CHAPTER FOUR: RESEARCH METHODOLOGY AND FINDINGS

4.1 INTRODUCTION

The aim in this chapter is twofold. First, is to describe the research methodology that was used in this investigation of small towns in South Africa. Second, is to present the empirical research findings concerning the renewal of small town economies using the case of Alice in Eastern Cape. The chapter therefore is organized into two major and uneven parts of discussion. The first part deals with research methodology and describes the various research tools that were used. The second, and the largest part of the chapter, is focused on an analysis of findings.

4.2 RESEARCH METHODOLOGY

The research study used a variety of different survey instruments to examine a range of issues around the development and renewal of the small town of Alice. First, was the assessment by local authorities. To solicit views from local authorities, interviews were held with the LED manager/Acting Chief Executive Officer for the Nkonkobe Economic Development Agency (NEDA) and the Municipal Manager. In addition to this, the Researcher also attended municipality’s IDP review workshop. The focus of the interviews was to gather
their views on the plans the municipality has in reviving the local economy and addressing the current state of the towns, Alice in particular.

Second, was the undertaking of two separate surveys using the survey instruments as shown in Annexures A and B. The first survey conducted in June 2005, involved a total of eighty (80) interviews with residents in Alice town and the rural hinterland. The survey was divided equally between 40 interviews with urban residents in Alice and 40 in the surrounding rural communities. Overall the aim of this survey was to understand community perceptions of urban and rural respondents to facilities in Alice town (see Annexure A)

Eighty questionnaires were distributed, self-administered or done telephonically to the residents of Alice, both in rural and the town area and its immediate suburban communities). There are thirty-one questions in the questionnaire, sub-divided into three sections. Section A looked at general community questions with the view of gaining an understanding of what Alice community sees as a priority and would like to see enhanced. Section B had consumer-related questions. The underlying assumption is that the community residents are also consumers of products and services sold and offered by local business. The focus in this section was to be able to identify degree, extent and reasons for retail leakage in Alice. It was also meant to gather consumer feedback on business services particularly in relation to helpfulness, product range, friendliness and service gaps. And the last part, Section C is the respondent’s
profile – to put a ‘face’ on the responses collected and give a picture of the affected community group.

The second survey was a survey conducted with local businesses in Alice and allowed the collection of information on the local business environment in the small town (Annexure B). The survey instrument involved a combination of open-ended and closed questions which sought to gather the views of the local business community on potential actions that might contribute further towards small town renewal. In total, thirty (30) local businesses were surveyed.

4.3 COMMUNITY SURVEY

The aim in this section is to present the major findings from the 80 interviews which were undertaken with rural residents and urban dwellers. The discussion is subdivided between the findings from the rural respondents and urban residents. The full and detailed findings in respect of each are provided in Annexure C.

4.3.1 Rural community surveys

Rural respondents

Four out of five rural respondents are women. In terms of the survey, about 40% of the respondents have ‘some high school education’. The same number of respondents are unemployed, followed by (20%) those that are either housewives or retired. This gives a picture of the population dynamics in rural areas where there is an increasing number of female-headed households.
Historically, this is based on the migrant labour system when men used to live their homelands to work in the mines in Johannesburg or firms in other big cities. Currently, it is becoming a trend for young graduates who leave their homes to search for work in bigger cities. It is against this challenge that attempts on the renewal of small towns initiatives will be measured.

About half the rural respondents in the survey have no income. About 40% earn less than R799 a month. This group either lives on social grants or remittances from friends and relatives in big cities. About one-third (35%) of respondents are 60 years old and more, followed by those who are in the age group of 20-29 (28%). All rural respondents indicate that they have been staying in Alice for more than ten years. This is obviously a group that views Alice as their ‘home’. About two-thirds of the respondents are in Alice because of their family history as compared to 18% who are in Alice because of its environment. When asked about what they liked most about Alice, respondents highlighted: the university and less crime/good environment. Equally what they like least is unemployment followed by the ‘snail-paced’ development of the town. Most respondents indicate that they would not leave Alice although a few younger respondents would prefer to go to Cape Town because of better job opportunities there.

**Rural town perceptions**

Overt perceptions about the state of the town are important. The survey indicates that four out of five rural people regard the visual impression of Alice town as poor. In addition, a significant number of rural residents recognize the long-
standing infrastructural needs which have direct effects on service delivery decline.

The rural residents’ suggestions for improvement are developmental and include upgrading of roads, renovating buildings, constructing dams for livestock farming, improved monitoring and billing of water services, access to transport, access to sanitary services, cleaning/greening of town and job creation initiatives for self-employment. The majority of the rural people identified rural access roads to Alice town as a key basis for improvement of the town. Rural communities identified deterioration and decay of buildings and cleaning of the town as key factors affecting the quality of life in Alice.

The town-based study approach sought to identify if there had been improvements in aspects of daily life in small towns. The case study showed that recreational, sporting and leisure facilities are poor. A range of benefits could be derived from leisure amenities. Improvement of sporting facilities could provide the youth an opportunity to show leadership qualities, networking and socialization, as well as contribute to a decrease in alcohol and drug abuse. Inadequate sporting and leisure facilities in small towns contribute to the out-migration of young people and to de-motivated youth.

Recreational facilities are a major source of vibrancy of small towns. The major recommendation made by rural residents for improvement of recreational facilities was for the renovation of the existing infrastructure. The following
facilities were identified in order of preference for renovations: day care centres, parks, soccer grounds, cricket grounds, sports complex, rugby fields and netball courts. These gaps in recreational facilities bear testimony to residents’ concern about the lack of service delivery.

Alice is characterized by a high unemployment rate and accompanying low income levels. The public sector is the largest employer in the Nkonkobe Municipality followed by the domestic sector. Rural residents made clear their view that government should assume the central role in job creation. Indeed, rural communities look to government for job generation programmes in the fields of agriculture and tourism. Employment growth in agriculture requires a strong support base, including capacity building, technological support and an agri-business and marketing strategy.

Small town agricultural production competes with commercial agri-business at national and global levels. Local consumers often ignore local suppliers and instead purchase from national and international suppliers because of commodity price differentiation. Overall, there are generally low levels of profitability from agricultural products produced in small towns. Beyond agriculture, another perceived area of support in South African small towns is for tourism development. Tourism is often viewed as a sustainable economic option in small towns and many small towns in South Africa (see Binns and Nel, 2002) are positioning themselves as potential tourism destinations.
Rural shopping preferences

The survey disclosed that the majority of rural consumers purchase their groceries in Alice. For small items that require frequent purchase, such as bread, milk, matches and paraffin, rural consumers support community spaza shops because there is no significant difference in services or price between community spaza shops and shops in the town of Alice. The 20% of rural residents who shop outside Alice prefer King Williams Town and Fort Beaufort.

The survey disclosed dissatisfaction concerning the quality of services and state of shops in Alice. The poor image of the town underlines the municipality’s lack of vision to contribute to tourism and the improvement of quality of life in Alice. The results show that a significant number of people are not happy with local businesses. Rural consumers feel that local businesses do not invest in their business properties and thus the environment in most stores is sub-standard.

Price is the key determining factor influencing the decision of rural residents to buy in Alice followed by quality of goods and the cleanliness of the retail environment. Overall, there is an acceptable impression of workers in Alice shops. Customer care and staff relations have a huge impact on the retention of clients to the business. The stores in Alice employ staff members who are courteous and responsive to the needs of customers. Good customer service is achieved through the provision of a customer helpdesk, harnessing of customer interest, provision of notices regarding utility and interruptions. It is important that training for customer relations is undertaken to achieve greater customer service.
The quality of shops is an important factor for bringing a significant flow of customers to small towns.

The retail establishments in Alice are small in size and serve the Fort Hare community. The survey disclosed that consumers were concerned about the quality of goods, store layout and atmosphere, pricing, property renovations, and variety of goods or services. Consumers expressed dissatisfaction especially about the quality of goods in grocery stores, many of which sold expired food. In addition, the layout and atmosphere of the shops was perceived as old fashioned, with staff wearing no uniform or old uniform. In terms of attracting retail consumers, respondents complained that shops had bad odours and that owners should consider creating a more pleasing shopping experience by changing the lighting and floor plans. Overall, local businesses must make sure that stores are easy to shop in, are clean and have a modern design.

4.3.2 Urban Community survey

Urban respondents

About two-thirds (67%) of urban respondents are women. A third of urban respondents have matric qualification, followed by those with some high school education and post matric education (23%). Most respondents (33%) are unemployed, followed by those that are studying and or housewives. 60% of the urban respondents indicated that they have no income. Most respondents fall into the age group of 20-29 years old.
In a similar pattern to the rural respondents, most urban respondents have been in Alice for more than ten years and their family histories are key pulling factors to Alice. Again as is the case with rural respondents, a number of urban respondents prefer Alice for its university and less crime environment. Poor and untidy visual impression of the town is what they like least about the town. But still, a number of them indicated that they would not leave Alice under any circumstances.

**Urban town perceptions**

The environment of the town directly affects the quality of life of residents. The overall impression of Alice is that the town is not attractive. None of the surveyed residents identified the town as an impressive area to live and shop in. Indeed, nearly two-thirds of Alice residents view their town as ‘terrible’ and ‘disgraceful’. Residents demand beautification, cleaning and greening of the town. Infrastructural gaps identified include the following: renovation of shops and store buildings, upgrading of open spaces (parks) for recreational use, road marking and maintenance. In addition, residents also recommended construction of a shopping complex to ensure a greater variety of retailing and the improvement of service delivery by the municipality. In summary, the findings propose a vigorous improvement of all infrastructural levels. Once again, sports and leisure facilities were viewed as grossly neglected and in need of improvement.

Several areas of employment support, development programmes and strategies for job creation were identified. The thinking of the Alice community suggests that
small manufacturing firms and government-supported community business projects are playing a critical role in absorbing labour. Areas identified by the community include the need for learnerships, skills training, and capacity building for small business projects. The community identified the need for a suitable enabling environment for small businesses, SMME government monitoring and direct municipal involvement in job creation.

**Urban shopping preferences**

In addition to Alice, the most preferred towns for shopping are Fort Beaufort, King Williams’ Town and East London. The survey indicates that a sizeable amount of people are buying in Alice rather than outside the town. This results from various factors such as poor access to transport. Accordingly, many customers depend on local grocery shops. Lack of diversity and small quantity of shops leave many local people under-served. There are also gaps in the retail services offered, a significant number of residents called for a pharmacy and more clothing stores. Although the consumers of Alice purchase local goods such as groceries, clothing and hardware, they complain of poor quality, bad shopping atmosphere and inflated prices.

As is evident in small towns across South Africa, the retail market is growing fast. In Alice, grocery stores are experiencing a boom. The survey shows that groceries are the main item purchased in town. If grocery provision is recognized as a critical service for community residents, the local municipality and other small business services could choose to provide financial assistance to such
businesses in order to help them upgrade their business properties and shop environment. The municipality also has a responsibility to provide proper paving, clearly marked and demarcated parking lots for customers, and regulated building design to enhance the business environment. Businesses, in turn, could help in the establishment of a local grocery co-operative to improve the quality and pricing of products. Overall, the most critical factors influencing retail behaviour of Alice consumers are the quality and price of goods. Unlike their rural counterparts, urban residents view quality and freshness of products as more important than price.

4.4 LOCAL BUSINESS SURVEY

Property and land ownership in town is concentrated in the hands of few and the Department of Public Works. Therefore, transformation of the status quo is needed to ensure a successful business development strategy for the town. Overall, in terms of the survey, 89% of the business property in Alice town is on lease. It is important to ensure transfers of title deeds and the selling of property by the Department of Public Works to business people running retail outlets and hotels. This transfer will enable emerging businesses to achieve financial sustainability. Property and asset ownership will play a key role in the distribution of wealth and opportunities for emerging entrepreneurs in Alice.

The business survey study examined the challenges faced by local businesses as well as their potential. In total, 30 local businesses were surveyed. The
findings shown in Annexure D reflect that communities have expectations from businesses whilst businesses demand increased visibility and services from the local municipality. The general perception of Alice community is that local businesses lack social responsibility to the community, particularly with respect to charitable activities and environmental stewardship. One resident complained that Alice businesses do not give donations to charity organizations or to the development of sport. Residents requested local shops to buy vegetables and meat from local community projects or cooperatives, which in turn, would give support to rural development and strengthen the economic linkages between the surrounding rural and the town.

The community expects local stores to preserve the environment and to make Alice a better place to live. It was argued that health inspectors should examine the meat, grocery and vegetables sold by Alice retailers. The findings of this survey put great emphasis on the issue of quality of products. Communities also call for a business sector contribution to environmental stewardship, cleaning of pavements and streets, and ensuring healthy food whilst business looks to the municipality for intervention to ensure the beautification of Alice streets.