

## **“You know that’s a rip-off”: Micro-enterprises and poverty alleviation in South African township tourism**

Supporting the development of small tourism businesses has been seen by policy-makers as a valuable means of alleviating poverty in South African townships. This perspective has been endorsed by several ‘responsible’ tourism businesses and academics. Following a review of the literature, this paper reports the findings of an empirical study that examined the practices of micro-business owners and the factors that shape their behaviour in two South African townships. In spite of significant visitor numbers, it finds that their narrow social networks and the imbalances of power between them and intermediaries such as travel agencies and tour operators prevent them from developing their businesses and sharing in the material gains that become available because of tourism. This analysis has important implications for local policy-makers and those advocating responsible tourism. For the former, it suggests a cessation of current initiatives in favour of greater regulation and alternative forms of investment. For the latter, it implies the need to reassess the utility of advocating responsible tourism to consumers in a context where they do not understand the dynamics which fashion what is on offer or the full implications of their choices.

Keywords: small business policy; networks; power, responsible tourism

## **Introduction**

Proponents of pro-poor and responsible tourism often argue that the integration of small firms into the formal economy is desirable because it can contribute to poverty alleviation (Erskine & Meyer, 2012; Goodwin, 2009; Scheyvens & Russell, 2012; Spenceley & Meyer, 2012; Weppen & Cochrane, 2012). In addition to gaining new financial opportunities, the argument is that small and micro (very small) tourism firms learn important competitive practices from those with whom they trade. From such a normative-analytical vantage point, public agencies have a potentially important role to play in creating the conditions for smaller enterprises to flourish, by making connections between firms in the tourism supply chain (Ashley & Haysom, 2006). Indeed, some have gone further and argued that it is essential for small, locally owned, businesses to receive government support if they are to be successful in the long term and fulfil their pro-poor potential (Scheyvens & Russell, 2012). Drawing on case studies of two South African townships in the Cape Town region, this paper argues that many micro-businesses are, in spite of the benign efforts of policy-makers, systematically excluded from the mainstream tourism economy and its associated opportunities for material improvement.

Township tourism is often referred to by commentators as a component of slum tourism, an increasingly popular activity in which tourists visit economically impoverished areas in the Global South (Frenzel et al., 2015). Around Cape Town, township tourism is relatively well established. Approximately 25% of international tourists, (370 000 in 2013), visit the townships during their stay (Grant Thornton, 2014; Rolfes et al., 2009). The vast majority devote up to a day to an organised tour provided by one of more than 40 tour operators. Facilitation of tours is highly concentrated with approximately 80-90% being arranged via the offices of major tour operators in Cape

Town. Five of the largest operators are either owned by, or have a formal collaborative arrangement with, one of the principal inbound tour operators or major hotel chains.

Local township tour operators range from sole traders who offer guiding services from a private car to small companies that use minibuses and employ one or more freelance tour guides to conduct the tours (Rolfes et al., 2009). Freelance tour guides can work for one or more tour operator and are usually formally accredited by the city's tourist authority. Approximately one third of the tour operators also make use of the less formally organised 'walking-tour guides'. These guides generate trade by positioning themselves at the gateways to major tourist attractions. Their short walks (30 minutes) deliberately pass several places where others have an opportunity to gain commercially from the visitors e.g. herbalists or shebeen, performance artists and craft vendors. With the exception of gaining custom from some evening tours, township restaurants and guest houses tend not to benefit from these informal township walking tours (Koens, 2012).

It has been noted elsewhere that the very limited understanding of township tourism business behaviour is a major impediment for policy-makers (Koens and Thomas, 2015). In their recent comprehensive review of the field, Thomas, Shaw and Page (2011) note that small businesses in tourism remain generally under-theorised and under-researched. They also argue that a particular weakness of the existing literature is its tendency to investigate the business practices of owner-managers in isolation from their wider social context (see also Bramwell, 2011; Dahles, 1999; Kirsten & Rogerson, 2002; McNab, 2005).

Such concerns are addressed here by reporting the findings of a study that examined the experiences of micro-enterprise owners as they sought to carve out a living from tourism in a location with an historically specific and challenging socio-

economic legacy, that of post-apartheid South Africa. It pays attention to the particular problems associated with gaining market access and connecting to the mainstream tourism industry, a concern emphasised by several commentators (e.g. Ashley et al. 2005; DeBerry-Spence and Elliot, 2012; Rogerson, 2004b; 2004c).

The townships of Langa and Imizamo Yethu were chosen for this study because they contain a spectrum of township tourism businesses. Visitation numbers differ as do the main ways in which tourists come to the townships. In Langa, most visitors come on a half day township tour whereas Imizamo Yethu is located near an official stop on the Cape Town Red Open Top Bus route and can easily be reached by tourists. Both offer the opportunity to understand more of the dynamics of small business behaviour in this under-researched setting (Frenzel et al., 2015).

### **Micro-enterprises in a South African context**

Although state sanctioned racial segregation (apartheid) came to an end in 1994, it is difficult to overstate the effects of its legacy on small township tourism businesses. The decades of preferential treatment given to a small group of white residents, coupled with the quasi-official encouragement of animosity between numerous ethnic groups, have left a society with “deeply rooted inequalities and profound racial mistrust” (Besteman, 2008, p.3). According to official estimates, 30% to 40% of the population in Langa and Imizamo Yethu, the townships under investigation, is unemployed or works informally (City of Cape Town, 2013a). Housing is poor, with many residents living in shacks, and crime remains of major concern (George and Booyens, 2014; Sawyer-Kurian et al., 2009).

Following the demise of apartheid, small enterprise development became, and remains, a key aspect of social and local economic development and tourism policy

(City of Cape Town, 2009; 2013b; 2014). In the early 2000s it was suggested that in this respect, South Africa was “at the forefront of the development and the implementation” of supportive small business policy (Rogerson, 2004a, p.765). By way of illustration, the 2005 Tourism Broad Based Black Economic Empowerment (BBBEE) Charter and scorecard (RSA, 2005a; 2005b) was established to encourage businesses to address racial inequalities. This has, alongside related initiatives, resulted in the establishment of so called BBBEE-businesses that are co-owned by disadvantaged individuals. Yet, in spite of apparently supportive government policies, informal micro enterprises have benefitted little from government assistance, as most provision is targeted at larger, formally registered, enterprises (Rogerson, 2007).

Some aspects of social relations have traditionally been regulated by the cultural conventions of Ubuntu and Umona among the black population of South Africa. Though some of the nuance is lost in translation, Ubuntu has been described as a belief that individual well-being relies on reciprocal trust and respect among community members. Its core idea is that people share responsibility for each other. Within the townships, Ubuntu co-exists with the concept of Umona, which is best translated as envy or jealousy. People do not adhere to Ubuntu only out of a sense of duty or desire but also because they fear retribution through Umona. As success without sharing is believed to cast a shadow of inferiority on other members of the community, a successful person, who does not share, needs to be “pulled down” to maintain the status quo (Ashforth, 2005, p.70; Bailey, 2007, p.98). Historically Ubuntu and Umona ensured safety and a more equal distribution of wealth, but increasingly they are at odds with narratives of entrepreneurialism and individual growth promoted by public policy-makers in South Africa and elsewhere (Hentschel, 2007, p.299; Steinbrink, 2009).

Notwithstanding crude representations in the mass media, it is erroneous to presume that townships are homogenous. On the contrary, townships are increasingly racially, geographically and socially heterogeneous. Residents identify themselves as belonging to a certain church or ethnic group, or on the basis of their migratory status (i.e. those born in the townships or South African migrants and migrants from elsewhere in Africa). As Salo (2007, p.153) points out, invisible “socio-spatial boundaries criss-cross the apparently continuous geographic unit, dividing it into multiple small communities”. As is explored further in this paper, these boundaries have ramifications that extend to inter-business relationships (Koens, 2012).

Although it is rare for tourists to become the victims of crime, international media coverage tends to portray townships in a negative light (Cape Argus, 2012; Duval Smith, 2010). Efforts to provide counter-narratives, notably those offered by official agencies, are seen by most township tour operators and other businesses as inadequate. Demands for more effective place promotion that reassures potential visitors that they will be safe, is prevalent (Rogerson, 2004b; 2004c; Rolfes et al., 2009).

It is important to recognise that several authors draw attention to the number of small tourism businesses that operate informally in developing countries (King & Dinkokung, 2014; Rogerson, 2014). By this, they are usually referring to the production of illicit goods and services that do not conform to fiscal (tax) and other regulations. Though difficult to research (McGahan, 2012), a failure to consider the informal and to recognise the articulation between the informal and the formal economies of townships as tourism destinations will, at best, yield partial insights to the constraints and opportunities that are available to very small businesses (Rogerson, 2007, Skinner, 2006). For some, the continued marginalisation of those operating in the

informal economy and their inability to connect with mainstream markets fully, stymies development (see Adom and Williams, 2014, for a review).

### **Research design and methods**

The first stage of the research was to undertake an inventory of all tourism businesses in both townships. This was achieved by piecing together information held by actors from local organisations, including businesses, municipal agencies, tourist information centres, churches and other community facilities.

A semi-structured interview schedule designed to elicit data on the orientation and business practices of micro businesses was constructed and piloted with ten owners in the nearby Khayelitsha township. A refined schedule was then used to undertake eighty face-to-face interviews with the owners of small tourism businesses that operate in the townships of Langa and Imizamo Yethu; fifty one were based in the former and twenty nine in the latter.

The choice of interviewees was based upon characteristics of the owner (e.g. differences in age, gender, ethnicity, cultural background, time of living in township) as well as the characteristics of the business (e.g. registration with different official bodies, location, whether they sell directly to tourists or gain custom via a larger company or agent). For accommodation and catering businesses, all owners were interviewed, whereas for other business types a selection was used. Almost all interviewees spoke English well enough to be interviewed in this language. In six cases a translator was used.

Interviews lasted an average of one hour, with individual examples varying from 15 to 120 minutes. Most were held in the townships themselves. In Langa, interviews were held at the local cultural centre and the environmental centre, in a quiet and private

corner of one of the restaurants, or at the business premises of the owner. In Imizamo Yethu, interviews were held in local churches, community centres or at the business premises of the owner. Not all craft vendors were willing to leave their stall, which meant some interviews were held in more challenging conditions. Five interviewees requested to be interviewed in a coffee bar or restaurant outside of the townships.

Ten owners or managers of larger tourism businesses in Cape Town and Hout Bay were also interviewed. This stage of the project was designed to gain the perspectives of those who enjoyed commercial relationships with township businesses. For similar reasons, thirteen officials from Cape Town were interviewed to examine their experience of small business support initiatives in the townships. All had been involved in the design or programme support for initiatives intended to encourage small business growth in the townships.

One of the researchers lived in the townships for four months during the field visits and stayed in a number of local B&Bs. This provided opportunities to obtain additional data via informal conversations with important actors and to engage in participant observation as supplementary forms of data gathering. A personal diary was used to record observations.

### **The orientation and practices of micro enterprises**

Commentators have long argued that the literature on small and medium sized enterprises undertaken in the context of developed economies has little to contribute to an understanding of small business orientations and behaviour in developing economies such as South Africa (e.g. Skokic & Morrison, 2011; Rogerson & Visser, 2012; Thomas, 2004; Thomas et al., 2011). Further, Morrison (2006, p.192) suggests that micro enterprises should be investigated within their historical, cultural and political



context since these factors either intensify or dilute different entrepreneurial processes. Recognising owners' demographic characteristics and domestic circumstances are also important as small business owners' perceptions differ depending on age, gender, ethnicity, migratory status, and education (Carter et al., 2003; Hitchcock, 1999, 2000; Schellhorn, 2010). Acknowledging these and applying them to a township tourism setting led to the considerations highlighted in Table 1.

TABLE 1 around here

### **Social networks as a source of exclusion**

It is well documented that social networks can support small business development (Thomas et al, 2011; van de Zee and Vanneste, 2015), but that such outcomes are not inevitable (Sørensen, 2007; Tinsley & Lynch, 2007). Lynch and Morrison (2007) emphasise the importance of trust and expectations of mutual benefit in the development of informal and formal business networks. Indeed, such shared relational resources are essential if networks are to be sustainable and deliver the benefits expected by their constituent members. Notions of familiarity with other network members, including their aspirations and values, and the context within which they operate, are implicitly vital aspects of these networks.

Recent research by Saxena (2015) extends the literature by introducing the idea of imagined relational capital. Her proposition is that small tourism firms in spatially specific contexts do not necessarily have to know each other to feel a bond (see also Granovetter, 1973). Instead, affiliations can arise from (perceptions of) common interests and encourage collaboration if opportunities present themselves. Thus, it is possible that micro-business owners in South African townships share a sense of place

which leads to an understanding about the facilities available for tourism from which each may gain. This complements ideas of ‘local dependence’, used by Thomas and Thomas (2006), whereby smaller businesses who feel tied to particular places (unlike mobile capital) are more motivated to work with others in the locality.

Those running very small businesses in Langa and Imizamo Yethu spoke frequently of their networks in terms which emphasised the importance of family and friends. Weaker social ties were referred to less often and were not seen as important. Thus, owners prefer to leave relatives in charge of the business who have limited command of English rather than seeking help from acquaintances who would be more proficient. While this enables family members to earn additional income, the practice is potentially damaging to the business because they cannot take reservations over the telephone and have great difficulty in engaging with tourists. Furthermore, the cost savings implied by using family labour are often off-set by the desire to adhere to the principles of Ubuntu and the need to share prosperity.

“It’s like, I can do this. Why should I say no I cannot do it. It’s like that guilty consciousness of Ubuntu. So if I didn’t do it, it shows that I don’t have Ubuntu”  
(Int. C06)

It is noteworthy that even owners seeking business growth argue that they do not wish to extent their social network beyond immediate family and/or close friends within the townships and, instead, focus more on forming relationships with businesses outside the township. While their relational capital is mostly located in the townships, their imagined relational capital ties them to actors outside of the townships. Though not made explicit during interviews, there were suggestions that by having weak ties within the townships, the perceived need to share profits with others was limited and did not lead to repercussions arising from Umona.

“We are... Like sometimes get jealous of each other. How come she do this. Why you? Why did she do this? And then you fight and then get jealous. Then I decided. You know what? I don't like arguing. So let me just. I don't mind having no friends here. I'm just here.” (Int. A09)

A distinct lack of trust in the integrity and reliability of micro-business owners whose ethnic, migratory and or other source of identity differed from their own, characterised business relationships within both townships. Social networks among tour operators were formed, for example, almost exclusively along racial lines. Although tour operators from the townships work together, they strongly distrust businesses from outside, even those that are (co-)owned by formerly disadvantaged individuals. Similarly, two tour operators from the same ethnic group had a strong preference for employing tour guides of the same ethnicity. However, their relative scarcity in these townships necessitated the use of local walking tour guides. A craft vendor from the same ethnic group who worked at the cultural centre, quickly set himself up as an intermediary. His selection of the walking tour guides was based on the amount each was prepared to pay him in telephone credits or drinks. Perhaps not surprisingly, the local walking tour guides felt aggrieved but had little option but to comply with this means of securing trade.

Some constituencies of micro-business operators struggled to establish themselves in a manner that would enable them to gain financially from tourism. Migrants, in particular, reported difficulties in negotiating their way into the fabric of the local economy. The prejudices of others, including small business owners indigenous to the locality, served to exclude them. This is not limited to the relatively small group of international migrant craft vendors but also applied to the much larger group of domestic migrants who recently arrived from rural areas in South Africa. As one migrant micro-business owner noted:

“There are clan issues here. Some people of different clans do not like to take the tourists to us, because we are part of a different clan than them.” (Int. V03)

Perhaps not surprisingly, many of these migrants do not have a strong sense of local dependence and place attachment. Instead, they view their time in the townships as temporary until they can move back ‘home’ or elsewhere (e.g. the city centre). The fact that they commonly spend over 11 months per year in the townships, with apparently few prospects of moving, appears immaterial. They articulate little which suggests an embedded interest in the well-being of the townships and feel little responsibility for the future of other township residents.

Although marginally less evident in Imizamo Yethu, conflicts between ethnic groups are evident and migrants need to negotiate with local elders to be able to trade. As one Zulu tour guide in Imizamo Yethu pointed out, her/his business opportunities are limited and exist mainly in the less profitable winter season, because (s)he does not belong to the dominant Xhosa ethnic group.

In this uncertain business context, it is difficult for owners to rely on tourism as their sole source of income. Indeed, more than half of those interviewed supplemented their earnings by paid employment elsewhere. Perhaps not surprisingly, therefore, the emphasis of most micro-enterprises in the townships was on survival, and few created the impression that they were able to draw upon significant resources from their social networks to advance their business interests. This contrasts strongly with the importance of social networks in the wider Cape Town tourism industry. In the few cases identified where small township businesses collaborate with white partners, this still results in significant business advantage, in spite of the demise of apartheid. As one owner noted:

“Because now we've got a contract with a Swedish company... We've got it through [white BBBEE partner]. Because this company was doing walks with him. And then he told them that look we're doing also township.” (Int. T07)

For most, such opportunities to work with mainstream, and ‘privileged’, businesses was not possible; they lacked the necessary social networks and had to overcome widespread negative perceptions of township tourism businesses. In addition, the focus on survival often necessitated opportunistic business practices among the micro-business owners interviewed. Many secured their livelihoods via precarious paid employment as well as running a business at the margins of the formal economy. Their inevitable preoccupation with issues of immediate concern prevented them gaining the necessary understanding of the business cultures and practices of mainstream tour operators and served to emphasise imbalances of power and trust between the two parties.

### **Imbalances of power and their implications**

The anecdotes provided by micro business owners reveal a compelling impression of how the imbalance of power between micro businesses within the townships and the larger firms outside manifest themselves. Small, locally owned, township tourism businesses often depend upon referrals from a limited number of travel agencies, ‘Cape Town Tourism’ offices and mainstream hotels. Almost all of them made allegations of corruption, whereby businesses outside the townships demanded personal commission well above the industry standard of twenty per cent for recommending their services.

Tour operators often point out that they only get custom from offices where staff are relatives or long-term friends or those for whom they have done favours in the past or will be able to return favours at a later point in time. The high turnover of staff at these offices makes it difficult to maintain a steady flow of tourists in this way.

“I will say out of all the offices, you will find that you have one where you have a friend, one office where you really get business. The other ones you don’t... It means that that person change, the business just change as well.” (Int. T05)

While it is difficult to confirm the veracity of all accusations, they do underline a frustration among township tour operators when dealing with organisations that are part of the mainstream tourism industry.

It is not only tour operators who have difficulty in dealing with the tourism industry outside of the townships. Restaurant owners also highlight how they receive few referrals from travel agencies and hotels in Cape Town. Managers and staff members at these agencies and hotels have usually never been to a township and choose ‘traditional African’ restaurants in the city centre instead, which pay more commission and are perceived as safer and “more pleasant” options for tourists (Int. F09).

Interviewees providing accommodation equally note that they continue to struggle in overcoming prejudices in the wider tourism industry in Cape Town, with interested tourists being actively dissuaded from staying overnight in the townships.

“A lot of the times tourists may come in here on a walking tour and say: “Oh wow, this is a nice place. I didn’t know you can stay at a township, because we were told at the hotel it’s not very safe”... And I say: “rather say nothing, than say something like that”... But they [hotels and guesthouses in Cape Town] tell them it’s dangerous. They tell them that it’s not safe” (Int. A05)

Within the townships, tour operators usually decide upon itineraries and the businesses to be visited. Their decision is based on a number of common non-financial as well as financial criteria, including: friendships and family ties (e.g. the herbalist in Langa is a cousin of one of the earliest tour operators); the desire to gain a competitive

edge (e.g. one tour operator in Langa asked an experienced craft worker for exclusivity of access); monetary or reciprocal relationships (e.g. some form of commission is given by certain craft vendors and walking tour guides); personal beliefs (e.g. supporting local businesses to help uplift the community); (lack of) knowledge of the existence of businesses and their location relative to existing routes; distrust of certain businesses.

It is striking how many owners of township restaurants and accommodation units accuse tour operators and tour guides of using their control over the township tourism market to their benefit by demanding very low rates and personal benefits:

“The first years it was very difficult and we were exploited by a lot of the tour operators here in Cape Town because they will come and they will say: "lower your price!" And then you said: "Ohh.. it's marketing." You're always using the word marketing.” (Int R02)

As has been found elsewhere in South Africa (Beer et al, 2013), tour guides accuse tour operators of using their power to exploit; they feel that they are obliged to work long hours, often at short notice, and where refusal may result in no further work. Moreover, walking tour guides also report regular under- or late-payments. Their sense of injustice is palpable:

“I was tricked. They asked me how much am I charging for, for my township tour. Ok, I said ‘300, nice price’. Ok, I did a tour. The next thing I come back, they come to me saying ‘ehh...We have to deduct 25 % tax from the money and now you're getting 222’. I was like: ‘If you had told me that you were going to deduct tax I was going to charge 350. So that I can get this money I want for this tour, you know.’ Cause ehh... How can you deduct tax?! There's a certain amount where say government: ‘No we won't tax kind this money, it's too little, too small’. You deduct 25 % tax from that money; you know that's a rip off.” (Int. G04)

In another instance the tour guide provided a series of tours worth more than 2000 Rand (170 USD) each, but was never paid. Instead, (s)he was given additional guiding work,

for which (s)he was paid. The tour guide has all but given up hope of retrieving what was to him the initial sum of money and feels abused, yet knows (s)he has no option but to continue to work for the tour operator because (s)he has few alternative income opportunities at the moment:

“[If] I will go to an authority, they give me my 2000 Rand (.) and they will never use me again. So it's ehh... It's a matter of. They know that...you know you are in a tight corner. Thereby you cannot just... (.) And that company's is paying very well you know. It's very difficult for me to come hard to them. I'm like telling myself: It's better to be exploited this way. You know, than be exploited with 300 Rand, you know. But I can take that 2000 and no way they're gonna give me another tour... It is not supposed to be like that.” (Int. G04)

New tour guides and those that operate their businesses least formally (characterised by fragmented and opportunistic patterns of work), in particular, often feel that they need to be compliant in order to gain a good reputation among tour operators. It is striking that large tour operators, located outside the townships, which are commonly accused of abusing their power by small tour operators, are consistently viewed as honest and reliable by tour guides. It is the small tour operators that are distrusted most by them. More established and qualified freelance guides often choose to work for a limited number of companies in whom they place more trust. They are able to do so as there is a relative shortage of experienced and accredited freelance tour guides with a good reputation, particularly during the high season:

You have to make a name for yourself, whereby people will really sort of recognize you and [know that you are] being loyal and reliable. I'll say it is very easy [to get work] after that.” (Int. G10)

Tour guides, for their part, are blamed by visitor attractions for abusing their power in order to get more money for themselves. One openly admitted, for example,



(s)he discouraged tourists from giving tips to craft vendors or at visitor attractions unless they shared them with him. Because these business relationships are informal, and often ad hoc, there are no channels that craft workers and visitor attractions can use to lodge a complaint regarding their treatment. Not surprisingly, they become frustrated and feel powerless:

“These tour guides are greedy. They are afraid tourists will give us something. But what can I do?” (Int V03)

These examples illustrate more than the kind of commercial sparring to be expected in highly competitive markets. They also show how the social conditions of the townships influence business behaviour both within the townships and between township businesses and those outside. Some reveal the power of patronage associated with community status and seniority. Thus, a local elder or a politician can secure their interests by offering to provide or threatening to withdraw their favour and ‘assistance’. The interview data also suggest that the use of power in day-to-day interactions are not always as subtle (Lukes, 1974; Wearing et al., 2010). For example, some interviewees described how one walking tour guide sometimes uses his membership of a criminal gang to intimidate competitors. One craft vendor in Langa pays local unemployed men to ensure the sole right to sell at one of the most-visited locations. Other vendors do not dare to sell near his stand for fear of retribution.

“[name of craft worker] hires young guys without a job. Those guys set up and break down his stand. He hires them and also buys them stuff. So now they act as his bodyguards. I cannot go near him. I cannot even go and complain” (Int. C07).

As has been shown, the contexts within which many very small township tourism businesses operate within pose very specific challenges for those seeking to improve the prospects of those living in townships.

## **Participation and partition in official collaborative initiatives**

Local government, NGOs and enterprise development organisations use a range of initiatives to encourage small township businesses to become more involved in mainstream tourism so as to stimulate their growth and combat poverty. The interview data provided by those responsible for support programmes as well as the micro business owners themselves, suggest that most interventions have had minimal success. Although policymakers acknowledge the challenge and complexities of providing support to businesses in the townships, official explanations tend to be sanguine and anticipate that outcomes will improve over time as interventions become more streamlined and duplication of effort is eradicated.

“The main problem is that there too many entities providing business support. There is no complete synergy. Although we all work towards the same goal, we don’t really pull out resources yet... That is the difficulty we have. That is why people get frustrated. So we need to sort that.” (Int. PO11)

The results of this research imply that such an analysis underplays the importance of the social dynamics that inhibit participation in support programmes and that more radical measures will be required than those introduced hitherto, if they are to effect change.

The formation of the ‘Langa Tourism Forum’ (LTF), which was championed by local government as an organisation representing all small tourism businesses, illustrates the challenge for policy-makers. The intention was that LTF would negotiate with businesses outside the townships on the behalf of the former; the rationale being that collective endeavour should result in better terms of trade. Further, by encouraging participation in these kinds of policy forums, local government would more easily be

able to gauge the needs of township businesses and provide appropriately targeted funds for business support.

“We’ve got lots of organizations basically here whereby some people have started voluntarily, but have ended up being there with other agendas, you know. Benefiting themselves, not doing it for the community” (Int. G06)

By most accounts the LTF was a failure; those that took leading roles were seen as unrepresentative and lacked the legitimacy to be seen as the voice of tourism businesses in Langa. Many had recently migrated to the township and were relatively new to tourism. There was also a sense of exclusion and selectivity that rendered the ‘imposed’ model unrepresentative. As one Langa-born tour operator noted:

“They never approached me... I mean if they were genuinely, I mean, looking for people with products, obviously they would have to come to me... When you talk about Tourism Forum, you need to include and be inclusive. As long as you are exclusive, you are out.” (Int. R05)

Granting a prominent role to a local restaurateur, who many interviewees considered to be a criminal, alienated others. Ethnic loyalties also tested the ability of the LTF to develop a sense of shared vision, as many saw the organisation as being dominated by Zulus. It was, however, when it became overtly partisan during presidential elections, that it was disbanded.

The Langa Walking Tour (LWT), which was launched by local government in 2008, provides another example of a failed initiative because of a lack of understanding of local social relations. It was created to improve the working conditions of walking tour guides. Conceived as a collaborative effort between the city and regional government, the intention was to help form a collective identity and encourage co-operative behaviour among walking tour guides so that they could compete more effectively with tour operators from outside the township. To achieve this, existing

walking tour guides were allowed to take a (free) guiding accreditation course which standardised four walking tours and gave them access to maps and brochures and the services of a dedicated office. This was undertaken in full anticipation that guides would then see the benefits of working together.

Contrary to expectations, not all walking tour guides saw the need for accreditation or a collective identity. Any benefits that might accrue from organising collectively to supply their services are off-set, in their minds, by a sense of self-efficacy among those of higher social standing or because of their sense of potential loss at having to share contacts. These, combined with a lack of trust, resulted in fractious relationships between groups of guides who constructed their identities differently, notably along ethnic or geographic lines. The ambitions of policy makers, therefore, floundered because they under-estimated the difficulties they faced in persuading individuals to take a chance on an untested model of business practice with unfamiliar agencies and competitors. The ‘neatness’ of the scheme may have been appealing to its advocates but the approach could not overcome the complex set of social dynamics that constrained potential participants from adopting it.

As factionalism increased and public funding decreased, the LWT degenerated. Members apparently competed for work with greater intensity and, at least on one celebrated occasion, this spilled over into violence. LWT also failed because it did not engage other business owners with an interest in township tourism. Their resentment is encapsulated by the following:

“What do they offer? Just a walking tour. That is why it’s cheap. It’s false competition. We have a vehicle and provide a complete experience. We visit three townships! ... What if, in the future, [large tour operator] can come in and just do a walking tour? That’s less money for the townships!” (Int. T07)

The LWT is now moribund apart from the activities of a few guides who still use existing stocks of maps and marketing materials to promote their services.

Publicly funded programmes aimed at supporting the owners of micro- and very small businesses by creating networking opportunities have also enjoyed mixed success. Many of the events to which participants were invited were held in the city centre and took place in the evening. Travel to such meetings is expensive and involves some risk, as night travel in public transport in the townships can be dangerous. Once at a meeting, several township tourism business owners reported feeling uncomfortable, out of their depth and marginalised. Inevitably, for them, the programmes did little to enable and support business development.

The implications of the failure to understand the business dynamics in townships by officials is revealed further by an ill-conceived mentoring programme. It was developed to support relatively successful township tourism operators by linking them to a mentor from outside of the township. Though perhaps not overly novel (Thomas et al, 2011), its flawed implementation discredited the efforts of no-doubt well intentioned policy-makers. In several cases, for example, the mentors' enterprises were smaller than the firm (s)he was supposed to help. One interviewee reflects the suspicions of many:

“I said: ‘No that guy has got one vehicle. I have got 4 vehicles. Why is he going to mentor me? I should be mentoring him. He’s been here before me, but he’s still going to be running with one vehicle. So I should be his mentor’. I said: ‘yeah, the money that you are paying is benefiting your friend that is doing the mentorship. (Int T08)”

The sometimes misplaced simplicity which inflects business support initiatives is also evident in approaches to their evaluation. There is evidence, for example, that the use of quantitative criteria such as employment or sales growth encourages those delivering initiatives to minimise their risk of under-performing by

concentrating on small businesses that are already growing. Thus, while the Tourism Enterprise Partnership (TEP), a programme of measures to support small business development notably via advice and guidance, has been lauded for rejecting a ‘one size fits’ approach (Rogerson, 2013a), the only tourism business involved that operated in the townships was a tour operator located outside these areas; the much smaller township tourism businesses were overlooked, an observation also made by others (Rogerson, 2009).

## **Conclusion**

This paper has argued that aspirations to alleviate poverty via micro-business development in the context of South African township tourism is severely constrained by the narrow social networks enjoyed by the actors involved and the uneven distribution of power among ‘stakeholders’. The heavy reliance on networks drawn from families, churches and ethnic groups inevitably limits the commercial opportunities open to the owners of very small businesses. The subtle, and occasionally brutal, manner in which imbalances of power manifest themselves suggest that micro-business owners are acting rationally as they guard against abuse from others operating within and outside the townships.

The complex social relations, including historically bound ideas of ubuntu and umona, inevitably influence the business practices of those seeking to benefit from tourist expenditure. Their lack of trust in the kinds of networks that public policy-makers seek to create or strengthen also prevents official interventions from achieving their goals. To that extent, programmes to support small business growth have not only

failed historically but will remain largely irrelevant to micro-enterprises. This is not unique to South Africa or to township tourism. As others have pointed out, there is a tendency for policy-makers in many states to conceptualise small businesses in tourism in a way that is intuitively appealing but empirically unjustified (for a review, see Morrison, Carlsen & Weber, 2010; Moscardo, 2011; Thomas, 2000; Thomas et al, 2011). Not surprisingly, the policy initiatives that then emerge are rarely co-created with the small businesses themselves, are usually evaluated crudely (but positively) and do not alter the welfare of participants substantially.

These findings raise serious policy dilemmas. There is evidently a case to be made for capacity building (Rogerson, 2013b) so that local agencies and small business owners might be more effective in their search for more radical, locally grounded, policy interventions. As others have shown in somewhat easier contexts, however (e.g. Thomas and Thomas, 2006), developing relational resources and the capacities of small tourism businesses to participate in collaborative planning may be necessary but does little to challenge (or enable them to challenge) the systemic inequalities they face as they engage in their daily business operations.

This somewhat pessimistic assessment implies that funding for business support programmes should be reassessed and replaced by approaches that involve enhancing the welfare of those operating at the margins of the economy by requiring others to involve them as part of the tourist offer. This is most likely to be effective if approached as a regulatory, rather than voluntary, matter. Investing in the infrastructure of the townships would also ease the challenges involved in attracting tourists.

Naturally, much of what has been discussed in this paper remains invisible to tourists when they choose to visit a township. This makes it difficult for them to take informed decisions about whose services they should use. To that extent, it is

impossible for them to act ‘responsibly’ and suggests that a more sophisticated approach to encouraging ‘responsible tourism’ is also required in this, and perhaps other, contexts.

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