhere KZN	3	
Province SA	4	
Elsewhere Africa	5	
Elsewhere World	6	
1.7. Highest level of education completed		EDUC __
Primary	1	
Secondary	2	
Tertiary (non-university)	3	
University	4	

2. OCCUPATION AND INCOME

I want to begin by asking you some questions about your business and the way you and your family earn your livelihoods

[ASK]

2.1 What kind of business are you running here **BUSTYPE**__

- Hotel 1
- B& B 2
- Self-catering 3
- Farmhouse 4
- Guesthouse/Lodge 5
- Holiday resort 6
- Restaurant 7
- Arts and Crafts 8
- Other Shops 9
- Recreation/sports 10
- Other (specify) 11

2.2 Who owns this business? **WHOOWNS**__

- Self 1
- Partner 2
- Children 3
- Family Company (local) 4
- Other Company/Corporation 5
- Other (specify) 6

2.3. Do you rent or own (with or without loan) property? **PROPERTY**__

- Rent 1
- Own (with loan) 2
- Own (without loan) 3

2.4 Do you or any other member of your family, who contributes income to this household, own a business or enterprise other than this one? **OTHERBUS**__

- Yes 1
- No 2 go to 2.5
- Number _____ **NUMBER1**__

2.5 What kind of business(es) is it?

BUSTYP2__

Hotel	1
B& B	2
Self-catering	3
Farmhouse	4
Guesthouse/Lodge	5
Holiday resort	6
Restaurant	7
Arts and Crafts	8
Other Shops	9
Recreation	10
Farm	11
Forestry	12
Other (specify)	13

2.6 Aside from these businesses, are you or any member of your family who contributes to the income of your household employed in any other occupation?

OTHEROCC__

Yes	1
No	2 go to 3
Number _____	

NUMBER2__

2.7 What do they do?

OCCTYPE1__

OCCTYPE2__

OCCTYPE3__

2.8 Of all these enterprises and sources of income, which do you consider to be the most important to your family's security?

NBSOURCE__

This business	1
Other business	2
Other Occupations	3
All the same	4

2.9 Can you explain why you say this?

WHYSOURC__

3. ENTERPRISE/BUSINESS

Now I want to ask you some questions about this particular enterprise?

3.1. What training do you have for this business/enterprise

TRAINING__

- | | |
|-------------------------------------|---|
| None | 1 |
| Parent/Family background | 2 |
| Short Courses | 3 |
| Formal Institution (Degree/diploma) | 4 |
| Other (specify) | 5 |

3.2. What did you do before you began in this business?

PREVOCC__

3.3 Why did you begin this business?

WHYBGIN1__

WHYBGIN2__

WHYBGIN3__

3.4. Where did you obtain your start-up finance?

FINANCE__

- | | |
|---------------------------|---|
| Bank loan | 1 |
| Other loan | 2 |
| Sale of previous business | 3 |
| Package | 4 |
| Pension | 5 |
| Inheritance | 6 |
| Self-funded | 7 |
| Combination of the above | 8 |
| Other | 9 |

3.5 Do you get your raw inputs for your enterprise from?

INPUTSRC__

- | | Yes | No |
|---------------------|-----|----|
| Self (home grown) | 1 | 2 |
| Buy locally | 1 | 2 |
| Buy in region | 1 | 2 |
| Buy South Africa | 1 | 2 |
| Buy Africa | 1 | 2 |
| Buy World Elsewhere | 1 | 2 |

3.6. Can you think of any products or services purchased by your business from outside the local area you think could be manufactured or produced locally?

MANULOC1___
MANULOC2___
MANULOC3___

3.7. What, if any services or products do find difficult to obtain?

DIFFOBT1___
DIFFOBT2___
DIFFOBT3___

3.8. Do you manufacture or produce anything on site?

PRODUCE___

- Yes, everything 1
- Yes, something's 2
- No 3 go to 4

3.9. What do you manufacture or produce?

WHATPROD___

3.10. (If yes) why do you produce or manufacture in this way?

WHYPROD1___
WHYPROD2___
WHYPROD3___

4. EMPLOYMENT

This brings me onto the employment opportunities that your business provides?

4.1. Excluding yourself, how many people work in this business?

Full time (number)	No ___	WORKFT ___
Part time	No ___	WORKPT ___
Casual	No ___	WKCASUAL ___

4.2. Can you tell me about your workforce? How many people are...?

Family members	No ___	FAMMEMB ___
Black	No ___	BLACK ___
White	No ___	WHITE ___
Indian	No ___	INDIAN ___
Female	No ___	FEMALE ___
Male	No ___	MALE ___
Local	No ___	LOCAL ___
Migrant	No ___	MIGRANT ___
Skilled and semi-skilled	No ___	SKILLED ___
Unskilled	No ___	UNSKILL ___
Managerial	No ___	MANAGE ___

4.3. How long has this firm/enterprise been operating at this scale with respect to the labour force?

LONGEMPL ___

4.4.1. Have there been any changes in the labour force since the beginning?

Yes	No	CHANGELF ___
1	2 go to 4.5.1.	

4.4.2. What changes have there been and what has been the reason for them?

WHATCHA1 ___
REASCHA1 ___
WHATCHA2 ___
REASCHA2 ___

4.5.1. What is your current total wage bill?

WAGEBILL ___

4.5.2. Can you tell me what the wage bill for non-managerial staff is?

NONMANWB__

4.6. Approximately what percentage of your gross income (turnover before tax) goes towards your wage bill?

PERCGRIN__

4.7. What are your main costs?

MAINCOST__

5. CLIENTELE/CUSTOMERS

The next issue that we will talk about is your clientele

5.1. Would you describe your main clientele as?

	Yes	No	
Day trippers	1	2	DAYTRIP__
Holiday makers	1	2	HOLIDAY__
Passers-by	1	2	PASSERS__
People needing specialised services	1	2	SPECIAL__
Businesspeople	1	2	BUSINESS__
Families	1	2	FAMILY__
Couples	1	2	COUPLE__
Tour groups	1	2	TOURGRP__
Other (specify)	1	2	OTHER__

5.2. Where are the majority of the clientele you serve from?

The local area (Midlands)	1	CLEINFRO__
Elsewhere in KwaZulu-Natal	2	
Other provinces in South Africa	3	
Rest of Africa	4	
International locations	5	
Other	6	

5.3. Which of the following best describes your clientele in terms of age, race and sex?

5.3.1. Age

Mostly old	1	AGE2__
Mostly middle age	2	
Mostly young	3	
Combination of the above	4	

5.3.2. Race

White	1	RACE2__
Indian, Black	2	
Coloured, Indian	3	
White, Coloured, Indian	4	
White, Coloured, Indian, Black	5	
White, Black, Indian	6	
White, Indian	7	
White, Black	8	
Black	9	

5.3.3. Sex

SEX2__

All female	1
Mostly female	2
Male/female	3
Mostly male	4
All male	5

5.4. In terms of income, would you describe the income category of your clientele as...? INCOMCL__

Low income	1
Lower-middle income	2
Middle income	3
Middle-upper income	4
Upper income	5

6. PERFORMANCE

This leads me into asking questions about performance

- 6.1. What is the clientele's average length of stay? **LENGSTAY**__
- | | |
|--------------------------------------|----|
| 1 hour or less | 1 |
| 2-3 hours | 2 |
| Half a day (i.e. morning, afternoon) | 3 |
| Daily visit | 4 |
| 1-2 nights | 5 |
| 2-3 nights | 6 |
| 3-5 nights | 7 |
| 5-7 nights | 8 |
| > One week | 9 |
| Other | 10 |
- 6.2. Approximately how many people do you serve in a day? **NCLIENTS**__
- 6.3. How do you define your seasons? **DEFSEAS**__
- 6.4. How would you describe the last quarter (3 months), in terms of seasons? **LASQUART**__
- | | |
|----------|---|
| Low | 1 |
| Low-mid | 2 |
| Mid | 3 |
| Mid-peak | 4 |
| Peak | 5 |
- 6.5. What would say your average, gross monthly income is over this period? **MONTHINC**__
- 6.6. Would you say this is less, the same, or more than other quarters of the year? **LSMCOMP**__
- | | |
|------|---|
| Less | 1 |
| Same | 2 |
| More | 3 |

6.7. What would you be earning in these other quarters?

WHATERN1 ___
WHATERN2 ___
WHATERN3 ___

6.8. How many days a week do you open for business?

OPENDAYS ___

- | | |
|-----------------|---|
| 7 days a week | 1 |
| 6 days a week | 2 |
| 5 days a week | 3 |
| 4 days or less | 4 |
| Month end only | 5 |
| Other (specify) | 6 |

6.9. What is your daily opening hours?

STARTHRS ___
ENDHRS ___

6.10. Would you like to keep longer hours?

OPENLONG ___

- | | |
|----------|---------------|
| Yes | 1 |
| Possibly | 2 |
| No | 3 go to 6.11. |

6.11. What factors prevent you from opening longer?

Yes No

- | | | | |
|----------------------|---|---|------------|
| Safety | 1 | 2 | SAFETY ___ |
| Not enough customers | 1 | 2 | CUSTOM ___ |
| Other (Specify) | 1 | 2 | OTHER ___ |

6.12. Would you say that your business is doing very well, well, average or poorly at the moment?

PERFORM ___

- | | |
|-----------|---|
| Very Well | 1 |
| Well | 2 |
| Average | 3 |
| Poor | 4 |

6.13. Why do you say this?

WHYSAY1 ___
WHYSAY2 ___
WHYSAY3 ___

MIDLANDS MEANDER- Survey

6.14. Which of these factors have a significantly positive influence on your business's performance?

	Yes	No	
Location on Midlands Meander	1	2	LOCMM__
Accessibility to important transport routes (e.g. N3, R103)	1	2	ACCESS__
Relative proximity of cities (PMB, DBN, JHB)	1	2	PROXCITY__
Proximity to private schools (Hilton, Michealhouse, Treverton)	1	2	PROXSCH__
Quality and supply of local labour	1	2	QSLAB__
Local customer loyalty	1	2	LOYALTY__
Proximity of inputs/ resources	1	2	PROXINP__
Competition in the area	1	2	COMPET__
The natural environment	1	2	NATURAL__
Other	1	2	OTHER__
A combination of all of these	1	2	COMBIN__

6.15. Which single factor affects your business/enterprise most strongly in a positive manner?

		AFFECTST__
Location on Midlands Meander	1	
Accessibility to important transport routes (e.g. N3, R103)	2	
Relative proximity of cities (PMB, DBN, JHB)	3	
Proximity to private schools (Hilton, Michealhouse, Treverton)	4	
Quality and supply of local labour	5	
Local customer loyalty	6	
Proximity of inputs/resources	7	
Competition in the area	8	
The natural environment	9	
Other	10	

6.16. What factors would you say impact negatively on your business's performance?

NEGATIV1__
 NEGATIV2__
 NEGATIV3__

6.17. How would you rate your business in terms of service and quality of the product offered?

(Scale 1-10)

Service _____ SERVICE__
 Final Product _____ PRODUCT__

6.18. Do you export any of your produce?

Yes, all 1 EXPORT__
 Yes, some 2
 No 3 go to 7

6.19. Where do you export?

WHERE _____

- Rest of South Africa 1
- Africa 2
- North America/ Europe 3
- Asia 4
- Combination of above 5
- Others 6

7. MIDLANDS MEANDER

I want to ask you some general questions about the Midlands Meander

7.1. Are you a member of the Midlands Meander association?

MEMBER__

Yes No

1 2

7.2 How long have you been a member?

TIMEMEM__

7.3. What kind of a member are you? (i.e. what kind of a role do you play in the organisation)?

MEMTYPE__

Passive 1

Issue specific 2

Generally active (committee) 3

7.4. Why did you join the Midlands Meander organisation?

WHYJOIN1__

WHYJION2__

7.5. What are the three main benefits/prospects of joining this organisation?

PROJOIN1__

PROJOIN2__

PROJOIN3__

7.6. Are there any shortcomings/downfalls of being part of this organisation?

DOWNFAL1__

DOWNFAL2__

DOWNFAL3__

7.7. How often do you talk to fellow members, on matters concerning the Midlands Meander association?

INTERACT___

- | | |
|--------------|---|
| Very often | 1 |
| Often | 2 |
| Now and then | 3 |
| Hardly ever | 4 |
| Never | 5 |

7.8. In what way, if any, has the recent marketing of the Midlands Meander made a difference to your business?

MARKETI___

7.9. In terms of advertising how would you rate the following, using a scale of 1-5, where 5 is very important and 1 is not important?

- | | |
|--|---------------------|
| Midlands Meander Brochure (14 page pamphlet) _____ | MMBROCH ___ |
| You're own pamphlet/s _____ | OWNPAM ___ |
| Magazine _____ | MAGAZINE ___ |
| Newspaper _____ | NEWSPAP ___ |
| Radio _____ | RADIO ___ |
| Television _____ | TELEV ___ |
| Sign boards _____ | SIGNS ___ |
| Word of mouth _____ | MOUTH ___ |

7.10.1. Do you normally interact with local government through:

LOCGOV___

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |

7.10.2. Do you normally interact with other businesses through:

OTHBUSI___

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |

MIDLANDS MEANDER- Survey

7.10.3. Do you interact with the local community, through:

LOCCOMM__

- | | |
|----------------------------------|---|
| The Midlands Meander Association | 1 |
| Another business organisation | 2 |
| Self | 3 |
| Local community | 4 |
| Other | 5 |
| None of the above, don't do it | 6 |

7.11.1. In what way if any has the Midlands Meander improved?

MPROVED1__

MPROVED2__

7.11.2. In what way could the Midlands Meander improve further?

MPROVEF1__

MPROVEF2__

7.12.1. How would you assess your relationship with the local black community?

RELATCOM__

- | | |
|--------------|---|
| Excellent | 1 |
| Good | 2 |
| Fair | 3 |
| Poor | 4 |
| Non existent | 5 |

7.12.2. Why do you say this?

WHYRELA1__

WHYRELA2__

7.13. In what way, if any, does the Midlands Meander contribute to the local black communities in its shadow?

BLCOMM1__

BLCOMM2__

BLCOMM3__

MIDLANDS MEANDER- Survey

7.14.1. Could and should the Midlands Meander change its current relationship with the local black communities?

CHANGERE ___

Yes No

1 2

7.14.2. If yes, in what way?

WHATWAY1 ___

WHATWAY2 ___

WHATWAY3 ___

7.15. Does your business offer any form of training?

TRAINING ___

Formal

1

Informal (on the job)

2

A combination of the above

3

No, none

4

8. PROBLEMS

I shall now ask questions on perceived problems and disadvantages.

8.1.1. Which of the following do you think are the disadvantages to your business's performance in this area?

	Yes	No	
Time/distance from other markets	1	2	T/DMKT__
Time/distance from suppliers	1	2	T/DSUPP__
Transport costs	1	2	TRANSCOS__
Communication costs	1	2	COMMCO\$__
Small size of local market	1	2	SSLOCMKT__
Lack of local support	1	2	LACLOCSU__
Shortage of skilled labour	1	2	SHORTSKL__
Narrow range of local business services	1	2	NARROWBS__
Poor service of local businesses	1	2	PSERLOCB__
Slow growth of local market	1	2	SGLOCMKT__
Lack of suitable housing for employees	1	2	LACSHOU__
Environmental degradation	1	2	ENVIDEG__
Labour costs	1	2	LABCOST__
Poor infrastructure (ie road in need of tarring)	1	2	POORINFR__
Peoples perception of crime in the area	1	2	PERCRIME__
Other(s), please specify	1	2	OTHER__

8.1.2. What is the key problem in operating your business here?

KEYPROB__

- | | |
|---|----|
| Time/distance from other markets | 1 |
| Time/distance from suppliers | 2 |
| Transport costs | 3 |
| Communication costs | 4 |
| Small size of local market | 5 |
| Lack of local support | 6 |
| Shortage of skilled labour | 7 |
| Narrow range of local business services | 8 |
| Poor service of local businesses | 9 |
| Slow growth of local market | 10 |
| Lack of suitable housing for employees | 11 |
| Environmental degradation | 12 |
| Labour costs | 13 |
| Poor infrastructure | 14 |
| Peoples perception of crime in the area | 15 |
| Other(s), please specify | 16 |

8.2. How would you describe crime in the area?

CRIME__

- | | |
|-----------|---|
| Very high | 1 |
| High | 2 |
| Moderate | 3 |
| Low | 4 |
| Very low | 5 |

8.3. Has crime affected your business in any way?

AFFBUSI__

- | | |
|-----|-----------|
| Yes | No |
| 1 | 2 go to 9 |

MIDLANDS MEANDER- Survey

8.4. In what way, if any, has your business been affected by crime?

	Yes	No	
Personal robbery	1	2	PERSROB __
Theft of money	1	2	THFTMONY __
Theft of goods	1	2	THFTGOOD __
Physical assault	1	2	PASSUALT __
Cancellation of bookings	1	2	CANCBOOK __
Loss of customers	1	2	LOSSCUS __
Loss of staff	1	2	LOSSTAFF __
Other	1	2	OTHER __

9. CLOSING

By way of closing ...

9.1. How would you describe your purpose in terms of this business operation?

PURPOSE__

- | | |
|---------------------------------|---|
| Here permanently (here to stay) | 1 |
| Stay as long as making profits | 2 |
| It is a short-medium term thing | 3 |
| It is a Passing thing | 4 |
| Other | 5 |

9.2. Why do you say this?

WHYSAY1__

WHYSAY2__

WHYSAY3__

[THANK RESPONDENT AND CLOSE INTERVIEW]

