

Constraints facing tourism entrepreneurs in South Africa: a study in the Gauteng and Mpumalanga provinces, South Africa

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The current study is an investigation into tourism entrepreneurship small, medium and micro enterprises (SMMEs) in Gauteng and Mpumalanga. Through Principal Factor Analysis, this paper identifies a three-factor instrument that could be used as a diagnostic tool to investigate how (1) government policies and support, (2) the tourism industry's products and services, and (3) perceptions about South Africa could advance or constrain the development of small, medium and micro tourism in South Africa. Such a tool can be used to identify problematic areas in order to take remedial action to manage sustainable tourism in South Africa and prevent the leakage of profits.

1. INTRODUCTION

Tourism is one of the fastest growing industries in South Africa. Tourism businesses make a vital contribution to the economy as well as to the tourism industry. They create employment opportunities, involve many stakeholders and contribute to sustainable development. The tourism sector has become one of the key drivers of economic expansion and employment creation in South Africa. SMMEs operating in the tourism sector are expected to make a substantial contribution to poverty alleviation and to Black Economic Empowerment (BEE) (Roe & Urquhart, 2001:4). Owing to the long and complex nature of the tourism value chain, there are many opportunities for SMME involvement in the tourism sector (DEAT, 2003:34). For these reasons there is a need to advance tourism entrepreneurship as well as BEE objectives in the South African tourism industry (Rogerson, 2005:635).

Governments see tourism as one of the main providers of employment, especially in times of recession and when other industries are declining (Elliott, 1997:34). Tourism is regarded as one of the fastest-growing industries in the world (Teclé & Schroenn, 2006:444; Trindade, 2007:2), generating approximately 11 per cent of the global Gross Domestic Product (GDP) (Roe & Urquhart, 2001:1). It is described by the Independent Online (2006:1) as 'the world's biggest single industry'.

The South African Department of Trade and Industry (DTI, 2006:6–7) states that South Africa has become one of the fastest-growing international tourism destinations in the world, contributing R93.6 billion to the country's GDP in 2004. During 2004 the foreign exchange proceeds from tourism in South Africa contributed 7 per cent or R100 billion to GDP and exceeded receipts from gold exports, which were 5 per cent (DEAT, 2005:63). The South African tourism industry provides direct jobs to approximately 485 060 individuals (TIC, 2006:4), which could increase to 1.2 million job opportunities by 2014 (Altman, 2006: 637). South Africa's tourism industry is

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predicted to achieve annualised real growth of 5.1 per cent, generating GDP of up to R84.8 billion in 2012 for the industry directly, and up to R194.3 billion for the travel and tourism economy overall (direct and indirect expenditure) (DEAT, 2003: 5).

It is estimated that an annual tourism growth rate of 5.5 per cent should take place in South Africa in the period from 1995 to 2020 (DTI, 2006:19), potentially serving to relieve the high unemployment in the country. Though the small business culture is increasingly being perceived as a constraining influence on certain areas of tourism growth in developing economies (Shaw & Williams, 1998:254), and the tourism industry should not be seen as a magical solution to rural poverty in South Africa (Koch, 1997:214), a growth strategy for tourism in South Africa could potentially boost the economy, create jobs, generate foreign exchange, alleviate poverty and lead to BEE (Roe & Urquhart, 2001:4). A particular challenge in South Africa is the continuing racial and class divide between a wealthy and thriving first economy, characterised by adequate resources and quality infrastructure, juxtaposed with a poor and struggling second economy that has inadequate and unsatisfactory infrastructure and resources (Global Africa Network, 2006:11). Transformation in the tourism sector, by developing entrepreneurs for the tourism industry in South Africa, could pave the way for social equity (Roe & Urquhart, 2001:5).

Tourism is a labour-intensive growth industry and is important in providing jobs, partly for the highly skilled, but more for the less skilled (Elliott, 1997:34). In the poorer regions of a country the provision of jobs by tourism can be very significant. The potential contribution of tourism to the development of South Africa has only recently been recognised (Ingle, 2006:79) as a potential form of development and alleviation of poverty (Tecele & Schroenn, 2006:455). In 2001 South Africa's unemployment figure stood at 37 per cent (StatsSA, 2001:x). In other words, 6.9 million people out of a possible 18.8 million economically active people are unemployed (StatsSA, 2001:x). Sustainable tourism, if managed properly, can play a critical role in sustainable development and the eradication of poverty (Roe & Urquhart, 2001:2). According to the World Bank (2006:2), small to medium sized tourism enterprises represent at least 90 per cent of all tourism enterprises on the African continent. The significance of the proper development of tourism enterprises in Africa should be consolidated in research and in the forming of policies and initiatives for potentially relieving poverty in Africa (Rogerson, 2007a:372).

The White Paper on the Development and Promotion of Tourism in South Africa (DEAT, 1998:1) follows optimistic international accounts of the potential of travel and tourism to generate growth and development. Koch (1997:217) states that some writers (such as Brandon, 1993: 3, 31) claim it is the only industry in the world that allows a net 'North-South' flow of wealth from industrial countries to developing countries. However, the most common factor that prevents tourism from redistributing wealth is the leakage of profits from the host country to developed countries, and from the countryside to the cities (Brandon, 1993:32). A leakage of up to 90 per cent of revenue generated by tourism may apply in countries that lack substantial local ownership of services such as airlines, hotels and transport (Brandon, 1993:32).

Rogerson (2000:1) says that the neglect of SMMEs in tourism studies is surprising in view of the emphasis that is placed in this White Paper (DEAT, 1998) on 'entrepreneurial opportunities' that are associated with 'responsible tourism' in South Africa. Although this group of tourism SMMEs would be highly differentiated, they would share one common attribute, namely that their growth potential is seen as severely limited (Rogerson, 2000:5). The relative neglect of the informal tourism economy often leads tourism planners to view the informal sector as a nuisance (Rogerson, 2000:5). Lessons from international experience are that informal tourism activities should not be seen as 'aberrant activities' that will disappear with modernisation (Rogerson, 2000:7). A study of 104 rural tourism entrepreneurs indicated a lack of access to finance and methods of marketing as their main constraint (Ndabeni & Rogerson, 2005:135). A survey of 80 backpacker accommodation enterprises indicated that inadequate marketing and financing, but mostly the lack of support from local governments, contributed to the problems of small business entrepreneurs (Rogerson, 2007b:433). This finding is disturbing, especially in the light of the fact that international backpackers represented 89 per cent of the investigated sample, that the South African government seems to support backpackers to only a limited extent (Rogerson, 2007b:434; 440) and that regional tourism for individuals looking for an 'African urban experience' is neglected in the national planning of tourism (Rogerson & Kiambo, 2007:508; 514; 518).

South African Tourism's (2002:20) strategy for growth seeks to drive ambitious results through focused targets in certain tourism growth segments. Although these goals may be adjusted at a later stage, they currently stand at a volume growth of 5.5 to 6 per cent compound average growth rate between 2002 and 2005, and a revenue growth of 12 to 13 per cent between 2002 and 2005. Though South African tourism met these figures at a 13.9 per cent growth in 2006, on international tourist visits (SouthAfrica.Info, 2007:1), Nkosi (Head: Strategic Business Unit, Industrial Development Corporation, cited in Dampier, 2002:69) warns that the tourism industry fail to live up to expectations, when mainly focusing on upmarket international tourists to the exclusion of domestic tourism initiatives. This has resulted in limited job creation, restricted to attractive tourist destinations such as the Kruger National Park (Dampier, 2002:69).

Dahles (2001:156) argues that entrepreneurs are instruments for transforming and improving the economy and society. For the purposes of this study, an entrepreneur is defined as a person who sees an opportunity in the market, gathers resources and creates and grows a business venture to meet these needs (Nieman et al., 2003:9). Tourism SMMEs are defined as the enterprises that function specifically in three subsections of the travel and tourism industry: (i) accommodation, (ii) hospitality and (iii) travel distribution (DEAT, 2005:2). The 'tourism industry' includes all those enterprises which primarily sell services to tourists, for example adventure tourism, conference tourism, cultural tourism, eco-tourism, paleo-tourism and sports tourism (DTI, 2006:7). Additionally, educational tourism (Donaldson & Gatsinzi, 2005:19) and rural tourism (Ndabeni & Rogerson, 2005:130) are identified as important forms of tourism. These tourism businesses create the jobs that are perceived as tourism jobs (DTI, 2006:7; Saunders, 2001:7).

South Africa has much to offer as a future tourist destination. Tourism depends mainly on the quality of a destination's resources and its political stability. More needs to be done for South Africa to realise its full potential in tourism. The contribution of tourism to employment, small business development, income and foreign exchange earnings needs to be expanded. Wildlife parks, beautiful scenery, cultural diversity and other

resources do not determine South Africa's tourism success (Burger et al., 2001:403). Its success will rather be determined by how well such resources are managed and to what extent they complement human skills and innovations (Burger et al., 2001:403).

The aim of this paper is to identify important factors that play a role in the development or constraint of small, medium and micro-tourism entrepreneurs in South Africa. The identification of these factors is important, especially as established SMMEs seem to enjoy more important benefits than emerging ones (Rogerson, 2005:631); there is a need to advance BEE objectives in the South African tourism industry (Rogerson, 2005:635) and prevent leakage of profits (Brandon, 1993:32).

2. RESEARCH PROBLEM AND OBJECTIVES

The tourism industry potentially provides opportunities for existing entrepreneurs and for new venture creation. The question arises as to what barriers, problems and constraints tourism entrepreneurs encounter in this industry. Certain business practices and conditions make it difficult for new firms to enter the market (Vinturella, 1998:99) and this makes the window of opportunity unattractive (Timmons & Spinelli, 2003:98). Any form of intervention in the tourism industry needs to be strengthened by institutional cohesion and cooperation (TIC, 2006:5).

The primary objective of our research was to uncover the factors that contribute to the development or constraint of the tourism industry in South Africa. The provinces of Gauteng and Mpumalanga were selected for this purpose. Gauteng was chosen because it is one of the main economic hubs of South Africa, while Mpumalanga is home to the Kruger National Park and some of the other most popular scenic destinations. Identifying barriers and constraints could enable policy makers to take steps to develop and implement strategies to promote sustainable entrepreneurship in South African tourism and prevent leakages of profit. A questionnaire identifying constraints experienced by the tourism industry could be a handy diagnostic tool for detecting problems.

3. RESEARCH METHODOLOGY

The survey research method was used to conduct the current study (Kerlinger & Lee, 2000:603). A convenience, accidental form of sampling was used to select SMME tourism entrepreneurs (Dillon et al., 1993:229). A seven-page self-administered questionnaire was circulated to a selected sample of these entrepreneurs located in Gauteng and Mpumalanga via electronic mail and fax, which ensured fast turnaround time and flexibility. E-mail questionnaires have the advantage of high distribution, turnaround and processing speed with low distribution costs (Zikmund, 2003:220). The questionnaire included a cover letter and closed-ended questions. It covered the respondents' biographical, demographic and business information, and included a five-point Likert instrument measuring possible constraints faced by tourism entrepreneurs. The five-point Likert scale dealt with the areas of concern identified in the literature study. Under each construct (barriers and constraints) a number of statements were developed to determine the extent to which a particular construct was a barrier or constraint to tourism entrepreneurs. Respondents were asked to rate their reaction to 36 statements on a five-point Likert

scale (1 = Disagree strongly and 5 = Agree strongly). The questionnaire was pre-tested to ensure the validity of the instrument. After the pilot test several items were reworded to improve the readability and clarity.

3.1 Sample

Questionnaires were e-mailed to 1134 entrepreneurs in Gauteng and Mpumalanga and faxed to 216 entrepreneurs in these two provinces who did not have e-mail facilities. Of 1350 questionnaires, 184 were returned, which represents 13.63 per cent of the total. The sample of 184 respondents consisted of tourism entrepreneurs as identified by provincial tourism authorities, trade associations and tourism organisations/bodies, government departments, town councils and exhibitors at tourism and trade shows.

The respondents consisted of approximately 51 per cent males and 49 per cent females, and 93 per cent were white. Ten of the respondents were black, two were coloured, and one did not reply to the question about ethnic group. The ages of the participants ranged from 20 to over 60, with the highest response between the ages of 40 and 60. Most of the businesses had been operating for between two and five years (28 per cent). The main form of business was the closed corporation, with a total of 77 (42 per cent). Most businesses were operating in urban areas, with a total of 147 (80 per cent). Private homes were the most popular business location, with 112 (61 per cent). Accommodation represented the highest main primary product/service that was rendered, with a total of 77 (42 per cent). Accommodation included holiday resorts, chalets, caravan parks, self-catering establishments, country estates and hotels, retreats, lodges, game farms, guest houses and bed-and-breakfast establishments. No responses were indicated for 'shops/retail' and 'art/craft' as the primary product/service. A total of 63 businesses (34 per cent) had an annual turnover of between R150 000 and R1 million per annum. At the time of writing, the exchange rate for US dollars was R7 to USD1. A total of 104 businesses (56 per cent) had fewer than five full-time employees, while a total of 86 (47 per cent) had fewer than five part-time employees.

3.2 Data analysis

Questionnaires were checked for completeness and coded for data processing. Some respondents did not complete all the demographic or business details, but these questionnaires were not rejected as some of these questions requested sensitive information such as turnover figures. Questionnaires that did not have responses to all the questions on the Likert scales were left out for further analysis. The Department of Information Technology at the University of Pretoria processed the data by means of Principal Factor Analysis, using the BMDP statistical software.

4. RESEARCH FINDINGS

The Scree test identified the possibility of two or three factors with eigenvalues above one. Both the two- and three-factor solutions were further analysed by means of Principal Factor Analysis. Items that did not load ≥ 0.25 were discarded. The three-factor analysis produced the most acceptable results and item loadings < 0.25 were eliminated, which led to the discarding of 11 items. Negative items were reverse coded, namely items 11, 12, 19, 20, 28, 29, 34 and 36. The items that had acceptable loadings are reported in Table 1, with only the highest factor loading for each statement presented in bold.

Table 1: Factor analysis on barriers and constraints to tourism entrepreneurs

Number	Statement	Factor 1	Factor 2	Factor 3
1	The South African economy is favourable for tourism	0,181	0,267	0,064
2	The Government supports tourism enterprises	0,570	0,202	0,032
3	Tourism development is planned in South Africa	0,544	0,240	0,107
4	The Government regulates tourism in South Africa	0,523	-0,199	0,048
5	Natural resources are protected in tourism development	0,358	0,208	0,036
8	Customer service in the South African tourism industry is of a high standard	0,176	0,549	0,139
9	Local communities benefit from tourism in South Africa	0,033	0,376	0,032
11	Lack of safety and security hampers tourism in South Africa	-0,061	-0,105	0,763
12	Perceptions about southern Africa affect tourism in South Africa negatively	0,086	-0,091	0,868
14	Quality standards exist for tourism products and services	0,218	0,385	0,087
15	The Government develops infrastructure for tourism in South Africa	0,740	-0,036	-0,049
19	HIV/Aids affects the tourism industry's labour force negatively	0,065	0,158	0,251
20	Tourism entrepreneurs lack marketing funds	0,019	0,251	-0,045
23	South African tourism products/services are of a high standard	0,167	0,536	0,008
24	The South African tourism industry creates jobs	0,141	0,431	-0,091
25	Government structures exist for tourism in South Africa	0,640	0,087	-0,033
27	Government policies for tourism in South Africa are coherent	0,616	0,128	0,071
28	Too high prices are charged for tourism products/services in South Africa	-0,143	0,430	0,093
29	Large tourism enterprises dominate tourism in South Africa	-0,109	0,259	0,020
30	Government tourism structures are effective in South Africa	0,658	-0,031	0,009
31	South African tourism products/services cater for a wide variety	0,079	0,420	-0,114
32	Tourism is monitored by the South African Government	0,656	-0,037	-0,005
34	South Africans lack the expertise to develop tourism in South Africa	0,005	0,380	-0,041
35	Government policies exist for tourism in South Africa	0,544	-0,032	-0,004
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	-0,050	0,322	0,014

Table 1 indicates that the three factors had Cronbach Alphas of 0.85, 0.70 and 0.62 respectively, explaining 30.89 of the total variance. Factor 1 has a variance of 19.0, factor 2 a variance of 5.97 and factor 3 a variance of 5.92, with eigenvalues of 4.7499, 1.4809 and 1.4925 respectively.

The three factors that are formed by the Factor Analysis have been interpreted and labelled appropriately as:

- Factor 1: Government policies and support
- Factor 2: Tourism industry products and services
- Factor 3: Perceptions about South Africa

The percentages, means and standard deviation of each of the items that remained from the factor analysis are reported in their different factors in Tables 2 to 4, ranked in order of their mean scores. Eleven items (6, 7, 10, 13, 16, 17, 18, 21, 22, 26 and 33) did not load high enough on the factor analysis, (less than 0.25) and were left out for the final factor display.

The items in Table 2 recognise the government structures, policies and infrastructures that do exist in support of effective tourism in South Africa. None of these items had a below-average score, which indicates that government infrastructures are perceived to be in place in the support of tourism development in South Africa.

The statement that rated the highest on mean score in Table 3 was 'The South African economy is favourable for tourism' with a mean score of 4.005 and standard deviation of 0.908. The statement that rated the lowest on mean score was item 20, 'Tourism entrepreneurs lack marketing funds'. Though the South African economy is favourable to tourism and the necessary expertise to create jobs in tourism, the indication is that large enterprises dominate the tourism industry and that the existing tourism entrepreneurs lack funds for marketing.

The statements in Table 4 all rated below average. The item with the highest mean score in Table 4 was 'HIV/AIDS affects the tourism industry's labour force negatively', with a mean score of 2.204 and standard deviation of 0.959. The statement that rated the lowest on mean score was 'Lack of safety and security hampers tourism in South Africa' (1.619). Respondents felt that the perceptions about HIV/AIDS and the lack of safety and security in South Africa could have a negative influence on tourism in South Africa.

5. DISCUSSION

The internal reliability of the instrument was tested by means of Principal Factor Analysis, identifying three factors with Cronbach's alpha coefficients of 0.85, 0.70 and 0.62 respectively. The importance of the three factors in the functioning of the tourism entrepreneurs is discussed accordingly.

5.1 Factor 1: Government policies and support

Sustainable tourism development can only be achieved when tourism is managed in a controlled and integrated manner and is soundly based on careful and effective legislative restriction. Unsupported by an overarching national plan, regional and local efforts are less likely to achieve a long-term solution to the damaging impacts that tourism often generates (France, 1997:213). Though the current study indicates that government infrastructures seem to be in place to support tourism development in South Africa, these measures should also be extended to local governments, in view of the warning by Rogerson (2000:5) about the relative neglect of the

Table 2: Percentages, means and standard deviation of each of the items that remained in factor one: Government policies and support

Number	Statement	Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)	Mean Score	Standard Deviation
25	Government structures exist for tourism in South Africa	2.2	18.8	26.6	48.3	3.8	3.315	0.908
2	The Government supports tourism enterprises	5.0	23.3	14.4	50.5	6.6	3.294	1.059
35	Government policies exist for tourism in South Africa	1.1	18.9	35.2	42.4	2.2	3.266	0.827
5	Natural resources are protected in tourism development	5.5	23.7	18.2	46.4	6.0	3.242	1.048
3	Tourism development is planned in South Africa	3.9	24.0	21.2	45.2	5.5	3.232	1.009
32	Tourism is monitored by the South African Government	2.2	21.1	41.1	32.7	2.7	3.117	0.857
4	The Government regulates tourism in South Africa	4.4	26.2	27.3	37.9	3.9	3.095	0.984
15	The Government develops infrastructure for tourism in South Africa	2.7	31.6	21.8	41.5	2.1	3.076	0.972
27	Government policies for tourism in South Africa are coherent	8.5	28.9	39.7	19.8	2.8	2.789	0.940
30	Government tourism structures are effective in South Africa	6.8	40.3	34.0	17.6	1.1	2.701	0.913

**Table 3: Percentages, means and standard deviation of each of the items that remained
in factor two: Tourism industry products and services**

Number	Statement	Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)	Mean Score	Standard Deviation
1	The South African economy is favourable for tourism	1,1	10,5	3,3	57,2	27,7	4,005	0,908
24	The South African tourism industry creates jobs	1.1	7.7	3.87	65.1	22.1	3.992	0.819
31	South African tourism products/ services cater for a wide variety	0.5	5.6	5.6	70.2	17.9	3.975	0.724
9	Local communities benefit from tourism in South Africa	0.5	21.9	13.7	50.0	13.7	3.551	1.000
34	South Africans lack the expertise to develop tourism in South Africa	13.8	47.2	7.2	25.0	6.6	3.373	1.183
14	Quality standards exist for tourism products and services	2.7	27.0	8.2	55.8	6.0	3.357	1.023
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	5.5	39.6	34.0	18.9	1.6	3.288	0.893
23	South African tourism products/services are of a high standard	1.6	34.6	10.4	48.3	4.9	3.201	1.028
28	Too high prices are charged for tourism products/services in South Africa	5.5	41.1	6.1	34.4	12.7	2.925	1.219
8	Customer service in the South African tourism industry is of a high standard	15.3	46.7	7.1	27.4	3.3	2.562	1.138
29	Large tourism enterprises dominate tourism in South Africa	0.5	24.3	11.6	41.4	22.1	2.399	1.090
20	Tourism entrepreneurs lack marketing funds	0.5	3.8	8.2	53.8	33.5	1.843	0.778

Table 4: Percentages, means and standard deviation of each of the items that remained in factor three: Perceptions about South Africa

Number	Statement	Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)	Mean Score	Standard Deviation
19	HIV/Aids affects the tourism industry's labour force negatively	0.5	11.6	21.1	41.6	25.0	2.204	0.959
12	Perceptions about Southern Africa affect tourism in South Africa negatively	1.1	5.4	2.2	38.4	52.7	1.633	0.857
11	Lack of safety and security hampers tourism in South Africa	2.1	6.0	2.1	31.1	58.4	1.619	0.950

informal tourism sector and regional tourism in South Africa (Rogerson & Kiambo, 2007:508; 514; 518). It therefore seems that government support for all levels of tourism entrepreneurship should be developed to make the tourism enterprise sustainable. The government should lend overall support to all levels of the industry to persuade potential consumers to support South African tourism (Hall, 2000:19). Overall management of the tourism industry could ensure that tourist customer services are of a high standard and that natural resources are collectively protected. Appropriate government policies and support could encourage potential and emerging tourism entrepreneurs to enter the market in the light of strong competition faced from established SMMEs, as indicated by Rogerson (2005:631). If government policies and support are in place, this should lead to the advancement of BEE tourism entrepreneurs in South African, especially creating entrepreneurial opportunities for these individuals with the coming 2010 soccer World Cup. With proper government policies and support, the unnecessary seepage of profits can be prevented to a large degree.

Factor 2: Tourism industry products and services

The production of tourism goods and services requires the commitment to resources that are favourable for promoting tourism in South Africa. For instance, tourism needs to be developed to a high international quality and standard, and at the same time jobs need to be created for local individuals, and indigenous communities need to benefit from the tourism industry. This could prevent the economic leakages that occur because of income earned by imported labour for the tourism industry. Financial and marketing difficulties are indicated as problematic in the current study, as many rural tourism businesses are small in scale and family owned or operated, or both, and they experience financial and marketing problems. Financial and marketing difficulties are also identified by Rogerson (2007b:433) and Ndabeni & Rogerson (2005:135) as problematic for rural and backpacking small business entrepreneurs. Large tourism enterprises could dominate the tourism industry in South Africa, affording little opportunity to the small, medium and micro tourism enterprises, who also lack funds for marketing. This could make it difficult for SMMEs to enter the tourism market, potentially relieving poverty and advancing BEE.

Factor 3: Perceptions about South Africa

The current study indicates that perceptions of HIV/AIDS and the lack of safety and security in South Africa could have a negative influence on tourism in South Africa. This finding is in accordance with the concern of the DEAT (2003:44) that visitors may even be worried about standards of medical care in South Africa. Consumer interest should be maintained in a climate where travellers' safety and security is assured, and this should be a high-priority concern if South Africa's tourism potential is to be realised (WTTC, 1998:25). Safety and security remains a fundamental condition for all tourism destinations, but it is particularly important for South Africa, whose otherwise exceptional reputation is being shadowed by the actual and perceived level of crime (WTTC, 1998:31).

6. CONCLUSION AND RECOMMENDATIONS

The aim of this study was to identify factors that play a role in the development or constraint of tourism entrepreneurship in South Africa. The findings indicate that though government structures seem to be in place to support tourism in South Africa, SMMEs in tourism seem to face unique barriers and constraints, such as lack of funding and marketing opportunities, as well as being hampered by perceptions about HIV/AIDS and lack of safety and security. Most of these barriers and constraints are in the external environment of these tourism ventures. They can do little about these constraints except to develop business strategies to counter or minimise the effects on business performance. However, government and policy makers need to take note of these constraints and barriers and take appropriate action.

Identifying the barriers and constraints could enable policy makers to take steps to develop and incorporate strategies to break down these barriers and thereby enhance the role that tourism entrepreneurs can play in South Africa. These constraints make the industry unattractive to potential customers and may prevent potential entrepreneurs from using this window of opportunity. Opportunities for developing SMME tourism could be enhanced should the South African government assist these businesses by coordinating and monitoring policies, structures and regulations. It is important that both domestic and foreign tourism should be marketed to stimulate the South African economy to benefit SMMEs. Tourism entrepreneurs feel they lack funds to promote and market their products and services locally and internationally. Without finance, no tourism enterprise can grow, expand or prosper.

Tourism remains characterised by disparities in access to opportunities and benefits and, in particular, to opportunities and benefits for black people. This sector is largely white-owned, and has a residual legacy of inequality that has a negative effect on efforts to ensure a tourism- and tourist-friendly culture in the country (DEAT, 2005:6).

This study is only a starting point for identifying constraints that tourism entrepreneurs face. It has limitations, since only some of the country's SMMEs in tourism enterprise were investigated in a mainly white sample. The results can therefore not be generalised to the whole country or the large tourism enterprises. However, the following could serve as some further research areas:

- The study could be extended to other provinces of South Africa and comparisons of similarities or differences between provinces could be done.
- More ethnic groups could be included, to generalise findings to ethnic groups other than white tourism entrepreneurs in South Africa.
- A comparison could be drawn between male and female tourism entrepreneurs and the constraints that they experience.
- The development of sustainable BEE tourism entrepreneurs could be investigated.
- An effort should be made to identify the unnecessary leakage of profits in the tourism industry in South Africa and make suggestions to how these seepages can be prevented to the advantage of the South African society.
- The current paper concentrates on the reports of SMMEs in the tourism industry. Its findings should be compared to findings about large tourist enterprises as well, so as to identify contributions that can be made to advance tourism entrepreneurship in South Africa at all levels of the industry.

A paradigm shift and a combined effort by all those involved in the tourism industry are required to advance SMME tourism to the benefit of the South African economy. The current study has provided a diagnostic tool to identify how (1) government policies and support, (2) tourism industry products and services and (3) perceptions about South Africa can be investigated and rehabilitated to contribute positively to sustainable

tourism entrepreneurship in South Africa. The authors hope that the identification of some of the constraints in this study and the recommendations suggested will go some way towards alleviating the difficulties faced by small, medium and micro tourism entrepreneurs.

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