



Lack of government support: A hindrance to entrepreneurship development of SMTE sector in Buffalo City, South Africa

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Background: The lack of government support hinders entrepreneurship development thus burdening the South African economy. The small to medium tourism enterprise (SMTE) sector currently faces challenges due to lack of government support.

Aim: This study sought to investigate the lack of government support among owners and managers of SMTEs in Buffalo City, South Africa.

Setting: This study focusses on the role of government support in tourism entrepreneurial ventures within Buffalo City.

Methods: The study utilises both qualitative and quantitative research methods to analyse the role of government in the SMTE sector.

Results: The study elucidates that some of the owners and managers that operate these businesses lack government support to manage businesses to perform optimally and provide impetus to entrepreneurship development.

Conclusion: The study indicates that government support is crucial to entrepreneurial development. Therefore, it is recommended that government must invest in supporting small business initiatives to enable them to improve performance. Thus, entrepreneurship development will help developing economies such as Buffalo City.

Contribution: The article sought to investigate the challenges that relate to a lack of government support. The role of government is critical in developing initiatives that could assist owner-managers in discharging their managerial responsibilities of SMTEs. Furthermore, it is recommended that the government should provide effective entrepreneurial training support programmes in order to foster the growth potential of SMTEs in Buffalo City.

Keywords: government; SMTEs; entrepreneur; growth; training; support; skills; manager; enabling; tourism industry.

Introduction

Small to medium tourism enterprises (SMTEs) play a vital role in the economy globally. According to World Travel & Tourism Council (WTTC, 2023) statistics, South Africa's tourism sector employed 1.46 million people in 2023 and is expected to grow to nearly 1.7 million jobs in 2024. However, SMTEs continue to struggle in South Africa because of a wide range of challenges and the survival rate is increasingly low. These challenges include the need to navigate complicated legal frameworks, resource constraints and strict regulatory compliance requirements (Kahn, De Melo & De Matos 2020).

Small Micro and Medium-sized Enterprises (SMMEs) are essential drivers of economic growth and sustainable development in South Africa. Approximately 60% of South Africa's workforce is employed by these dynamic businesses, which make up 91% of the country's formalised businesses. They also significantly contribute, approximately 34%, to the country's total economic production (Stević et al. 2020). Globally several issues impact the rate of development in developing and underdeveloped nations. The development of nations experiencing progressive growth is impacted by issues like extreme poverty, high unemployment and moderate economic growth (Kosmas 2020). Encouraging economic growth via job creation and wealth creation is one way to address global issues and reduce poverty over the long term.

Leboea (2017) contends that 75% of (SMMEs) in South Africa close within 5 years of operation. The Global Entrepreneurship Monitor (GEM 2021) points out that South African SMMEs seem to be facing challenges that stem from the inability to manage their enterprises effectively (Abrham et al. 2015) and a lack of government support (Xiang & Worthington 2017).

Skills and profits are related, according to studies on profitable small businesses (McGuirk, Lenihan & Hart 2015; Michaelis & Markham 2017; Turcut & Lucia 2016). Both developing and developed economies still rely heavily on SMMEs. In this context, Zhou and Gumbo (2021) ensure that the various branches of government need to actively work to promote and foster an atmosphere that is favourable to the industry's success in addressing the high failure rate and unemployment.

In South Africa, SMTEs are said to be faced with a lack of government support that can potentially hinder entrepreneurial growth. For instance, small business owners or managers must possess financial management and government support to empower planning, organising, leading and controlling the enterprise. There are necessities that relate to the government support skills in SMTEs. The potential of establishing new ventures in South Africa is relatively low in juxtaposition to other countries such as Ghana, Zambia, Brazil and Chile (GEM 2023). The GEM (2022) posits that South African SMMEs seem to face challenges emanating from the inability to manage their enterprises effectively, resulting from the lack of education and training. These challenges pose a threat to establishing new entrepreneurial ventures. Small, micro and medium-sized enterprises have been disproportionately affected by South Africa's slowing economy and numerous downgrades in their rating. In addition, the coronavirus disease 2019 (COVID-19) pandemic has made them more vulnerable because of lockdown measures. The travel and hospitality, retail and transportation sectors were all impacted by these restrictions. According to Rajagopaul, Magwentshu and Kalidas (2020), these sectors of the economy had some of the fastest-growing SMMEs in the nation, with activity never returning to pre-pandemic levels.

Farja, Gimmon and Greenberg (2017) state that various theories have explored the reasons for SMME failures. They identified several challenges, including poor management skills and limited access to finance, among others. World Atlas (2018) posits that the Eastern Cape is one of the poorest provinces in terms of the economy. The province is affected by a high rate of poverty, unemployment and crime, which is the result of poor economic growth and which has become an impediment to the growth and development of SMTEs (Vallabh & Radder 2010). Zulu (2014) argues that government support to the SMTE sector can drive business managers to increase business performance. Government support is critical for any business to succeed. This study therefore underscores the issue of the lack of government support within the SMTE sector.

Government support for individuals who aspire to become business owners is imperative, particularly for countries that are experiencing low levels of entrepreneurship such as South Africa. However, there seems to be a gap in relation to government support within the SMTE sector. Furthermore, SMTEs are recognised as having the potential to facilitate economic growth, particularly within the context of the Eastern Cape in South Africa. However, there is a paucity of research that addresses the lack of government support for small businesses.

Furthermore, there seems to be anecdotal information pertaining to the lack of government support for the small business sector.

Operational definitions

Business failure

Business failure is defined as the inability to effectively manage the enterprise which leads to financial and capable human resources losses (Guertler & Sick 2021).

Business sustainability

Business sustainability is the enterprise's effective approach to the short-term profitability requirements of an enterprise (Bansal & DesJardine 2014).

Business success

Business success is determined by the profitability of an enterprise (SBA 2023).

Entrepreneurship

The definition is exemplified by Elia, Margherita and Passiante (2020) as the process of identifying potential business opportunities and exploiting them through creation of new resources or recombination of existing ones to develop and commercialise new products and services.

Small business

The definition for small businesses used in South Africa is based on the *National Small Enterprise Act of 1996* (Act No. 102 of 1996), as revised considering the annual turnover categories and the total full-time equivalent of paid employees. According to the Act, a small business is an independent, stand-alone company along with any branches or subsidiaries it may have, including cooperatives run by one or more owners and primarily engaged in any of the economic sectors or subsectors (SBA 2023).

Lack of government support for small to medium tourism enterprises: A problem statement

Government support is critical for small businesses to succeed. Therefore, the lack of government support presents a problem in terms of requisite skills for entrepreneurial ventures within the tourism industry. There is a paucity of research regarding the lack of government support for developing entrepreneurial ventures. This underscores the

relevance of this study. Small businesses are susceptible to high failure rates and thereby face challenges to exist beyond 5 years. Therefore, the challenges that businesses face often require government support and an enabling environment. The Small Business Owners (SBO's) lack of managerial skills poses a problem for the profitability and longevity of the business (Arasti, Zandi & Bahmani 2014; Etuk, Etuk & Baghebo 2014). Management skills are critical for the growth of a company, given that a business is most vulnerable at the beginning of its existence (Mxunyelwa & Vallabh 2017).

Research questions

This study sought to answer the following research questions:

- *What is the role of government support on SMTEs in Buffalo City?*
- *What is the impact of lack of government support on SMTEs in Buffalo City?*

Objectives of the study

The main objectives of the study were:

- To identify the benefits of government support for SMTEs in Buffalo City.
- To assess the impact of the lack of government support on Buffalo City.

Literature review

Overview of small and medium tourism enterprises

Small and medium tourism enterprises are a vital component of the global economy, contributing significantly to growth, innovation and competitiveness in the small business sector. They are also important employers, helping to reduce the often abnormally high rates of unemployment (WTTC, 2023). The government of South Africa has determined that the SMTE sector is the key industry to opening niche areas for entrepreneurs. Tourism has been identified as one of the key economic driver for the city approximately 9700 people are employed in the tourism industry which, which generates R3.94 billion in total spending for the city each year (Statistics South Africa [StatsSA] 2019). The municipality partnered with private sector and civil society organisations who have a keen interest in developing and promoting tourism the Border Kei Chamber of Business Women in Tourism. It is the responsibility of several state organisations, including the Eastern Cape Development Corporation (ECDC), the Tourism Enterprise Partnership (TEP) and the Small Enterprise Development Agency (SEDA) to encourage and support the expansion of the SMTE sector, particularly after 1994.

Empowering SMTEs and entrepreneurship is crucial to sustainable and inclusive growth. The SMTE sector contributes to local economies by bringing growth and innovation to the communities in which the businesses are established (Zulu, 2014).

Government as a catalyst for small business development

The government's role in boosting the economy includes helping SMTEs; however, not all SMTEs are aware of institutional support programmes (Mbuya 2022; Madzimore & Abrahams 2022). According to Mthisi (2015), the South African government has acknowledged the challenges faced by SMTEs and has implemented policies aimed at promoting their expansion as well as offering essential assistance.

Government organisations can assist SMMEs by offering them advisory services to improve business performance and promote a higher rate of SMME development and growth. These organisations include but are not limited to the SEDA, Small Enterprise Finance Agency (SEFA) and National Youth Development Agency (NYDA) (Khoase 2015). Local Economic Development (LED) is an approach which encourages local people to work together to achieve economic and sustainable growth, thereby bringing economic benefits and improved quality of life for all residents in a municipal area. The goal of SEDA is to support small businesses and encourage entrepreneurship by offering tailored business support. Small businesses can apply for grants and loans from SEFA to support their sustainable growth. Eligible businesses can receive up to R15 million (Small Enterprise Financial Agency, Accessed, 2023).

Challenges faced by small and medium tourism enterprises

Entrepreneurial skills and managerial skills

Global Entrepreneurship Monitor (2023/2024) global report indicates that the quality of South Africa's overall entrepreneurial environment fell in 2023. The score had improved from 3.7 in 2021 to 4.1 in 2022 but fell to 3.6 in 2023' third lowest of the 49 GEM participating economies. Many entrepreneurs in South Africa have no skills to run a business, they may have the business idea but have inadequate knowledge on how to manage and market the business.

Bvuma and Marnewick (2020) assert that SMME failure can be attributed to a number of significant factors, including a lack of managerial experience and skills, a lacklustre entrepreneurial culture and barriers to market access. Bushe (2019) questions as to whether the South African government has truly committed to the development of small businesses remains a paradox. Bushe (2019) notes with interest how the Malaysian government has clearly demonstrated its commitment to the development of the small business sector, given their pivotal role in economic growth, employment creation and transformation. The Malaysian government has put in place national policies and institutional frameworks that address the developmental needs of the small business sector. This will provide impetus to the small business sector that often requires support to innovate.

Small businesses can help by including those businesses which were previously marginalised to participate in the

mainstream economy (Niemen, 2011). Furthermore, small businesses often appeal to innovative employees, who implement new solutions for existing problems. Vallabh and Mhlanga (2015) affirm that the absence of managerial skills and training is a vital reason for small business failure, and the lack of experience and an authoritative culture greatly hinder the development of SMMEs in South Africa. Furthermore, many small businesses are unaware of the availability of such services as Khula Finance Enterprise (Khula) and the SEDA. There is seemingly a disconnection between small businesses and government in the South African context.

The GEM report (2023) indicates the number of ventures that are created in South Africa is low in comparison to other countries around the world. It highlights most enterprises struggle to survive in their first year of operation. One of the major challenges outlined refers to the skills and training of small business managers. There is a paucity of literature available on the lack of government support and consequent challenges for small businesses. Therefore, government support development is critical for these businesses to succeed in the context of Buffalo City in the Eastern Cape.

Government initiatives such as accelerators and incubators, which offer resources, mentorship and training to early-stage start-ups can encourage networking and collaboration among entrepreneurs by providing opportunities for them to interact and share ideas. Therefore, government support development is critical for these businesses to succeed in the context of Buffalo City in the Eastern Cape.

Inflation and high interest rate

The rate at which prices rise over a specific period typically a calendar cycle is known as inflation. Thus, inflation is the gradual increase in the price of goods and services over time. One way to measure things like the cost of living in a country is through inflation. However, it might also apply to smaller-scale actions like raising the cost of raw materials (Bruwer, Siwangaza & Yolandé 2018). South Africa's inflation has levelled off between 3.2% and 6.9% in recent years and is expected to stabilise at around 4.5% in the future (Statista 2023). The high interest rates hinder the ability of SMMEs to borrow money for financing their expenditures such as investigating in new equipment and paying for marketing and growth initiatives.

Lack of infrastructure

The development of SMMEs is severely hampered in South Africa by inadequate public utilities including electricity, water, telecommunications and sanitation as well as by inadequate transportation infrastructure. It is impossible to overstate the importance of infrastructure as a mechanism for sustaining and expanding small businesses (Bushe 2019). The technical systems that support a society, such as communication networks, utilities and routes for transportation, are collectively referred to as infrastructure.

These systems are essential to the growth of SMMEs. Studies indicate that the development of SMMEs is significantly influenced by the quality of infrastructure. Across a wide range of industries, the impact of infrastructure on the success of SMMEs has been the subject of numerous studies.

Small, micro and medium-sized enterprises can gain a lot from telecommunications innovations by increasing productivity, cutting expenses, opening up new markets and improving product development and delivery. For SMMEs, the lack of telecommunications infrastructure can result in lower productivity. Because of its ability to facilitate effective business information sharing and access to both local and global markets, technology is a vital component of SMME growth.

Lose and Mapuranga (2022) pointed out that the performance of SMMEs is seriously hampered by poor infrastructure and failing systems. The authors further argue that the development of SMMEs in South Africa was hampered by a lack of adequate technology infrastructure and inadequate skills.

Small, micro and medium-sized enterprises struggle with challenges of load shedding, high inflation and market volatilities, which constrain the sustenance and growth of these businesses (SEDA 2022-2023). The power blackouts, which started in 2008, are indicative of the constraints placed on businesses when key services fail. According to Bushe (2019), South Africa experienced blackouts that failed the economy and negatively impacted private sector investment. The energy crisis forced SMMEs to find capital to invest in alternative power supply units, create new ways of working to navigate load shedding and try to remain productive with fewer hours in the day.

Bureaucratic red tape

Government regulations play a crucial role in fostering entrepreneurship because they provide the framework for the establishment and growth of new companies. Government bureaucracy was identified as one of the main barriers to entrepreneurship and business activity in South Africa in both the WEF 2014/2015 Global Competitiveness Report and the GEM (2021) South African Report. One of the issues raised in the WEF report was the length of time it takes to get licences and permits. The report also made clear that managing and launching a business came with red tape issues.

State entities can provide regulatory support to SMMEs by simplifying regulatory frameworks and providing guidance on compliance requirements. This can make it easier for SMMEs to comply with regulatory requirements, which can reduce the risk of fines, penalties and business closure. Because of ineffective government bureaucracy, which was identified as the biggest obstacle to conducting business in the nation and stringent labour laws, South Africa was ranked 47th out of 138 countries in the Global Competitiveness Report (Schwab 2017). According to SMMEs, Black Economic Empowerment (BEE), mandatory regulations, labour issues, municipal issues, South African Revenue Services (SARS)

and other regulatory burdens are the most frustrating red tape issues. The most difficult and burdensome was identified as SARS (SBP 2015).

It should be the responsibility of compliance officers to help applicants comply rather than reject them. In order to propel economic growth, generate employment and foster innovation in South Africa, it is imperative that entrepreneurs and SMMEs be given more authority. The SMME sector can benefit greatly from the easing of the current barriers that prevent them from receiving financial support from state agencies such as SEDA, SBDA, National Empowerment Fund (NEF) and Industrial Development Corporation (IDC). In addition, the government can be a vital resource for SMMEs by enacting laws that encourage innovation and entrepreneurship.

South Africa's rural economy faces various challenges, these challenges range from Triple Threat (i.e., unemployment, poverty and inequality) which inhibits the economic growth in the rural context. The World Bank (2022) underscores that governments around the world identify the SMME sector as a conduit to enable the sector to grow.

Ntimoah, Li and Kwamega (2016) indicate that there is a relationship between SMMEs and the agriculture sector in Ghana. The agriculture sector receives support from the government because of the potential role that the sector possesses in addressing the triple threat challenge. In countries such as Ghana, the SMME sector is influenced by the support that they receive from the government.

Various nations such as United Kingdom, Italy and Germany have realised the increase and importance of new ventures as drivers of economic growth compared to other western countries (Morse & Smith 2015). Government support is therefore essential for small businesses for their sustainability.

This creates a difficult conundrum for small businesses when they have no support from the government (National Tourism Sector Strategy 2016–2020). In this context, training is recognised as important, in order to address the shortcomings of small business owners. In the past, small businesses were not viewed as activities that had the potential to create and develop the economy. According to Vallabh and Mhlanga (2015), the lack of government support poses a core challenge in terms of human resources for entrepreneurial ventures within the tourism sector. They point out that the issue of human capital is critically important to the long-term overall development of the tourism sector. Small to medium tourism enterprises provide employment to individuals of all ages and with varied government support skill levels. Furthermore, to develop and deliver a competitive tourism product that is geared to meet the changing needs of customers with the ability to mitigate societal woes such as poverty (Vallabh & Mhlanga 2015).

While education plays a pivotal role in entrepreneurship, it can be argued that government entrepreneurial skills,

attributes and behaviour can be learned through the entrepreneurial journey. Furthermore, government support such as entrepreneurial education, training and government skills is the lifeblood of any small business venture (Vallabh & Mhlanga 2015). According to Lekhanya (2015), because of the legacy of apartheid education, the majority of the population in South Africa lacks business skills as well as technical skills. As a result, large sections of the population lack self-esteem, motivation and creativity. Furthermore, the majority of people still receive poor quality education as most schools are poorly equipped to meet the challenge of providing good education. The system is constrained in providing people with entrepreneurial mindset and skills which a key to a successful business venture. Education, training and business skills are vital elements that drive managers to grow their enterprises, which formed a key finding of this study. In addition, the GEM (2021, 2023, 2024) underscores that the failure rate of small businesses is consistently high over the first 5 years. This is exacerbated by the lack and will of government initiatives in responding to the high failure rate of small businesses.

Small to medium tourism enterprises at the local economic level are characterised by having lack of government support, poor local economic conditions and poor management. These factors are constraining the growth and sustainability of small businesses (SBP, 2015).

Research methods and design

Research approach

The study utilises both qualitative and quantitative research methods to analyse the role of government in the SMTE sector. Adopting this approach enabled the researcher to understand the frequency of the responses pertaining to the questions that were asked during the data collection process. Conversely, the qualitative approach was utilised to provide an explanation and provide better understanding and the meaning of the numbers as postulated in the article. According to Creswell and Plano Clark (2023), a mixed methods research design is one that employs unique philosophical presuppositions and investigative techniques. It is a methodology that uses philosophical presumptions to give instructions for gathering and analysing data from various sources in a single study. A mixed methods design can help with a study's complex problems by integrating and combining multiple data sources (Poth & Munce 2020).

Study population and sampling strategy

According to Rahi (2017), the population is all the people or items that are pertinent to the analysis. This study uses the data collected from the Buffalo City Small tourism business owners. The target population in this study are owner-managers of 100 registered SMTEs. This study utilised systematic random sampling technique methods in order to get a better understanding of the issue of lack of government support being a hindrance to entrepreneurship and SMTE development in Buffalo City.

Data collection

Self-administered questionnaires were used to collect data; the questionnaires included both closed and open-ended questions. A hundred questionnaires were distributed in Buffalo City. The researcher managed to receive 60 usable questionnaires from the respondents. Statistical Package for the Social Sciences (SPSS) software was used for the analysis of the quantitative data in this study. Data were collected before post-COVID-19 was announced in South Africa.

Data analysis

The computer software package, Statistical Packages for Social Sciences (SPSS), was utilised to capture and analyse the quantitative data. The software enabled the researcher to comprehend and access descriptive statistics (i.e., mean, standard deviation or median). Cross-tabulations were undertaken to ascertain the relationship between variables. The key findings and recommendations of the study were generated through the analysis of the data. In light of the fact that analysis of quantitative data was envisaged in this research, the responses to the statements in the questionnaire were assigned to numerical values on a 5-point Likert scale. The researcher adopted mostly closed-ended questions, as they are aligned with statistical processing. Descriptive, as well as inferential, statistics were utilised for the purposes of this research. In the descriptive analysis statistics were produced and summarised by using SPSS to produce frequency distributions, measures of central tendency and distribution. Inferential statistics allowed the researcher to generalise sample results to a larger population within a given margin of probable error (Fox & Bayat 2008)

Ethical considerations

Ethical approval to conduct this study was obtained from the Walter Sisulu University Research Ethics Committee (reference no.: 02/12/04/2023/PG). The respondents were assured of confidentiality. The researcher was granted permission by the Research and Knowledge Management Department at Buffalo City Metropolitan Municipality (BCMM) to conduct the research in East London.

Results

The findings of this study are presented in Tables 1 to 4. This study sought to explore government support for SMTEs.

TABLE 1: Education qualification obtained.

Education	F	%
Grade 10 or lower	8	13.8
Grade 12 or matriculation	16	29.3
Diploma or degree	29	51.7
Postgraduate	4	8.6
Other	3	5.2
Total	60	100

Source: Mxunyelwa, S., 2019, 'Management capacity within Small and Medium Tourism Enterprises (SMTEs)', Unpublished Doctoral thesis, Nelson Mandela University
F, frequency.

Highest educational qualification obtained

The study sought to understand the level of qualifications of the respondents. The respondents were requested to indicate their level of qualifications and the results are depicted in Table 1.

Table 1 depicts the results of the level of education. The findings indicate that 43.1% of respondents had either a diploma or degree qualification while 29.3% of this cohort had matric certificates. Furthermore, 13.8% of respondents had completed Grade 10 or lower. However, 8.6% had postgraduate qualifications and 5.2% of respondents had other educational qualifications.

Qualification in relation to the business existence and government support

The level of success of most businesses depends on a number of factors that must be taken into account, such as training, education, skills and government support. The level of skills of business owners often provides an indication of the potential of the business to attain a set goal.

Table 2 depicts the qualifications of owners or managers in relation to the length of business existence.

The study aimed to determine whether the number of years a business can survive is correlated with the owner or manager's educational attainment. An analysis of this relationship was conducted using a cross-tabulation Chi-square test. The test elucidated that the relationship between these two variables was statistically significant (Chi-square = 19.192, $df = 10$, $p = 0.038$). The findings in Table 2 indicate that the qualifications of business owners play a significant role in guiding the business to success. The results underscore that 78.6% of those managers with post-matric qualifications are able to manage a successful enterprise. These were the

TABLE 2: The educational qualifications of small to medium tourism enterprises managers.

Educational qualification	Less than 3 months	Between 3 and 42 months (or 3.5 years)	More than 43 months (or 3.5 years)	Total
Grade 10 or lower	2	2	10	14
%	14.3	14.3	71.4	100
Grade 12 or matriculation	1	42	69	112
%	0.9	37.5	61.6	100
National diploma	2	25	57	84
%	2.4	29.8	67.9	100
Degree	3	20	27	50
%	6.0	40.0	54.0	100
Postgraduate	0	7	24	31
%	0.0	22.6	77.4	100
Any other qualification	0	3	11	14
%	0.0	21.4	78.6	100
Total	8	99	198	305
%	2.6	32.5	64.9	100

Source: Mxunyelwa, S., 2019 'Management capacity within Small and Medium Tourism Enterprises (SMTEs)', Unpublished Doctoral thesis, Nelson Mandela University

owners and managers of those businesses that had existed for more than 43 months (or 3.5 years). In relation to the number of business owners that provided responses, 77.4% had a postgraduate qualification and stated that they manage enterprises that have a life span that is more than 43 months (or 3.5 years). In this context, it can be stated that business managers who hold higher qualifications can manage a business effectively. This finding is supported by Deakins et al. (2012) who indicated that there is a relationship between qualifications and managing a successful business. Furthermore, the role of government in supporting these businesses to transition from start-ups to 3–5 years of existence is critical for the sustainability of these businesses.

Findings from Table 2 indicate that 71.4% of those who had grade 10 or lower education were running enterprises that had existed for more than 43 months. It is also worth noting that 67.9% of those who held a National Diploma qualification managed businesses that had lasted for more than 43 months (or 3.5 years). Lastly, 61.6% of managers who had obtained a Grade 12 or Matriculation qualification were running SMTEs that had existed for more than 43 months (or 3.5 years). Even though these businesses had managers who possessed post-matric qualifications, they recognised the importance of government support in their business endeavours. The government's role in creating a conducive environment underpins business success within the small business sector.

The government support skills development initiatives help me become better at executing my managerial responsibilities

Government support skills development initiatives are essential for owners or managers to become proficient in managing their enterprise and executing managerial responsibilities. This study sought to ascertain how skills development initiatives could help owners or managers become better at discharging their managerial responsibilities. Table 3 presents the findings in the context.

Respondents indicated that government support for skills development can potentially assist them in managing their businesses proficiently. Based on the results presented in Table 3, 34.5% of the respondents strongly agree whereas 32.8% of respondents agree. In contrast, 15.5% of respondents were undecided, 13.8% of respondents do not agree and 3.4% strongly disagree.

TABLE 3: The government support skills development initiatives help me become better in order to execute my managerial responsibilities.

The skills development initiatives	<i>n</i>	%
Strongly agree	20	34.5
Agree	19	32.8
Undecided	8	13.8
Do not agree	9	15.5
Strongly do not agree	2	3.4
Total	58	100

Source: Mxunyelwa, S., 2019, 'Management capacity within Small and Medium Tourism Enterprises (SMTEs)', Unpublished Doctoral thesis, Nelson Mandela University

However, there seems to be a lack of monitoring and evaluation mechanism which can enable the government to understand the extent of the impact of skills development initiatives within the context of these businesses. It is pivotal that a closer association develops between the government and these SMTEs, which will improve the level of information and communication. It is argued that government support skills development enables entrepreneurs to execute their managerial responsibilities. Global Entrepreneurship Monitor (2020) reported that government support skills among South African entrepreneurs are among the lowest in the world. Furthermore, within the African context, South African small business owners or managers have one of the lowest skill levels in comparison to other African countries with high entrepreneurial inclination such as Ghana, Nigeria and Egypt (GEM, 2020). It is argued that when entrepreneurs have gone through a government support skills development initiative, they are likely to execute their responsibilities of running their ventures effectively. Thus government support skills development forms an integral part of managing a sustainable entrepreneurial tourism venture.

Table 4 demonstrates that 39.7% of respondents agreed that government support skills development forms part of management capacity building among entrepreneurs while 34.5% were strongly agreed. In addition, 10.3% of business respondents were equal in their responses as they did not agree or were undecided. Furthermore, 5.17% of respondents strongly disagreed. The results show that the highest number of business respondents understood the importance of government support skills development as a management capacity within the entrepreneurial sector. In a study conducted by Tustin (2016), it is espoused that small business owners often neglect skills development owing to the fact that they are too busy focussed on the bottom line of the business and these enterprises are one-man show in many instances.

Furthermore, government support skills development that form part of management capacity are important in developing strategic thinking for entrepreneurs. It is argued that management capacity can potentially enable managers to run the businesses towards the strategic objectives.

TABLE 4: Government skills development forms part of management capacity building among entrepreneurs.

Government skills development forms part of management capacity building entrepreneurs	<i>n</i>	%
Strongly agree	20	34.5
Agree	23	39.7
Undecided	6	10.3
Do not agree	6	10.3
Strongly do not agree	3	5.2
Total	58	100

Source: Mxunyelwa, S., 2019, 'Management capacity within Small and Medium Tourism Enterprises (SMTEs)', Unpublished Doctoral thesis, Nelson Mandela University

Discussion

The findings of the study have implications for entrepreneurship development within the SMTE sector and the tourism industry in its broader context. The study recommends that SMTE owners and managers should invest in government support skills development initiatives in order to enable them to improve growth performance and develop the ability to build sound sustainable companies. Effective quality education and training among SMTE owners and managers is imperative to assist in providing equitable income distribution from their businesses. Small businesses in South Africa face a number of challenges including lack of infrastructure, managerial and entrepreneurial skills, and macro environment-related issues.

It is therefore recommended that the government should provide effective training support programmes in order to foster the growth potential of SMTEs in Buffalo City. However, seeking skilled owners and managers to meet future needs remains problematic for these businesses – in particular for managers – as it identifies the challenges and the strategies required to improve the success rate of SMTEs in achieving sustainability. This study supports the National Tourism Sector Strategy (NTSS) and the National Development Plan Vision 2030 in its endeavours to promote a more enabling business environment and tourism destination. Therefore, capacitating government support skills, among SMTE owners and managers is required to successfully operate their organisations. This becomes pivotal to building sound economic growth and development.

General recommendations

From the findings of this study, the following are some of the recommendations.

Once the priority development areas have been outlined by the government, the focus should be on structuring a skills development programme for small businesses that addresses the key success factors through training and mentoring. Training should comprise a strong theoretical component which introduces the best in running a small business. The training should be underpinned using user-friendly training manuals and other relevant tools. The theoretical training must be backed up by well-structured mentorship-based practical training. As advocated by Gibb (1996), the learning should not only be theoretical in such a way that it is distant from the context. The proposed framework for skills development should be underpinned by strong practical learning supported by trained and experienced mentors. Lastly, municipal officials should create and maintain harmonious relationships with the small business sector. Development of SMTEs and entrepreneurship are vitally important tasks for the government. By providing funding, reducing bureaucratic red tape, creating a favorable legal framework, and providing skill-development programs aimed at prospective business owners.

Conclusion and future research

This article investigated the subject of the role of government in supporting the small business sector in South Africa in general. This study provides valuable information on the available and future government support that needs to be broadened and further developed in order to improve the efficiency and competitiveness of small businesses. Globally, governments are taking proactive steps to enhance skills development among SMTEs and developing digital skills platforms to bridge information gaps and improve coordination between various stakeholders. This is in line with the Vision 2030 Agenda, which calls for government proactiveness regarding reducing inequality, eliminating poverty and providing quality education to assist improve economic growth. Therefore, government support is regarded as an imperative to rectify the problem in South Africa, particularly in small businesses training and government support skills are not really encouraged because of reasons such as financial constraints among other factors. As such, government support programmes that are designed to empower entrepreneurs and increase the survival rate of newly established businesses must be developed by National, Provincial and Local governments to promote the small business sector.

The programmes should be focussed on developing business skills that enable entrepreneurs to establish a new business and manage it in a sustainable manner.

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Authors' contributions

S.M. and D.V. were responsible for conducting the entire study, as well as data analysis and correspondence.

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Data availability

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Disclaimer

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