Mpumalanga Employment and Business Survey (MEBS Phase 3)

February 2019

STEVE TSHWETE LOCAL MUNICIPALITY

IMPROVING LIVES THROUGH DATA ECOSYSTEMS

stats sa

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1. Introduction

On the 17th of August 2010, a memorandum of understanding (MoU) was signed between the Mpumalanga Provincial Government (MPG) and Statistics South Africa (Stats SA). This MoU committed both parties to collaborate in partnership towards:

- Producing relevant, quality statistics; and
- Building statistical capacity in their respective mandate areas, in order to contribute credible data towards populating the national development matrix of the government-wide monitoring and evaluation system.

In the implementation of this MoU, the Department of Economic Development and Tourism (DEDT) and Stats SA entered into agreements on the 10th of November 2014 and 6th of October 2015 in relation to the planning and conducting of the Mpumalanga Employment and Business Survey (MEBS) in phases over a number of financial years. Phase 1 of the MEBS was conducted in Mbombela Local Municipality, Ehlanzeni District between April and September 2015. The main purpose of phase 1 was to identify and list all formal and informal businesses in the area.

Enumeration of the businesses was done in phase 2 during February to March 2016. The main purpose of phase 2 of the MEBS was to collect data from all identified businesses in Mbombela Local Municipality, analyse the collected data and report findings and build capacity within DEDT officials. The results of MEBS Phase 2 were released in May 2019.

Phase 3 was extended to Steve Tshwete and eMalahleni Local Municipalities in Nkangala District between March and December 2019, with similar goals as phase 1 and 2. Due to improved technology and approach in terms of frame development and updating, the listing of businesses and enumeration were carried out simultaneously.

2. Purpose of the report

In order to assist businesses, especially small, medium and micro enterprises (SMME) in terms of their development and sustainability, an intervention by government and other stakeholders is required. This report serves as an information base to policy and decision-makers in relation to the objectives agreed upon between DEDT and Stats SA. The purpose of this report is to inform the outcomes of the MEBS, which are to:

- Improve ability to monitor employment levels against targets as set out in the Mpumalanga Vision 2030, Strategic Implementation Framework (2013–2030) and the MEGDP (2010–2020);
- Identify constraints affecting job creation in the province and determine interventions required to create job opportunities; and
- Enhance coherence and efficiency on efforts aimed towards economic growth and development.

The purpose of MEBS Phase 3 was to collect data on the activities of both formal and informal businesses within the two local municipalities, as a continuation from phase 2. However, due to the size of the population and the dwelling frame and the limited financial resources, only Steve Tshwete Local Municipality could be completed. The information outlined in this report is aimed at giving a picture and status of businesses (both formal and informal) in Steve Tshwete Local Municipality so that specific needs of business owners in the municipality can be addressed. Section 3 of this report outlines the survey activities and methodology while sections 4 and 5 give analysed data results and a summary, respectively. It is therefore important for users to note that data collection was conducted in March 2016 and concluded in December 2019, hence all data analysed bear reference between March 2019 and December 2019.

3. Survey activities and methodology

Below are activities within the statistical value chain (SVC) and methodology that was adopted during the survey.

3.1 Designing outputs

Stats SA, guided by survey objectives, designed the output variables. The objectives of the MEBS are to improve the DEDT's business register in order to:

- Establish a credible output-based system that will give a detailed account of employment within the province;
- Build economic and business intelligence capacity in the provincial government to track employment activity;
- Build a foundation for scientific-based turnaround strategy development; and
- Expand the statistical information base by increasing its depth and breadth with greater differentiation by geographical sector.

These objectives and further inputs from DEDT were used to complete the consolidation of information about the data to be collected.

3.2 Building statistical outputs

The data collection questionnaire was developed to bring about answers that will help the department to address the four objectives mentioned above. The questionnaire contained ten (10) sections, namely: particulars of the owner/manager; particulars of the business; people employed and labour costs; site of operation; business management, operations and finances; business expenditure and turnover; export and import; business registration and affiliation; crime committed against business; citizenship and comments.

The questionnaire was designed in ***World Bank Survey Solutions*** software and deployed to mobile devices (tablets). It was subjected to a test to determine if there are any technical or other problems that needed attention prior to the data collection stage. Adjustments were made and then adopted as the data collection template.

3.3 Training

Training was conducted by Stats SA staff, and DEDT officials were available to be capacitated and also provided support during the field training. Materials for the training were prepared by Stats SA and made available to all officials. The training covered:

- Background of the survey;
- Aims and objectives of the survey;
- Computer-Assisted Personal Interviews (CAPI);
- Questionnaire completion; and
- Field operational procedures.

A total of six (6) venues were acquired through the assistance of both eMalahleni and Steve Tshwete Local Municipalities and DEDT; these were churches, learning centres and town halls in various strategic areas within the municipal boundaries.

3.4 Data collection

The publicity and awareness campaign alerting all key stakeholders and respondents about the survey was spearheaded by DEDT, supported by Stats SA, where it was launched by the MEC for DEDT in eMalahleni on the 28th of February 2019. Participation was encouraged through this campaign and assisted in the following:

- Reduced resistance encountered from respondents;
- Increased participation/assistance from the business owners;
- Ensured access to businesses;
- Received buy-in from all stakeholders in the sector; and
- Prepared business owners for the project.

The Census 2011 dwelling frame was used, where all dwelling units with business activities were enumerated through face-to-face personal interviews. The questionnaire was deployed to mobile electronic devices which supported the use of CAPI. The household survey standards were adopted throughout the processes.

Quality monitoring was conducted on a continuous basis by a team of permanent Stats SA staff members and selected DEDT officials, to ensure compliance with all field work quality dimensions as stipulated in the quality certification framework – the South African Statistical Quality Assessment Framework (SASQAF), covering all phases of the MEBS SVC.

Data was collected between February and December 2019 using CAPI, where all identified businesses in the enumeration areas of Steve Tshwete Local Municipality were visited. At the end of data collection, 25 152 records were captured as raw data. Before analysis, the raw data was taken through the process of editing and imputation and 22 635 records were found to be out-of-scope (had no usable information), and were deleted. The reason behind the high number of out-of-scope records is that during planning, it was agreed to use a geo-referenced frame. As a result, during data collection, all points were visited and the majority were found to have no businesses at the premises, hence out-of-scope. The other point is that since a geo-referenced frame was used, there was no prior listing of businesses done on the frame.

The variables were then edited and final result codes of records with usable information were then converted. After editing, 2 369 records were captured as data that can be used for analysis of businesses. Thus, the report is based on these records. The recorded total number of businesses (2 369) does not correspond to the total number of business owners as there are business owners who own more than one business, and in some instances managers were interviewed in the place of the owners.

4. Results

4.1 Particulars of the owners/managers and employees

Table 1: Number of business owners/managers by main place, industry and sex in Steve Tshwete Local Municipality

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Steve Tshwete Local Municipality	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
Hendrina	45	3,5	32	3,0	**77**	**3,3**
Komati	3	0,2		0,0	**3**	**0,1**
Kranspoort	1	0,1		0,0	**1**	**0,0**
KwaZamokuhle	135	10,4	131	12,3	**266**	**11,2**
Mhluzi	425	32,7	364	34,1	**789**	**33,3**
Middelburg	533	41,1	397	37,2	**934**	**39,4**
Piet Tlou	18	1,4	7	0,7	**25**	**1,1**
Pullens Hope	15	1,2	18	1,7	**33**	**1,4**
Rietkuil	1	0,1	3	0,3	**4**	**0,2**
Steve Tshwete NU	122	9,4	115	10,8	**237**	**10,0**
Industry	1 298	100,0	1 067	100,0	**2 369**	**100,0**
Agriculture	75	5,8	54	5,1	**129**	**5,4**
Mining	1	0,1	1	0,1	**2**	**0,1**
Manufacturing	79	6,1	77	7,2	**156**	**6,6**
Utilities		0,0		0,0		**0,0**
Construction	30	2,3	12	1,1	**42**	**1,8**
Trade	761	58,6	549	51,5	**1 313**	**55,4**
Transport	39	3,0	10	0,9	**49**	**2,1**
Finance	138	10,6	207	19,4	**346**	**14,6**
Community and social services	175	13,5	157	14,7	**332**	**14,0**

Table 1 indicates that of the 2 369 businesses recorded in Steve Tshwete Local Municipality, Middelburg (934) recorded the highest number of businesses followed by Mhluzi (789), while the lowest number was recorded in Kranspoort (1). In addition, the majority of the business owners/managers were men (1 298) while 1 067 business owners/managers were women.

Most business owners in the municipality were in the Trade industry (55,4%). Community and social services (13,5%) was the second largest industry amongst men, followed by Finance (10,6%). The converse applied amongst women where Finance (19,4%) was found to be the second largest industry, followed by Community and social services (14,7%). There were no businesses recorded in the Utilities industry while Mining recorded less than a percentage of the total industry (not covered during enumeration due to access challenges). Manufacturing (6,6%) was the fourth largest contributor, followed by Agriculture at 5,4%.

Table 2: Number of businesses by main place and industry

	Hendrina	Komati	Kranspoort	KwaZamokuhle	Mhluzi	Middelburg	Piet Tlou	Pullens Hope	Rietkuil	Steve Tshwete NU	Total
Industry	**77**	**3**	**1**	**266**	**789**	**934**	**25**	**33**	**4**	**237**	**2 369**
Agriculture				5	4	5		1		114	**129**
Mining						2					**2**
Manufacturing	3			23	62	53	2	3		10	**156**
Utilities											
Construction	1			2	14	23	1			1	**42**
Trade	57	3	1	169	384	552	19	23	3	102	**1 313**
Transport				6	17	20		1		5	**49**
Finance	6			36	161	136	1	2		4	**346**
Community and social services	10			25	147	143	2	3	1	1	**332**

In relation to the industry, most business owners were in the Trade industry (1 313); this was the case for all the places in the municipality except in Steve Tshwete NU. Though Finance (346) was the second largest industry in total, Community and social services (332) was the second largest industry in all the places except in KwaZamokuhle and Mhluzi, where Finance was found to be the second largest industry.

Table 3: Number of businesses by secondary activities and sex in Steve Tshwete Local Municipality

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Industry	144	100,0	117	100,0	**261**	**100,0**
Agriculture	7	4,9	2	1,7	**9**	**3,4**
Mining		0,0		0,0		**0,0**
Manufacturing	12	8,3	13	11,1	**25**	**9,6**
Utilities		0,0		0,0		**0,0**
Construction	4	2,8	1	0,9	**5**	**1,9**
Trade	87	60,4	62	53,0	**149**	**57,1**
Transport	6	4,2	5	4,3	**11**	**4,2**
Finance	10	6,9	14	12,0	**24**	**9,2**
Community and social services	18	12,5	19	16,2	**37**	**14,2**
Domestic worker		0,0	1	0,9	**1**	**0,4**

Out of the 2 369 businesses enumerated in Steve Tshwete Municipality, only 261 reported that they have secondary activities/services performed at the premises. The majority of those activities/services were in the Trade industry (57,1%), followed by Community and social services (14,2%), Manufacturing (9,6%) and Finance (9,2%) industries.

Table 4: Individuals owning/managing businesses

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Population group	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
Black African	892	68,7	899	84,3	**1 791**	**75,6**
Coloured	14	1,1	21	2,0	**35**	**1,5**
Indian/Asian	165	12,7	12	1,1	**177**	**7,5**
White	147	11,3	131	12,3	**278**	**11,7**
Other*	80	6,2	4	0,4	**88**	**3,7**
Age	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
Youth (15-34 years)	568	43,8	341	32,0	**909**	**38,4**
Adults (35-64 years)	676	52,1	659	61,8	**1 335**	**56,4**
Senior citizens (+65 years)	54	4,2	67	6,3	**121**	**5,1**
Unspecified		0,0		0,0	**4**	**0,2**
Highest level of education	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
No schooling	47	3,6	40	3,7	**87**	**3,7**
Primary school not completed	93	7,2	105	9,8	**198**	**8,4**
Primary school completed	81	6,2	50	4,7	**131**	**5,5**
Secondary school not completed	386	29,7	268	25,1	**654**	**27,6**
Secondary school completed (Matric)	479	36,9	450	42,2	**929**	**39,2**
Tertiary	191	14,7	135	12,7	**326**	**13,8**
Other	21	1,6	19	1,8	**44**	**1,9**
Citizenship	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
South African	877	67,6	1 000	93,7	**1 878**	**79,3**
Non-South African	419	32,3	66	6,2	**485**	**20,5**
Unspecified	2	0,2	1	0,1	**6**	**0,3**
Number of businesses	**1 298**	**100,0**	**1 067**	**100,0**	**2 369**	**100,0**
One business	1 222	94,1	1 009	94,6	**2 231**	**94,2**
More than 1 business	76	5,9	58	5,4	**134**	**5,7**
Unspecified		0,0		0,0	**4**	**0,2**

*Note: "**Other***" refers to those who did not regard themselves as belonging to any of the specified population groups.*

Table 4 shows the profile of individuals owning or managing a business by their demographic variables, level of education, citizenship and number of businesses. The highest proportion of the population group that owned/managed businesses was recorded among the black African population group for both women and men (84,3% and 68,7%, respectively), followed by the white population group; women at 12,3% and men at 11,3%. The least number of business owners were recorded among the coloured population; men at 1,1% and women at 2,0%.

The highest proportion of businesses was recorded among adults (54,6%) compared to the youth (38,4%), with male adults (52,1%) and female adults (61,8%) accounting for the largest proportion of business owners. The results further show that the proportion of business owners with tertiary qualifications was higher among men (14,7%) than women (12,7%). As a result, men accounted for a larger number than women among all education statuses except for primary school not completed status, where a significantly larger number of women than men was observed.

More business owners were South Africans when compared to non-South Africans, with more female South African owners (93,7%) than male owners (67,6%). In terms of number of businesses owned, many individuals own one business. The proportion of those who own one business was almost similar between men and women (94,1% and 94,6%, respectively), though the numbers for men were significantly higher than those for women, with the same principle applying for those who own more than one business.

Table 5: Education profile of business owners/managers

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Institution	**223**	**100,0**	**165**	**100,0**	**388**	**100,0**
University/Technikon/College	**162**	**72,6**	**110**	**66,7**	**272**	**70,1**
Further Education and Training	**61**	**27,4**	**55**	**33,3**	**116**	**29,9**
University Field	**162**	**100,0**	**110**	**100,0**	**272**	**100,0**
Agriculture, Agricultural Operations and Related Science	5	3,1	1	0,9	**6**	**2,2**
Architecture and the Built Environment	3	1,9	1	0,9	**4**	**1,5**
Business, Economics and Management Studies	42	25,9	33	30,0	**75**	**27,6**
Communication, Journalism and Related Studies	5	3,1	2	1,8	**7**	**2,6**
Computer and Information Sciences	5	3,1	2	1,8	**7**	**2,6**
Education	7	4,3	18	16,4	**25**	**9,2**
Engineering	20	12,3	8	7,3	**28**	**10,3**
Health Professions and Related Clinical Sciences	16	9,9	7	6,4	**23**	**8,5**
Languages, Linguistics and Literature	1	0,6	1	0,9	**2**	**0,7**
Law	4	2,5	4	3,6	**8**	**2,9**
Life Sciences	2	1,2		0,0	**2**	**0,7**
Military Sciences	1	0,6		0,0	**1**	**0,4**
Philosophy, Religion and Theology	1	0,6		0,0	**1**	**0,4**
Psychology	1	0,6	1	0,9	**2**	**0,7**
Public Management and Services	1	0,6	2	1,8	**3**	**1,1**
Social Sciences	3	1,9	1	0,9	**4**	**1,5**
Other	34	21,0	24	21,8	**58**	**21,3**
DO NOT KNOW	11	6,8	5	4,5	**16**	**5,9**
TVET Field	**61**	**100,0**	**55**	**100,0**	**116**	**100,0**
Management	17	27,9	10	18,2	**27**	**23,3**
Marketing	2	3,3	1	1,8	**3**	**2,6**
Information Technology and Computer Science	3	4,9	1	1,8	**4**	**3,4**
Finance, Economics and Accounting	2	3,3	5	9,1	**7**	**6,0**
Office Administration	2	3,3	9	16,4	**11**	**9,5**
Electrical Infrastructure Construction	5	8,2	2	3,6	**7**	**6,0**
Civil Engineering and Building Construction	5	8,2	2	3,6	**7**	**6,0**
Engineering	14	23,0	6	10,9	**20**	**17,2**
Tourism		0,0	2	3,6	**2**	**1,7**
Safety in Society		0,0	2	3,6	**2**	**1,7**
Mechatronics	1	1,6		0,0	**1**	**0,9**
Education and Development		0,0	4	7,3	**4**	**3,4**
Other	7	11,5	8	14,5	**15**	**12,9**
DO NOT KNOW	3	4,9	3	5,5	**6**	**5,2**

There were 388 business owners/managers who pursued their education level beyond matric. Of those with higher education status, 272 graduated from university/technikon/college, while 116 obtained their qualifications from further education and training institutions. The majority of those who graduated from university were in the field of Business, Economics and Management Studies (27,6%), while most from TVET institutions were in the Management field of study (23,3%).

Table 6: Number of business owners/managers by types of skills

Type of skills	Number of business owners/managers					
	Skills needed		Skills received		On-the-job training	
	Men	Women	Men	Women	Men	Women
	Numbers					
Total	**1 298**	**1 067**	**1 298**	**1 067**	**1 298**	**1 067**
Business Management	825	679	326	218	327	218
Marketing	748	613	281	181	273	181
Entrepreneurship	731	593	270	169	271	173
Computer Skills	672	564	313	212	302	192
Communication	673	556	282	189	283	183
Finance	721	616	272	188	291	191
Customer Care	675	575	278	204	292	212
Other	22	16	13	5	8	8
	Per cent					
Business Management	63,6	63,6	25,1	20,4	25,2	20,4
Marketing	57,6	57,5	21,6	17,0	21,0	17,0
Entrepreneurship	56,3	55,6	20,8	15,8	20,9	16,2
Computer Skills	51,8	52,9	24,1	19,9	23,3	18,0
Communication	51,8	52,1	21,7	17,7	21,8	17,2
Finance	55,5	57,7	21,0	17,6	22,4	17,9
Customer Care	52,0	53,9	21,4	19,1	22,5	19,9
Other	1,7	1,5	1,0	0,5	0,6	0,7

The majority of business owners/managers said they needed Business Management skills to run their businesses. Around 20% of the business owners/managers reported that they have received skills to operate their businesses, and the same applied for on-the-job training they received.

Table 7: Number of employees

	Paid		Unpaid		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Employees in the last week	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Employees in the last month	**9 618**	**100,0**	**43**	**100,0**	**9 661**	**100,0**
Employees in the last year	**9 491**	**100,0**	**44**	**100,0**	**9 535**	**100,0**
Duration (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Full-time workers	8 605	89,7	51	87,9	8 656	89,7
Part-time workers	988	10,3	7	12,1	995	10,3
Sex (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Males	5 629	58,7	30	51,7	5 659	58,6
Females	3 964	41,3	28	48,3	3 992	41,4
Age (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Youth (15-34 years)	4 983	51,9	38	65,5	5 021	52,0
Adults (35-64 years)	4 030	42,0	14	24,1	4 044	41,9
Senior citizens (65 years+)	99	1,0	0	0,0	99	1,0
Unspecified	481	5,0	6	10,3	487	5,0
Population group (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Black African	7 895	82,3	56	96,6	7 951	82,4
Coloured	190	2,0	1	1,7	191	2,0
Indian/Asian	174	1,8	1	1,7	175	1,8
White	1 234	12,9	0	0,0	1 234	12,8
Other	87	0,9	0	0,0	87	0,9
Unspecified	13	0,1	0	0,0	13	0,1
Occupation (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Managers	835	8,7	0	0,0	835	8,7
Professionals	1 175	12,2	0	0,0	1 175	12,2
Technicians	754	7,9	0	0,0	754	7,8
Clerks	398	4,1	2	3,4	400	4,1
Sales and services	1 216	12,7	8	13,8	1 224	12,7
Skilled agriculture	230	2,4	1	1,7	231	2,4
Craft and related trade	266	2,8	0	0,0	266	2,8
Plant and machine operator	1 205	12,6	0	0,0	1 205	12,5
Elementary	804	8,4	0	0,0	804	8,3
Domestic workers	468	4,9	0	0,0	468	4,8
Unspecified	2 242	23,4	47	81,0	2 289	23,7

There were 9 593 paid employees and 58 unpaid employees during the reference period (last week before the survey), resulting in a total of 9 651 employees. Table 7 shows that of the 9 651 employees, 8 656 were full-time employees while 995 were part-time employees. According to sex, more males (5 659 or 58,6%) were employed than females (3 992 or 41,4%), while black African employees were the dominant population group.

Young people (15–34 years) accounted for the largest share of employees (52,0%) when compared to older people (35 years and older at 42,9%). Although the majority of the people did not specify their occupation, Sales and services (12,7%), Plant and machine operators (12,5%) and Professional (12,2%) occupations accounted for the largest share of employment while Skilled agriculture contributed the lowest share of employees.

Table 8: Number of employees (continuation)

	Paid		Unpaid		Total	
	Number	**Per cent**	**Number**	**Per cent**	**Number**	**Per cent**
***Education (Last week)**	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
No formal education	1 777	18,5	4	6,9	1 781	18,5
Some primary education	4 266	44,5	17	29,3	4 283	44,4
Primary completed	6 113	63,7	19	32,8	6 132	63,5
Some secondary education	5 124	53,4	20	34,5	5 144	53,3
Matric	6 023	62,8	18	31,0	6 041	62,6
Matric and certificate	4 627	48,2	17	29,3	4 644	48,1
Matric and diploma	1 031	10,7	10	17,2	1 041	10,8
Matric and degree	708	7,4	1	1,7	709	7,3
***Citizenship (Last week)**	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Citizens by birth	8 850	92,3	37	63,8	8 887	92,1
Citizens by naturalization	3 749	39,1	30	51,7	3 779	39,2
Permanent residents	7 073	73,7	37	63,8	7 110	73,7
Non-SA residents	756	7,9	6	10,3	762	7,9
Attendance (Last week)	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Institution	473	4,9	1	1,7	474	4,9
Training Course	1 181	12,3	0	0,0	1 181	12,2
On-the-job training	3 645	38,0	4	6,9	3 649	37,8
Unspecified	4 294	44,8	53	91,4	4 347	45,0
***Benefits (Last week)**	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Pension	3 518	36,7	0	0,0	3 518	36,5
Medical Aid	1 342	14,0	0	0,0	1 342	13,9
Trade Union	1 708	17,8	0	0,0	1 708	17,7
UIF	7 746	80,7	0	0,0	7 746	80,3
Income Tax	6 123	63,8	1	1,7	6 124	63,5
Employment Contract	6 532	68,1	0	0,0	6 532	67,7
***Disability (Last week)**	**9 593**	**100,0**	**58**	**100,0**	**9 651**	**100,0**
Any form of disability	68	0,7	1	1,7	69	0,7

Note: (*) refer to limitations of the MEBS survey.

The majority of the employees had primary completed as the highest level of education obtained, followed by those with matric and some secondary education. Less than 8% of the employees had matric and a degree (7,3%) as their highest level of education during the reference period (last week before the survey).

A smaller proportion of employees were non-South African residents (7,9%), while the majority were citizens of South Africa (SA) by birth and permanent residents.

Table 8 further shows that during the reference week, around 5% of the employees were attending an educational institution, and 12,2% attended an accredited training course, while 37,8% received on-the-job training.

Unemployment Insurance Fund (80,3%) was listed as the main benefit that employees had, followed by employment contract (67,7%) and income tax (63,5%). Access to medical aid and trade union membership were the least recorded benefits at 13,9% and 17,7%, respectively. Less than one per cent of the employees were recorded to have any form of disability during the reference period.

4.2 Particulars of the business

Table 9: Number of businesses by population group and turnover

	Number of businesses					
Turnover	**Black African**	**Coloured**	**Indian/Asian**	**White**	**Other**	**Total**
None	297	6	25	105	20	**453**
R1-R500	140	1	3	3	2	**149**
R501-R1 000	167	1	3	2		**173**
R1 001-R5 000	603	12	41	6	27	**689**
R5 001-R10 000	201	3	28	9	19	**260**
R10 001-R50 000	248	5	55	33	13	**354**
R50 001-R100 000	57	4	10	43	2	**116**
R100 001-R1 000 000	66	3	12	61	3	**145**
R1 000 001+	12			16	2	**30**
Total	**1 791**	**35**	**177**	**278**	**88**	**2 369**

Of the 2 369 businesses in the Steve Tshwete Local Municipality, the majority of businesses (689) indicated that they generated a turnover above R1 000 and below R5 000 while only 30 businesses indicated that they generated a monthly turnover above R1 million. The majority of businesses that generate a monthly turnover of above R1 million were owned/managed by persons belonging to the white population group (53,3%). As a result, most businesses that generated a higher monthly turnover (above R50 000) were owned/managed by the white population group while the majority of businesses that generated a lesser monthly turnover (below R50 000) were owned/managed by the black African population group.

4.3 Site operation

Figure 1: The proportion of businesses by main site of operation and operating arrangement

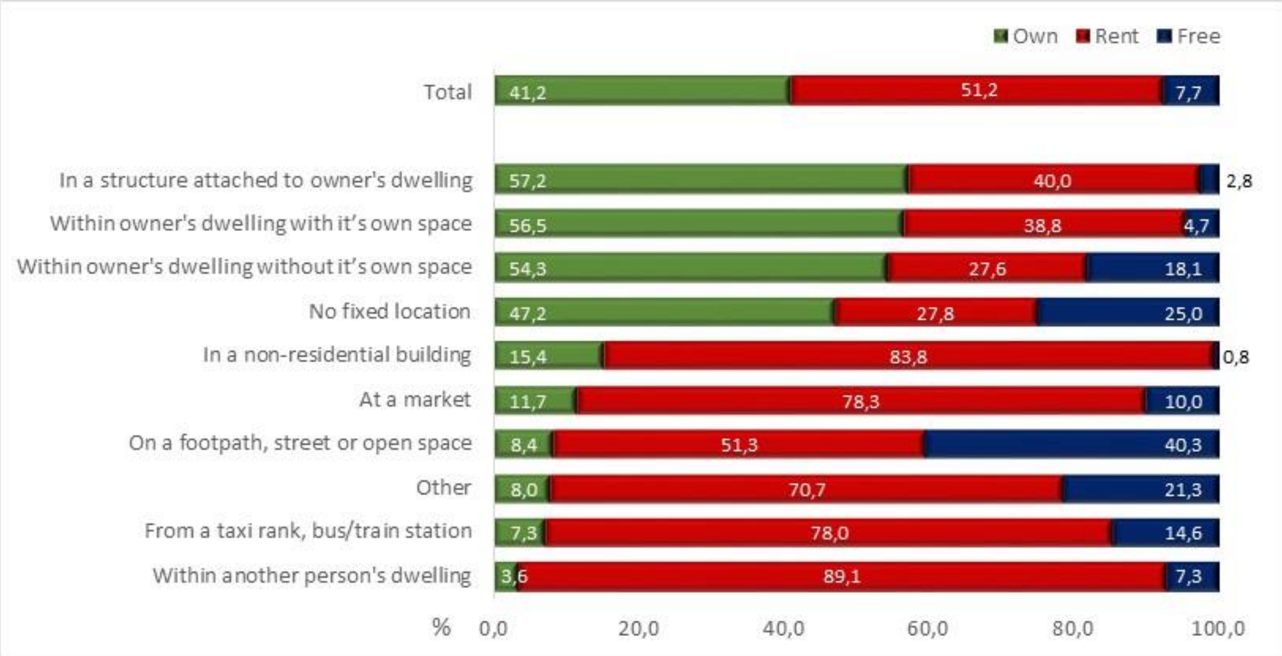


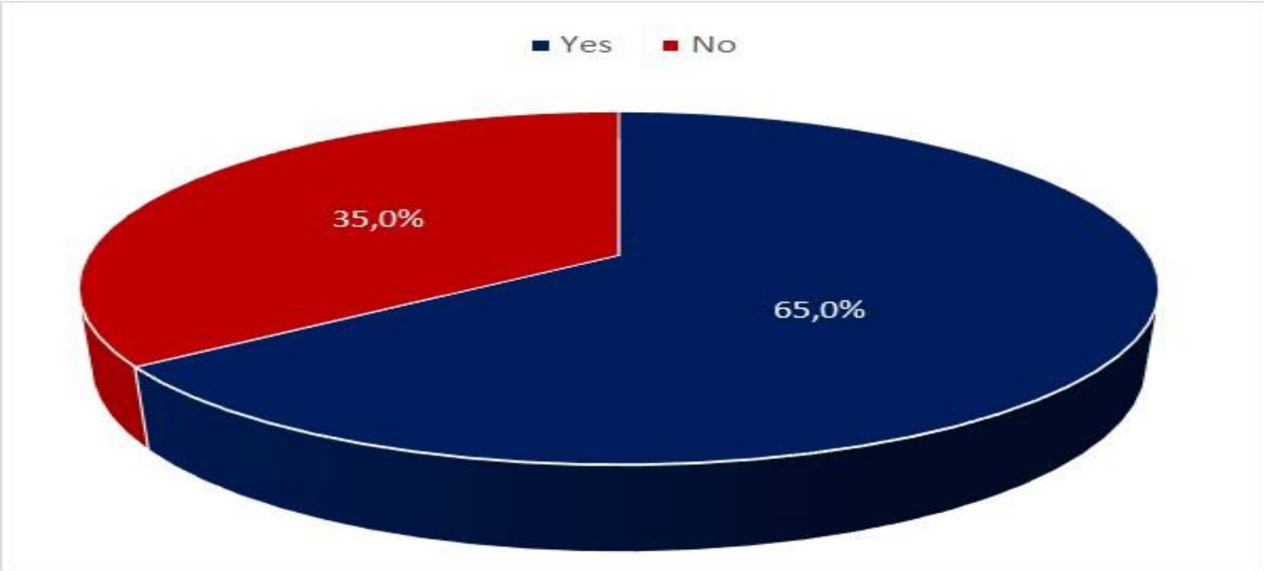
Figure 1 indicates that the majority of businesses rent the premises from where they operate (51,2%), followed by those who own the premises (41,2%), while those who operate free constituted 7,7%. Mostly, those who rent the premises operated from within another person's dwelling (89,1%), in a non-residential building (83,8%), at a market (78,3%), from a taxi rank/bus station/train station (78,0%) and on a footpath, street or open space (51,3%). From those who own the premises, the majority operated in a structure attached to the owner's dwelling (57,2%), followed by within the owner's dwelling with its own space (56,5%), within the owner's dwelling without its own space (54,3%) and at no fixed location or mobile (47,2%). Four out of every ten businesses that operated on a footpath, street or open space were operating for free.

Table 10: Basic services at the site of operation by operating arrangement

Site of operation	Number of businesses							
	Own		Rent		Free		Total	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
ELECTRICITY	**975**	**100,0**	**1 212**	**100,0**	**182**	**100,0**	**2 369**	**100,0**
Yes	844	86,6	1 101	90,8	84	46,2	2 029	85,6
No	118	12,1	76	6,3	68	37,4	262	11,1
Not applicable	13	1,3	35	2,9	30	16,5	78	3,3
SOURCE OF WATER	**975**	**100,0**	**1 212**	**100,0**	**182**	**100,0**	**2 369**	**100,0**
Piped (Tap) water in structure	707	72,5	967	79,8	62	34,1	**1 736**	**73,3**
Piped (Tap) water on site	85	8,7	120	9,9	18	9,9	**223**	**9,4**
Public tap / shared tap with others	39	4,0	68	5,6	30	16,5	**137**	**5,8**
Borehole on site	54	5,5	9	0,7	3	1,6	**66**	**2,8**
Borehole off site	49	5,0	4	0,3	8	4,4	**61**	**2,6**
Rainwater tank on site	7	0,7		0,0	1	0,5	**8**	**0,3**
Rainwater tank off site	2	0,2		0,0	6	3,3	**8**	**0,3**
Flowing water / stream		0,0		0,0		0,0		**0,0**
Dam / pool / stagnant water	2	0,2	1	0,1	4	2,2	**7**	**0,3**
Well / spring		0,0		0,0	1	0,5	**1**	**0,0**
No water access	21	2,2	25	2,1	24	13,2	**70**	**3,0**
Not applicable	4	0,4	16	1,3	17	9,3	**37**	**1,6**
Other	5	0,5	2	0,2	8	4,4	**15**	**0,6**
TOILET FACILITY	**975**	**100,0**	**1 212**	**100,0**	**182**	**100,0**	**2 369**	**100,0**
Flush toilet on site	786	80,6	1 034	85,3	71	39,0	**1 891**	**79,8**
Flush toilet off site	20	2,1	77	6,4	12	6,6	**109**	**4,6**
Chemical toilet	16	1,6	20	1,7	9	4,9	**45**	**1,9**
Pit latrine with ventilation pipe	58	5,9	7	0,6	3	1,6	**68**	**2,9**
Pit latrine without ventilation pipe	78	8,0	13	1,1	19	10,4	**110**	**4,6**
Bucket toilet	8	0,8	10	0,8	11	6,0	**29**	**1,2**
None	5	0,5	30	2,5	31	17,0	**66**	**2,8**
Not applicable	4	0,4	20	1,7	18	9,9	**42**	**1,8**
Other		0,0	1	0,1	8	4,4	**9**	**0,4**
MEANS OF COMMUNICATION	**975**	**100,0**	**1 212**	**100,0**	**182**	**100,0**	**2 369**	**100,0**
Fixed telephone on site	79	8,1	259	21,4	4	2,2	**342**	**14,4**
Fixed telephone not on site	6	0,6	8	0,7		0,0	**14**	**0,6**
Cellular telephone	759	77,8	794	65,5	144	79,1	**1 697**	**71,6**
A public telephone	8	0,8	30	2,5	2	1,1	**40**	**1,7**
Internet / Email	18	1,8	48	4,0	2	1,1	**68**	**2,9**
None	97	9,9	67	5,5	20	11,0	**184**	**7,8**
Other	8	0,8	6	0,5	10	5,5	**24**	**1,0**

Table 10 shows that regardless of the operating arrangement, the majority of the businesses had basic services at their site of operation. Most businesses reported that electricity (85,6%) is available at the main site where they operate, while 73,3% had piped (tap) water in the structure as the main source of water and 79,8% had flush toilets on site as the kind of toilet facility accessible. Cellular telephone (71,6%) was the main means of communication used by businesses, followed by fixed telephone on site at 14,4%.

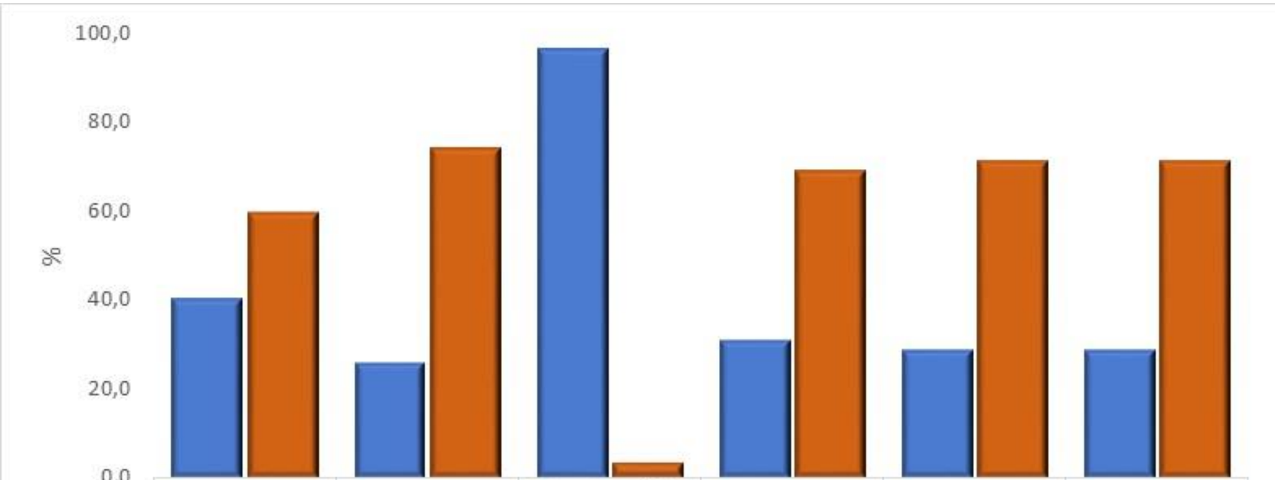
Figure 2: Proportion of businesses using ICT equipment



Note: "ICT" refers to Information and Communication Technology, and it includes equipment such as a computer, till machine, telephone/cellphone, photocopier, and fax/scanner.

Figure 2 indicates that 65,0% of the businesses are using information and communication technology (ICT) equipment, while only 35,0% are not using ICT equipment in their businesses.

Figure 3: Proportion of businesses using ICT by type of equipment



	Computer	Till Machine	Telephone / Cell phone	Photocopy	Fax / Scanner	Other
Yes	40,4	26,2	96,3	31,1	28,9	28,9
No	59,6	73,8	3,7	68,9	71,1	71,1

Figure 3 shows the proportion of businesses which use different types of ICT equipment. Of all types of ICT equipment, the most used equipment was 'telephone/cell phone' (96,3%). The least used equipment was 'till machine', where only 26,2% of businesses indicated that they are using this particular equipment in their business.

Figure 4: Proportion of businesses keeping records

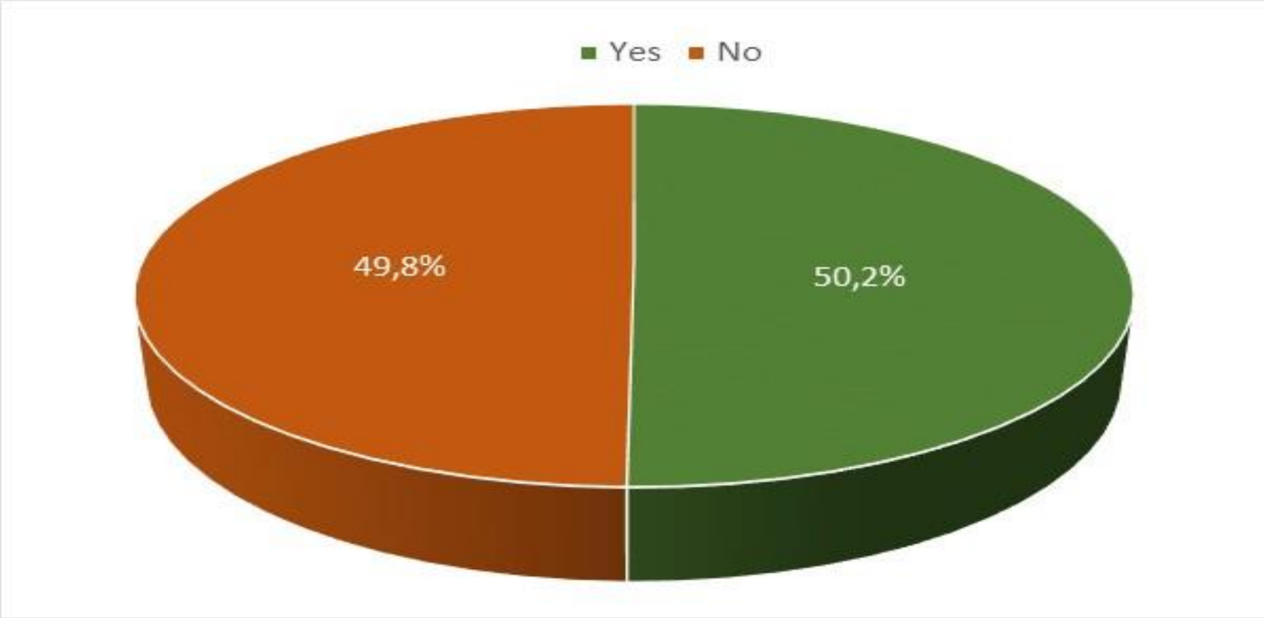
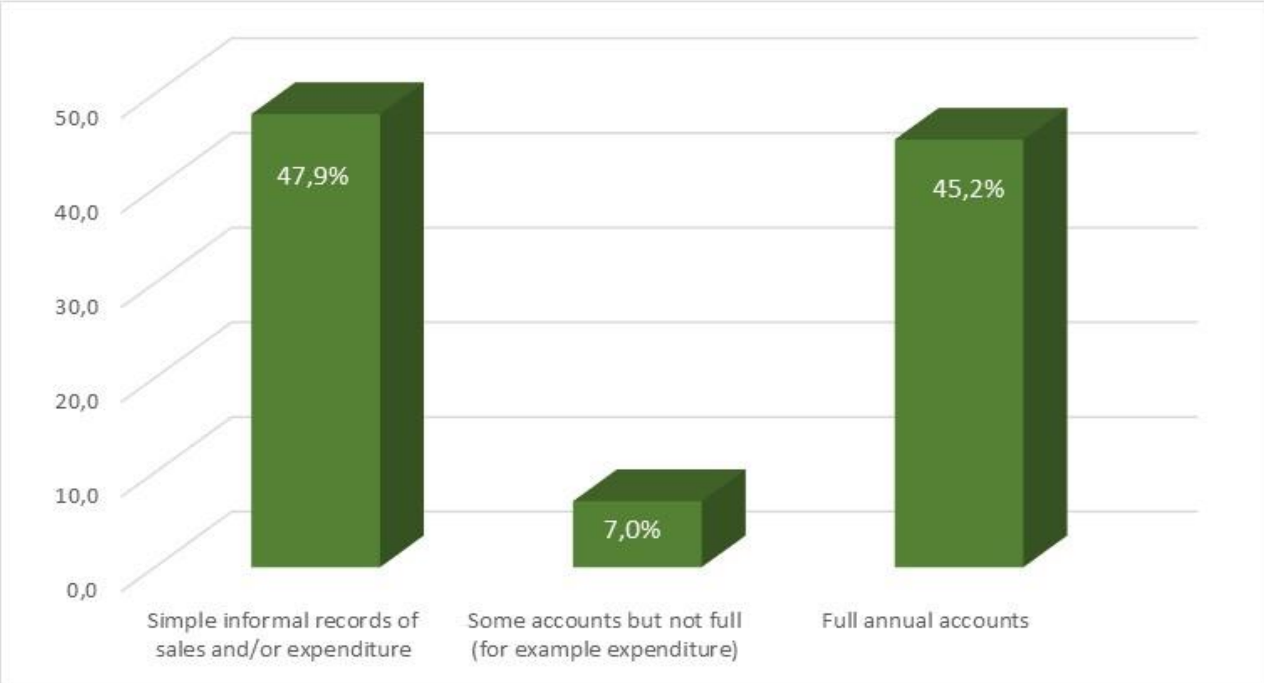


Figure 4 indicates that 1 189 (50,2%) of the businesses are keeping records for the business, while 1 180 (49,8%) are not keeping the records for their businesses.

Figure 5: Proportion of businesses keeping records by types of records



Out of the 1 189 businesses that keep records for the business, 47,9% said they keep simple informal records of sales and/or expenditure of the business, followed by 45,2% who keep full annual accounts, while 7,0% said they keep some accounts but not full.

Table 11: Reasons for not keeping the records of the business

	Number	Per cent
***Total**	**1 180**	**100,0**
No skill	378	32,0
The business is too small	796	67,5
No time to keep records	250	21,2
Don't see the need to keep records	301	25,5
Other	13	1,1

*Note: *These are the multi-select options, hence totals don't add up to 100%. Each business can select more than one response.*

From the 1 180 businesses that did not keep the records for the business, the majority stated the business is too small (67,5%) as the main reason for not keeping the records, followed by those with no skill (32,0%) to keep the records and those who did not see the need to keep the records (25,5%).

4.4 Business management, operation and finances

Figure 6: Proportion of the business operation start date

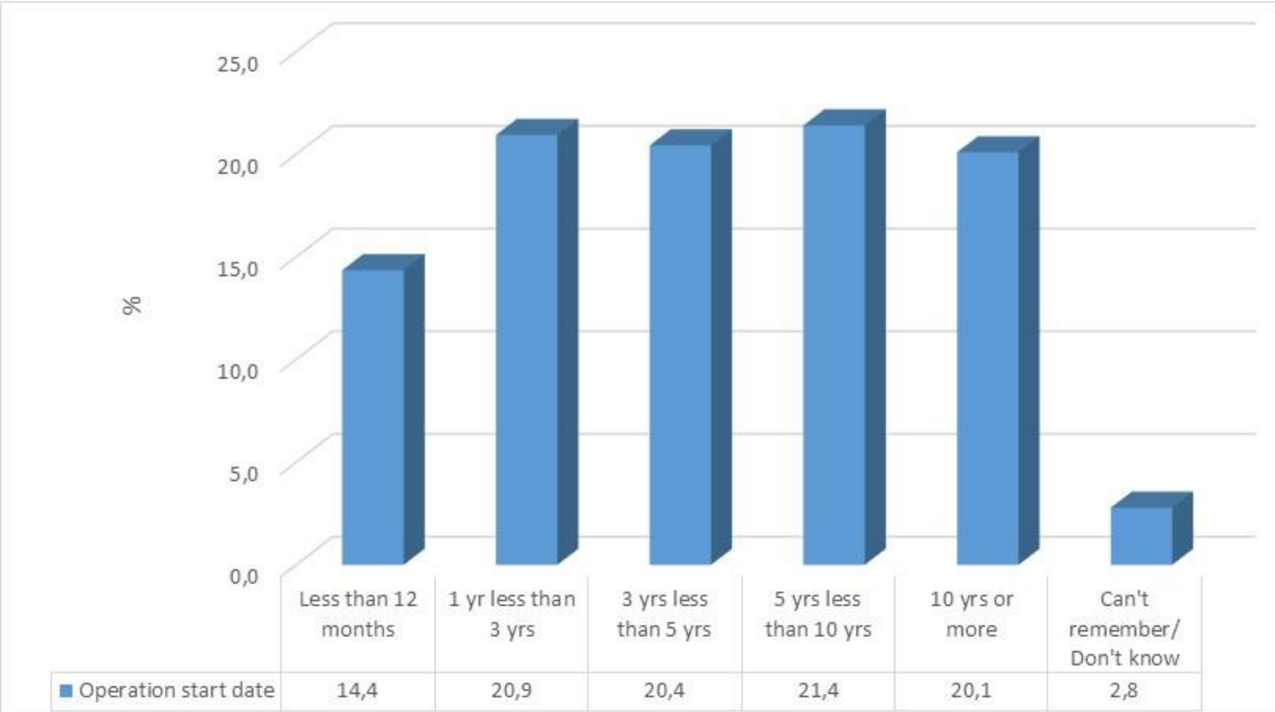


Figure 6 shows that the majority of businesses in Steve Tshwete Local Municipality have been in operation over a longer period in time compared to 14,4% of the businesses which have been in operation for less than 12 months prior to the interview date.

Table 12: Assistance needed to start the business

	Number	Per cent
NEEDED MONEY	**2 369**	**100,0**
Yes	1 170	49,4
No	751	31,7
Don't know	448	18,9
BORROWED MONEY	**2 369**	**100,0**
Yes	233	9,8
No	1 663	70,2
Don't know	473	20,0
PAYING LOANS	**233**	**100,0**
Yes	144	61,8
No	89	38,2
***STARTUP MONEY**	**2 369**	**100,0**
Loans from commercial banks	112	4,7
Loans from friends / relatives	217	9,2
Loans from credit societies / stokvels	16	0,7
Loans from moneylenders / mashonisas	12	0,5
Loans from (business) partners	46	1,9
Loans from business association	25	1,1
Loans from NGO/CBO	9	0,4
Government incentive	9	0,4
Inheritance	114	4,8
Investor	116	4,9
Own money	1 595	67,3
Retrenchment funds	51	2,2
Loans from others	10	0,4

*Note: *These are the multi-select options, hence totals don't add up to 100%. Each business can select more than one response.*

Almost half (49,4%) of the businesses interviewed in Steve Tshwete Local Municipality stated that they needed money to start operating, but only 9,8% borrowed money to start the business. Off the 233 businesses that borrowed money to start, 61,8% were still paying off the loans that they took to start the business. The majority of business owners/managers used their own money (67,3%) to start the businesses, followed by those who received loans from friends/relatives at 9,2%.

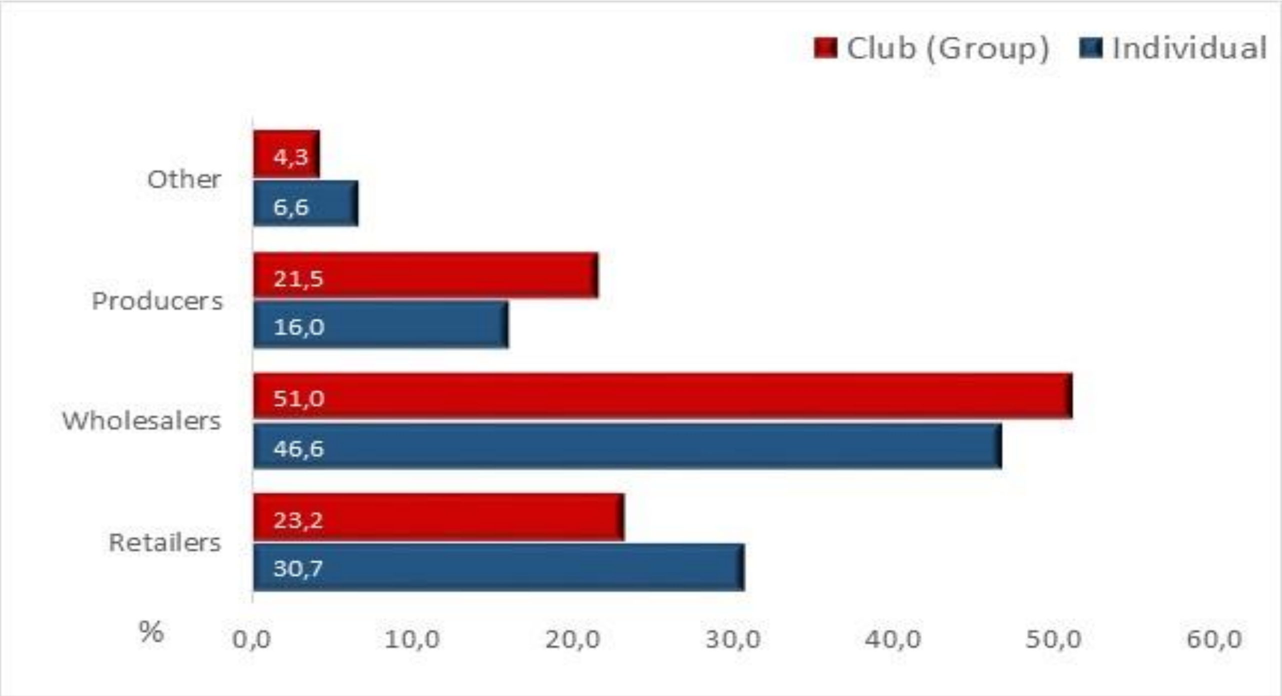
Table 13: Number of businesses receiving support from government agencies

Government agencies	Number of businesses
Total	**9**
Mpumalanga Economic Growth Agency (MEGA)	4
Small Enterprise Finance Agency (SEFA)	2
National Empowerment Fund (NEF)	4
National Youth Development Agency (NYDA)	3
Small Enterprise Development Agency (SEDA)	3
Other	1

Of the 2 369 businesses in the Steve Tshwete Local Municipality, only 9 businesses indicated that they receive support from various government agencies. The most common method of support received by businesses from government agencies was from the Mpumalanga Economic Growth Agency (MEGA) and the National Empowerment Fund (NEF). The least method of support received was from the Small Enterprise Finance Agency (SEFA).

4.5 Business expenditure and turnover

Figure 7: Source of stock by type of suppliers



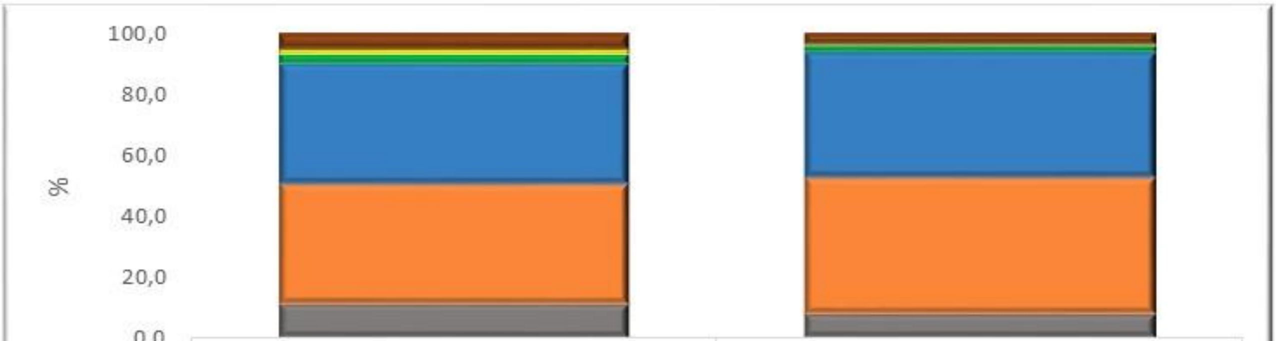
The majority of businesses, both individual business owners (46,6%) and groups of business owners forming a club (51,0%), indicated wholesalers as their preferred stock suppliers. The results further show that more individual business owners purchase their stock from retailers (30,7%) than do groups of businesses/clubs.

Table 14: Number of businesses by type of stock purchase and turnover

Turnover	Number of businesses							
	Individual		Club (Group)		Do not purchase stock		Total	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
None	213	14,7	41	13,6	199	32,1	**453**	**19,1**
R1-R500	114	7,9	13	4,3	22	3,5	**149**	**6,3**
R501-R1 000	110	7,6	15	5,0	48	7,7	**173**	**7,3**
R1 001-R5 000	465	32,1	81	26,8	143	23,1	**689**	**29,1**
R5 001-R10 000	168	11,6	44	14,6	48	7,7	**260**	**11,0**
R10 001-R50 000	215	14,9	53	17,5	86	13,9	**354**	**14,9**
R50 001-R100 000	67	4,6	19	6,3	30	4,8	**116**	**4,9**
R100 001-R1 000 000	79	5,5	31	10,3	35	5,6	**145**	**6,1**
R1 000 001+	16	1,1	5	1,7	9	1,5	**30**	**1,3**
Total	**1 447**	**100,0**	**302**	**100,0**	**620**	**100,0**	**2 369**	**100,0**

Table 14 shows that the majority of businesses indicated that they purchase their stock individually (1 447 or 61,1%). A higher proportion of businesses that purchase their stock individually (32,1%) and as a club/group (26,8%) have a turnover of between R1 001 and R5 000 monthly, while few businesses (below 2%) have a turnover above a million rands monthly. Interestingly, the proportion of businesses that do not purchase their stock with the monthly turnover above a million rands was higher than those who purchase their stock individually with the same turnover.

Figure 8: Frequency of stock purchase



	Individual	Club (Group)
Other	5,6	3,6
Annually	1,2	0,7
Quarterly	3,5	2,3
Monthly	39,2	41,1
Weekly	39,4	44,4
Daily	11,1	7,9

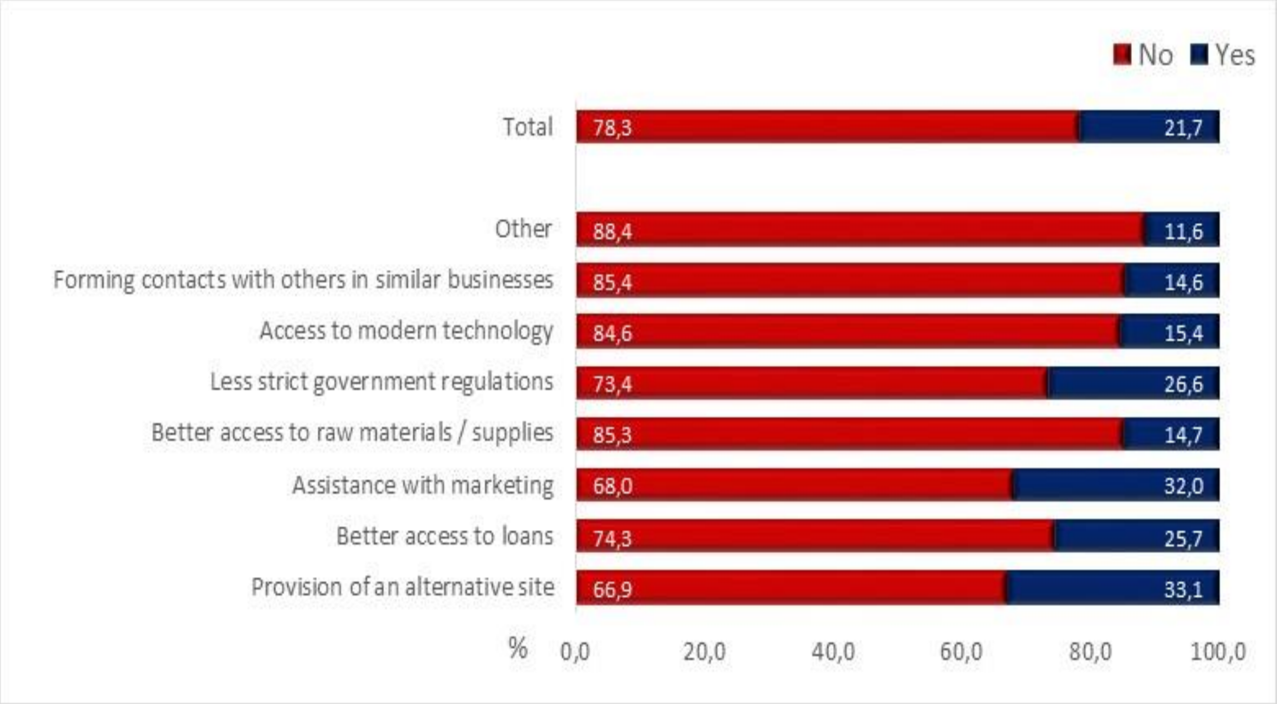
Most individually owned businesses and group/club-owned businesses purchase their stock either weekly or monthly (around 40% each period). Only a few businesses indicated that they purchase their stock annually; individual at 1,2% and club/group at 0,7%.

Table 15: Transport mode of stock

Transport mode	Individual		Club (Group)		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Railway	13	0,9	1	0,3	**14**	**0,8**
Air	5	0,3	0	0,0	**5**	**0,3**
Sea	8	0,6	2	0,7	**10**	**0,6**
Own car	610	42,2	111	36,8	**721**	**41,2**
Bus	17	1,2	1	0,3	**18**	**1,0**
Taxi	439	30,3	46	15,2	**485**	**27,7**
Hired transport	356	24,6	140	46,4	**496**	**28,4**
Other	72	5,0	17	5,6	**89**	**5,1**

The most used mode of transport by individual business owners to transport their stock was own cars (610 or 42,2%), while the majority of groups of business owners/clubs use hired transport (140 or 46,4%). Air transport was found to be the least used mode of transport by individual business owners and groups of business owners/clubs.

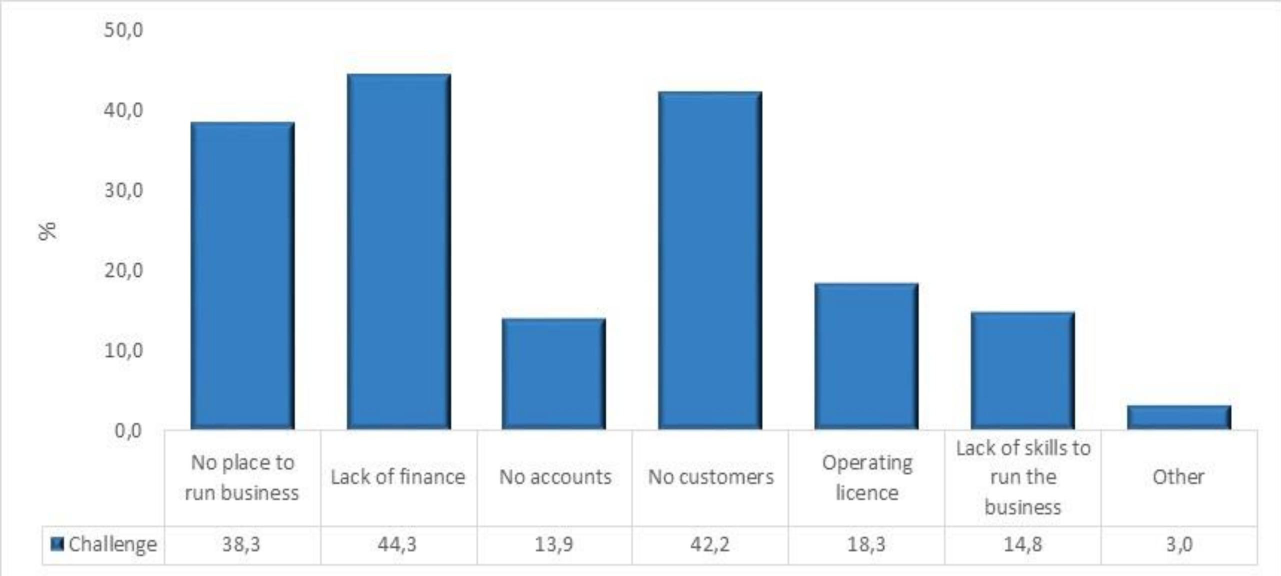
Figure 9: Proportion of business which requires assistance to grow by type of assistance



Most of the businesses – especially small businesses – required some form of assistance, whether financial or non-financial in order to grow; this was not the case for businesses in Steve Tshwete Local Municipality, as the majority of businesses (78,3%) indicated that they do not require assistance to grow while 21,7% indicated that they require assistance.

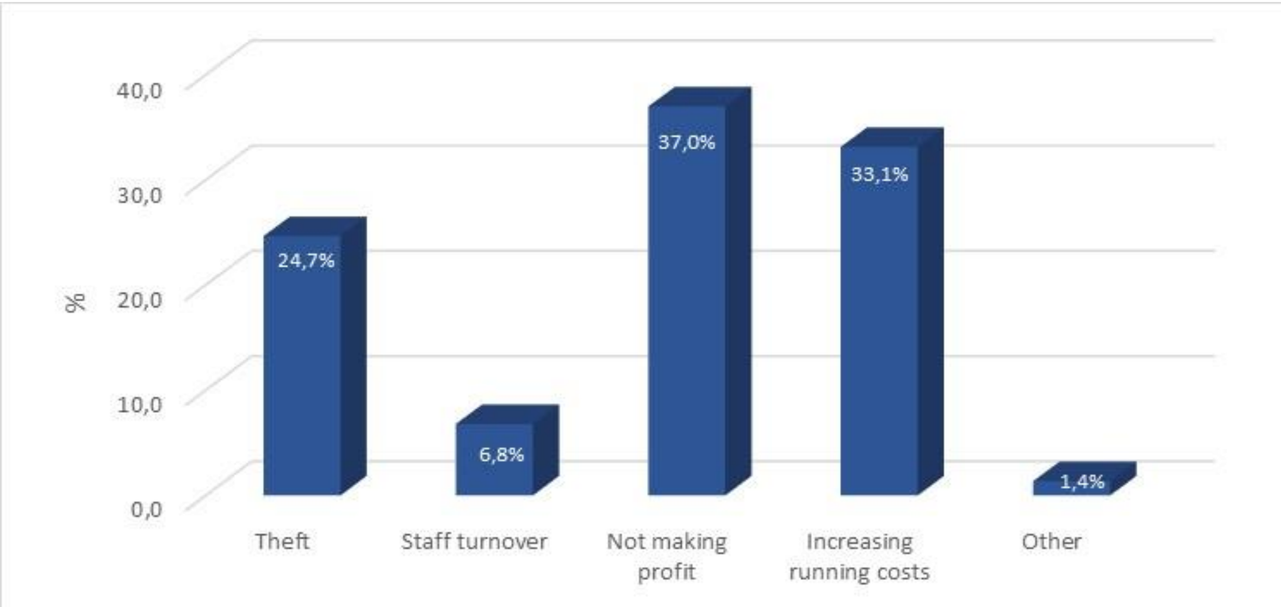
Figure 9 shows that for all types of assistance, the proportion of businesses that require assistance was less than those that indicated that they do not require assistance. Provision of an alternative site (33,1%) was considered to be the most required assistance by businesses, followed by assistance with marketing (32,0%).

Figure 10: Proportion of businesses which experienced challenges when they started the business



Any business is certain to experience some challenges when it starts, hence businesses experience different challenges when they start. The challenge that was experienced the most by businesses when they started was lack of finance (44,3%), the second most-experienced challenge was indicated as not having customers (42,2%), while 13,9% of businesses indicated not having accounts as the challenge they experienced when they started.

Figure 11: Proportion of businesses which faced challenges in running the business in the last year



Most businesses indicated not making profit (37,0%) as the main challenge they faced in the last year; 33,1% of the businesses experienced increasing running costs as a challenge in the last year, with 24,7% of the businesses citing theft as a challenge they faced in running the business while only 6,8% of businesses indicated staff turnover as their challenge.

4.6 Export and import

Table 16: Number of businesses that import and export products by mode of transport

	Export	Import
Total number of businesses	**10**	**19**
Railway	1	0
Air	3	5
Sea	7	7
Own car	1	2
Bus	0	0
Taxi	0	1
Hired transport	2	5
Other	0	1

Table 16 presents the number of businesses that export their stock to other countries and import from other countries. Exporting products boosts the local economy and helps local businesses increase their revenue. Of the 11 businesses that export their stock to other countries, most were using sea (7) and air (3) transport to transport their stock. Importing goods brings new and exciting products to the local market and makes it possible to build new products locally. There were 19 businesses that indicated they were importing products from other countries. As with the exports, the majority of them were using the sea (7), hired transport (5) and air (5) transport modes to transport their stock. Bus transport mode was not used by businesses for importing and exporting stock.

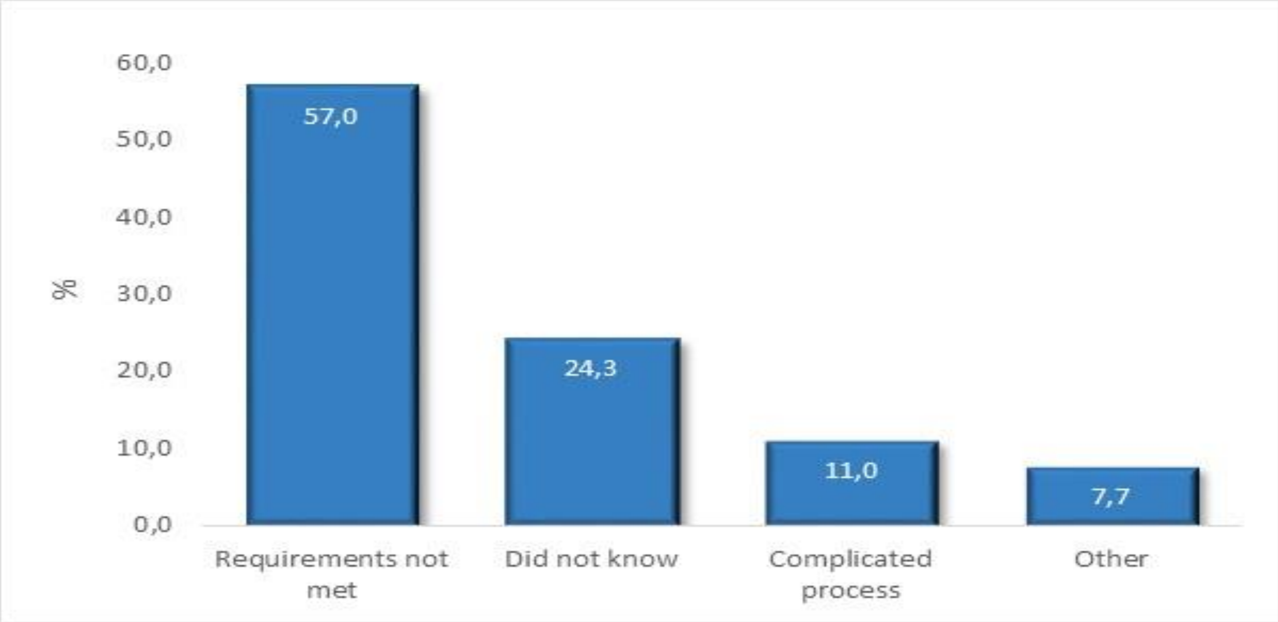
4.7 Business registration and affiliation

Table 17: Number of businesses registered

Registered	VAT	Income Tax	CIPC
	Number		
Yes	557	586	562
No	1 803	1 774	1 798
Unspecified	9	9	9
Total	**2 369**	**2 369**	**2 369**
	VAT	**Income Tax**	**CIPC**
	Per cent (%)		
Yes	23,5	24,7	23,7
No	76,1	74,9	75,9
Unspecified	0,4	0,4	0,4
Total	**100,0**	**100,0**	**100,0**

Only 23,5% of the businesses in the Steve Tshwete Local Municipality are registered for value-added tax (VAT), while 24,7% were registered for income tax and 23,7% were registered with the Companies and Intellectual Property Commission (CIPC).

Figure 12: Proportion of businesses not registered for VAT by reason



Of the 1 803 businesses that specified that they were not registered for VAT, 57,0% indicated that they did not meet the requirements to register for VAT, hence the businesses were not registered, while 24,3% said they did not know that they have to register and only 11,0% indicated that the process of registering for VAT is complicated.

Table 18: Businesses with licences or permits

	Number	Per cent
LICENCES or PERMITS	**2 369**	**100,0**
Yes	882	37,2
No	1 487	62,8
ISSUE LICENCES	**882**	**100,0**
Municipality / Provincial Authority	628	71,2
Professional Association	44	5,0
Business Association	77	8,7
Traditional Leader	.	0,0
Protection Agency/ies	3	0,3
Government Department	119	13,5
Other	11	1,2

Almost four out of ten businesses in Steve Tshwete Local Municipality had licences or permits to operate. The majority of the businesses were operating with licences or permits issued by the municipality/provincial authority (71,2%), followed by those issued by the government department (13,5%).

Table 19: Number of businesses by type of ownership

	Type of Ownership							
	Co-operative society	Partner ship	Individual ownership	Private company	Closed corporation	NGO	Other	Total
Gender	**19**	**130**	**1 601**	**380**	**189**	**4**	**46**	**2 369**
Male	7	86	872	204	104	3	22	**1 298**
Female	12	44	729	176	85	1	20	**1 067**
Unspecified	.	.	.	.	.	.	4	**4**
Age group	**19**	**130**	**1 601**	**380**	**189**	**4**	**46**	**2 369**
Youth (15 - 34 years)	9	61	632	125	69	.	12	**908**
Adults (35 - 64 years)	10	67	877	235	112	4	30	**1 335**
Senior citizens (+65 years)	.	2	92	20	7	.	.	**121**
Unspecified	.	.	.	.	1	.	4	**5**
Population group	**19**	**130**	**1 601**	**380**	**189**	**4**	**46**	**2 369**
Black African	13	92	1 310	246	102	4	24	**1 791**
Coloured	.	3	20	9	2	.	1	**35**
Indian/Asian	.	18	123	17	18	.	1	**177**
White	5	12	83	101	61	.	16	**278**
Other	1	5	65	7	6	.	4	**88**
Citizenship	**19**	**130**	**1 601**	**380**	**189**	**4**	**46**	**2 369**
South African citizen	17	88	1 223	338	170	3	39	**1 878**
Non-SA citizen	2	42	378	42	19	1	1	**485**
Unspecified	.	.	.	.	.	.	6	**6**

The majority of businesses were owned by individuals (1 601) irrespective of gender, age group, population group and citizenship, while NGOs recorded the least number of businesses (4). Men recorded a higher number of businesses in all types of ownership than women, except in businesses that are owned by a co-operative society. The youth reported lesser numbers of businesses than adults in all types of business ownership.

In terms of population groups, black Africans dominate all types of businesses when compared to other population groups. About 1 310 of the businesses were individually owned by black Africans, and only 4 NGOs were owned by the same population group. The majority of businesses (1 878) were owned by South Africans irrespective of the type of ownership, while only 485 were owned by non-South Africans.

Figure 13: Proportion of businesses affiliated to any business chamber/association

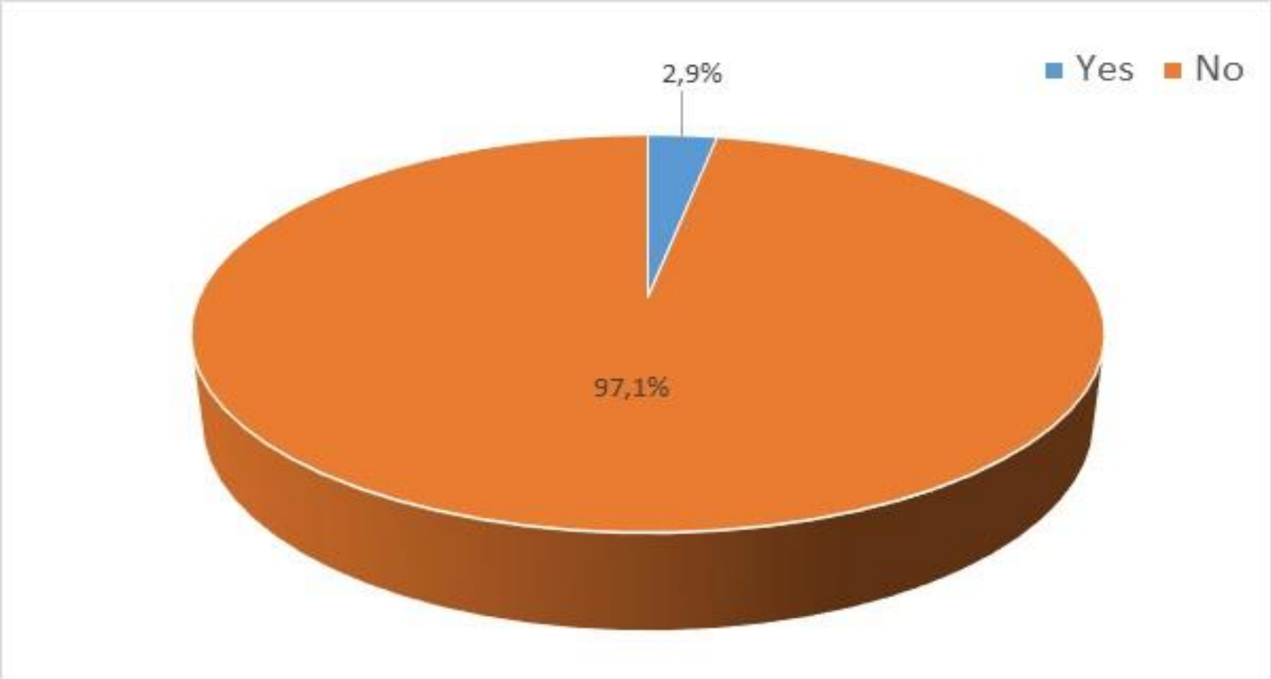
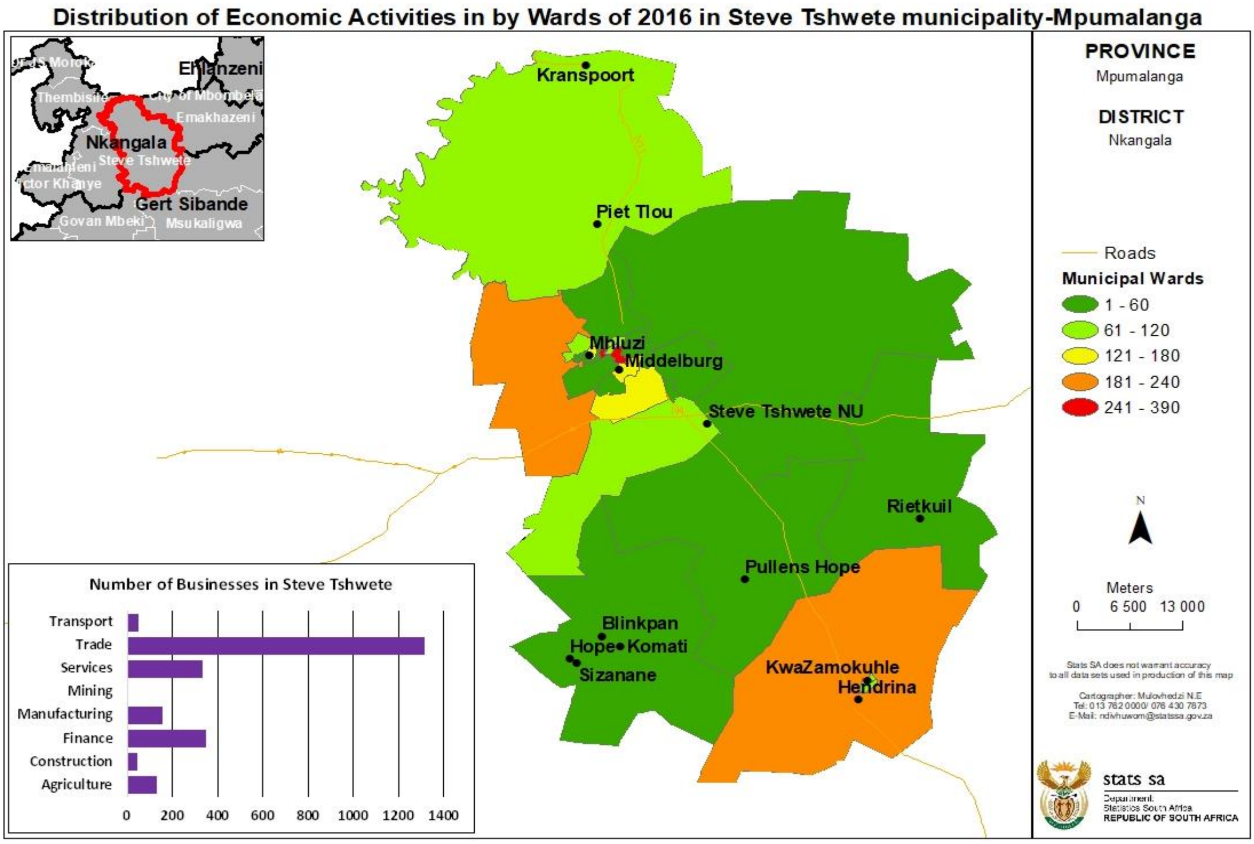
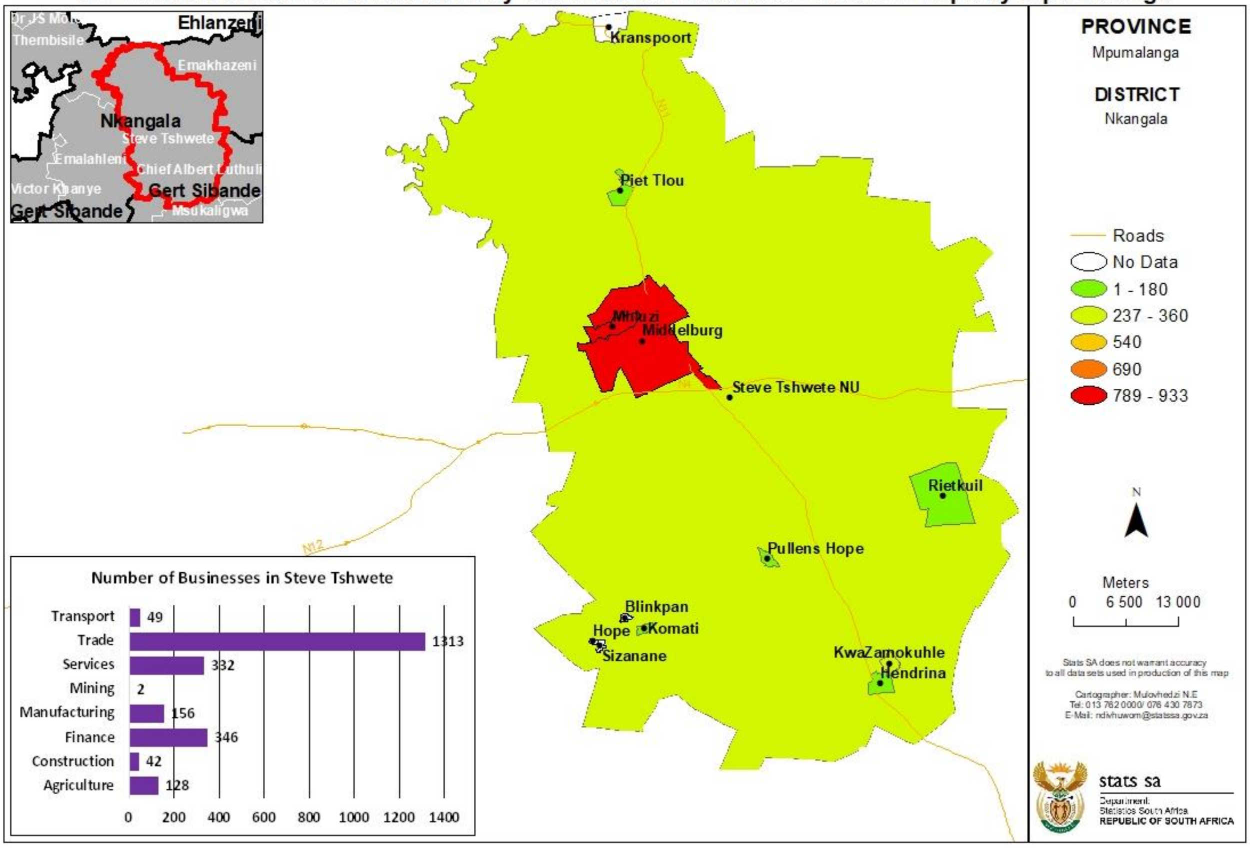


Figure 13 shows that only 2,9% of the businesses are affiliated to any business chamber or association, while 97,1% were not affiliated.

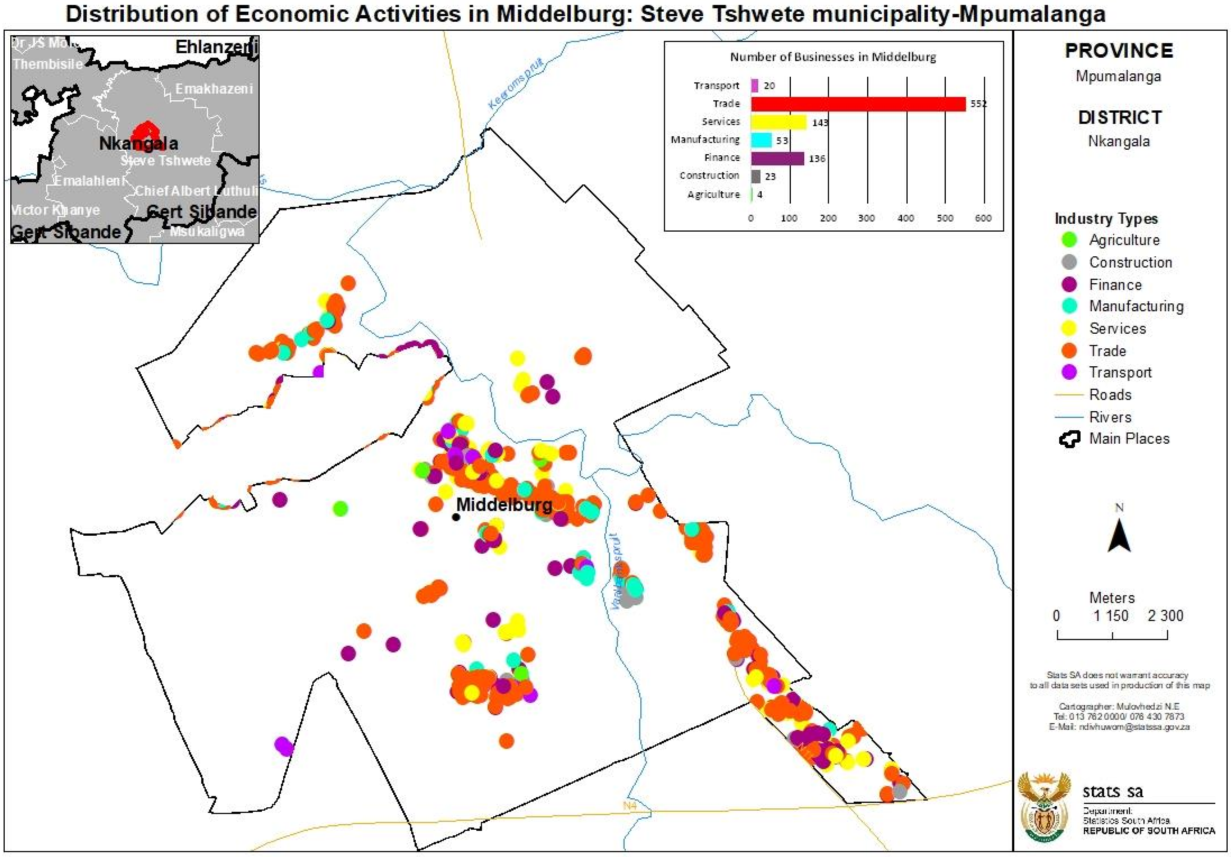
4.8 Distribution of economic activities: maps



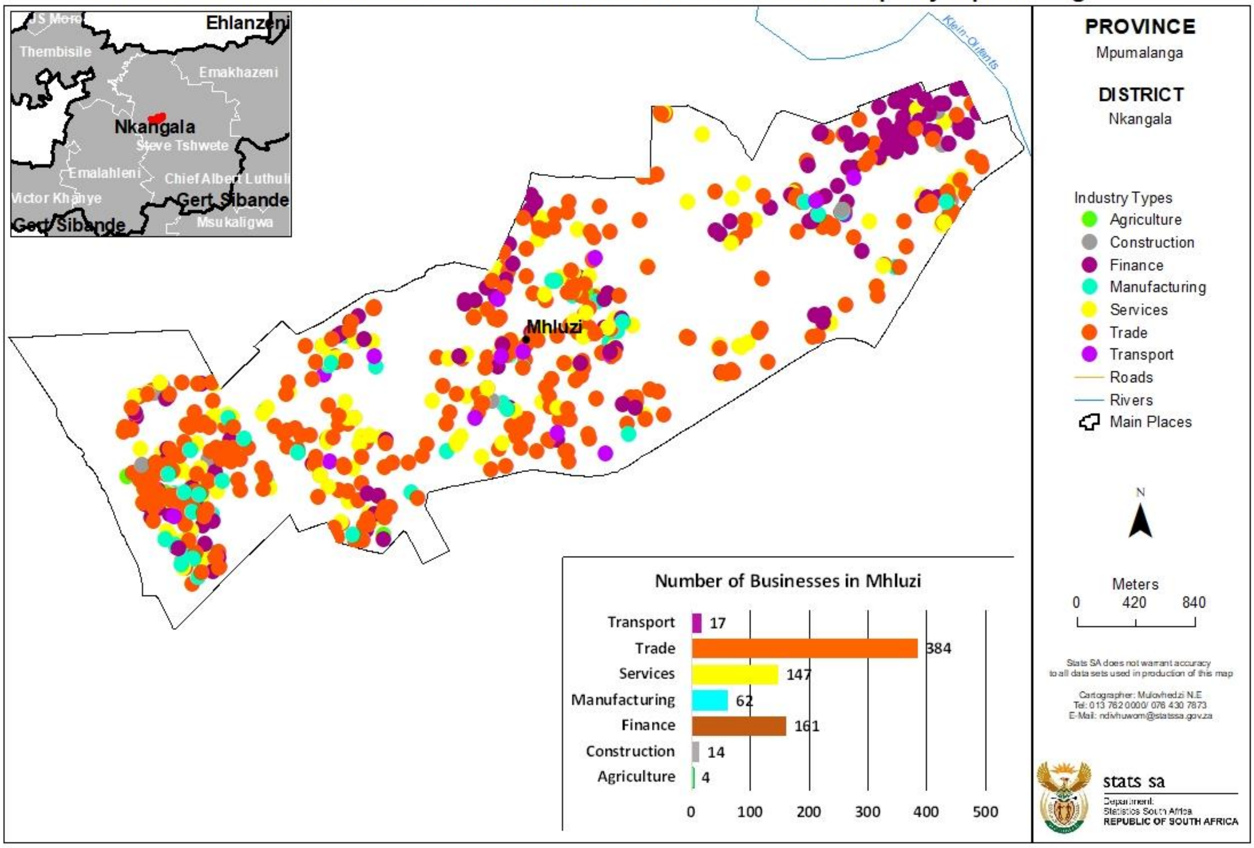
Distribution of Economic Activities by Main Places in Steve Tshwete municipality-Mpumalanga



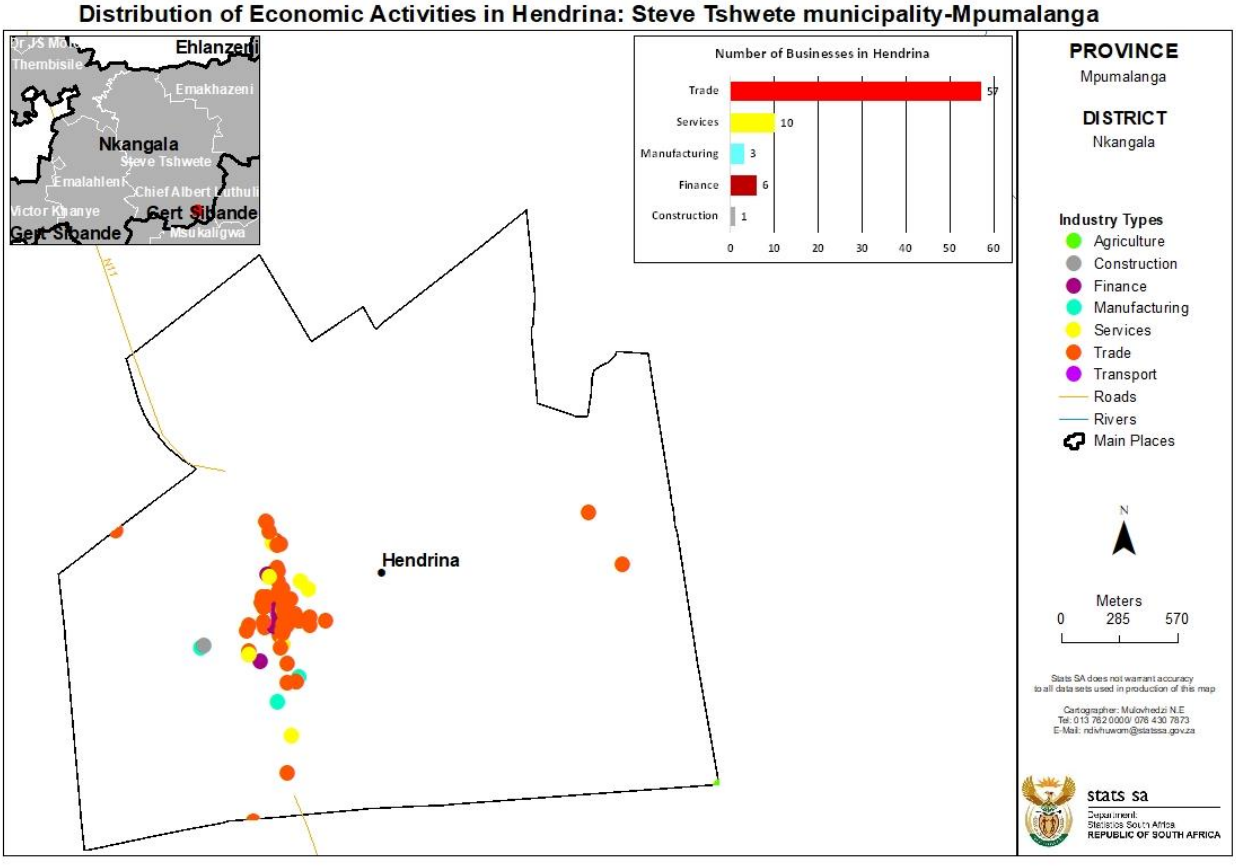
Distribution of Economic Activities in Middelburg: Steve Tshwete municipality-Mpumalanga



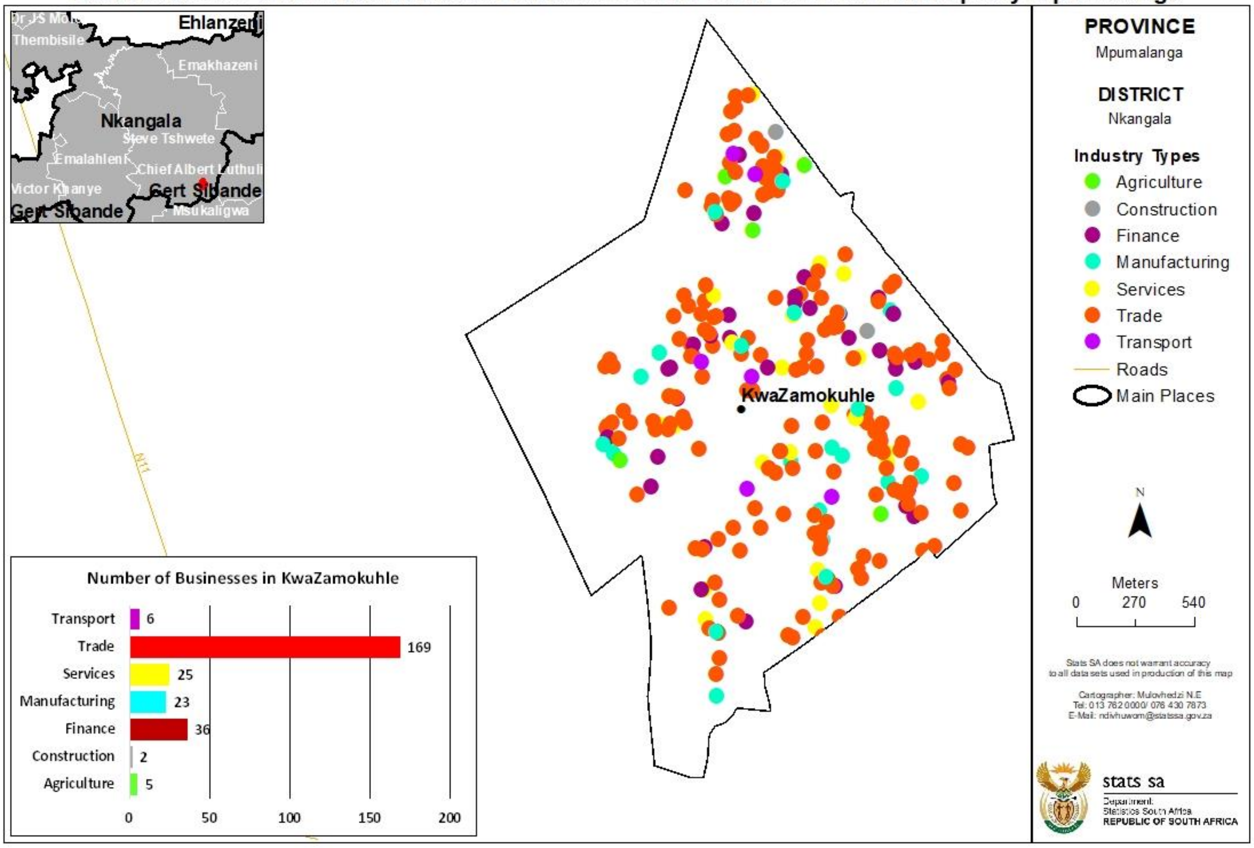
Distribution of Economic Activities in Mhluzi: Steve Tshwete municipality-Mpumalanga



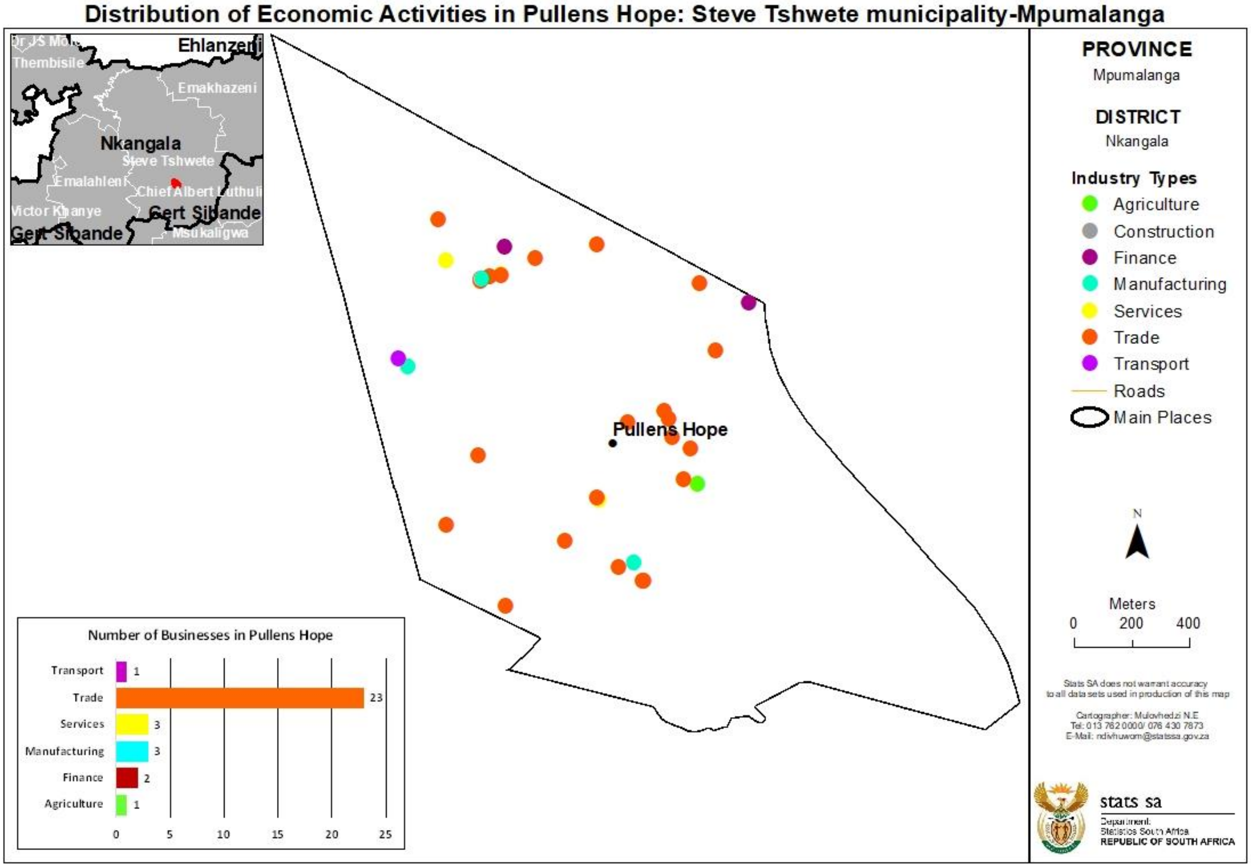
Distribution of Economic Activities in Hendrina: Steve Tshwete municipality-Mpumalanga



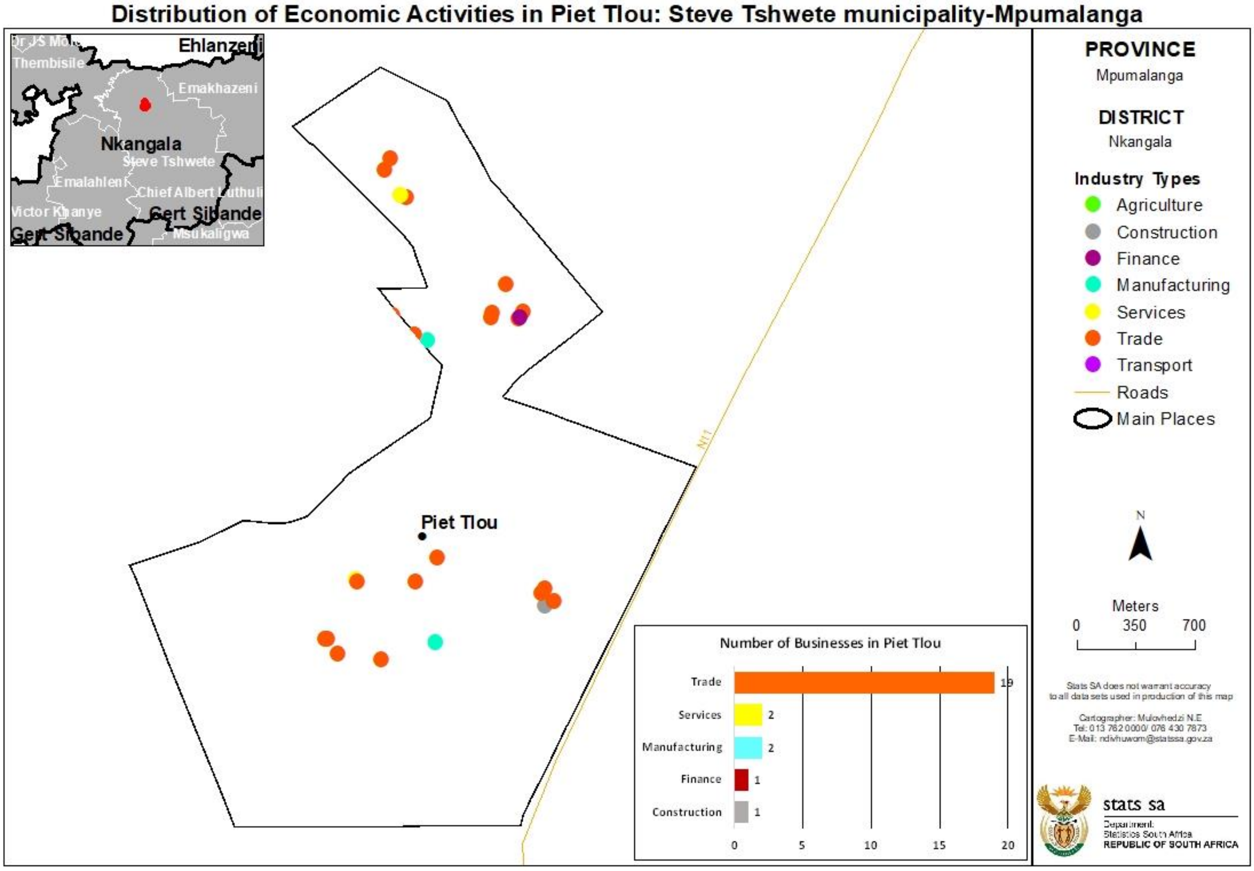
Distribution of Economic Activities in KwaZamokuhle: Steve Tshwete municipality-Mpumalanga



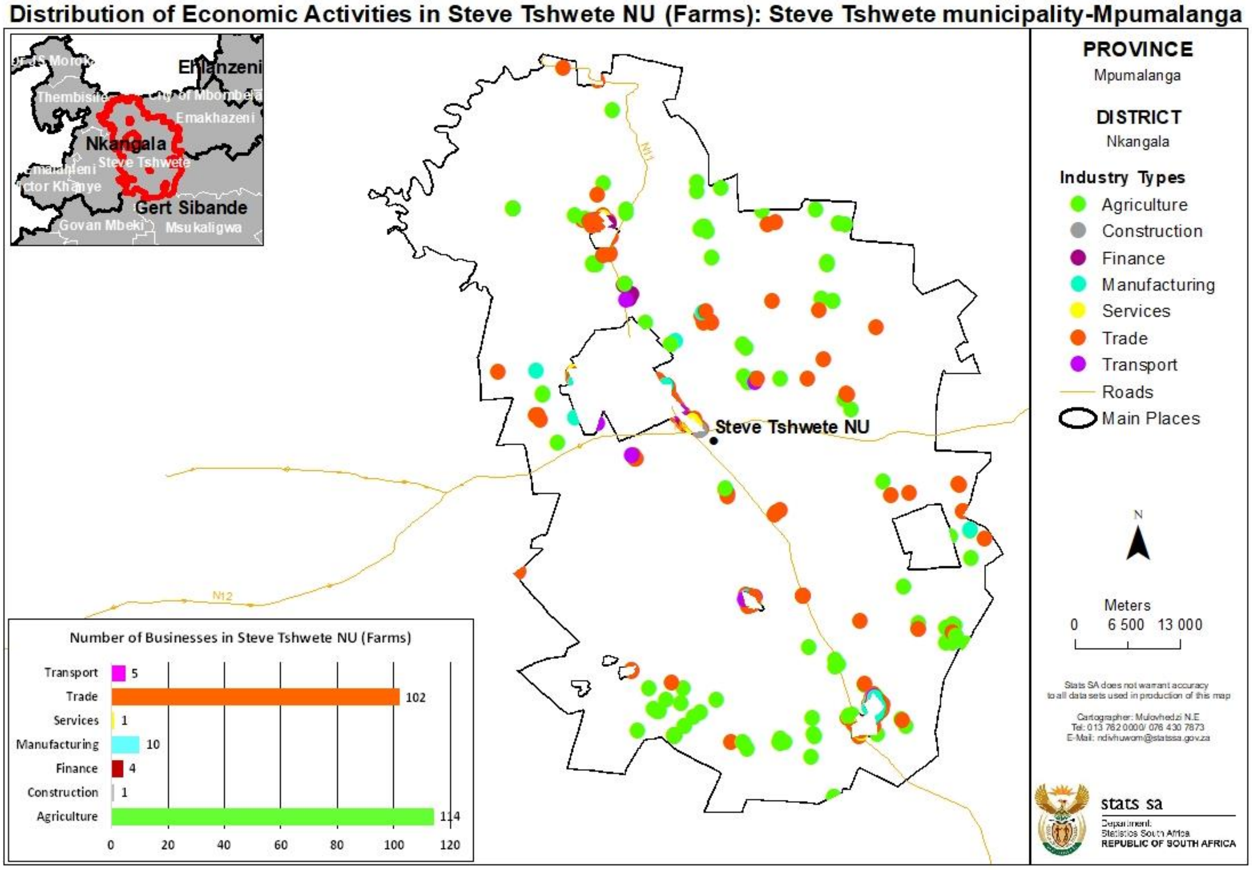
Distribution of Economic Activities in Pullens Hope: Steve Tshwete municipality-Mpumalanga



Distribution of Economic Activities in Piet Tlou: Steve Tshwete municipality-Mpumalanga



Distribution of Economic Activities in Steve Tshwete NU (Farms): Steve Tshwete municipality-Mpumalanga



5. Summary and conclusion

The results of this survey provided some insight about the nature of businesses that operate in Mpumalanga, particularly businesses in the Steve Tshwete Local Municipality in terms of the activities they conduct, size, employment and type of assistance or support these businesses require. Intervention by different stakeholders will have to be different according to geographical areas of the businesses so that the specific needs of individual business owners can be addressed.

The analysis in this report reveals that more businesses are owned by men, and more men were employed in these businesses than women in the week prior to the survey period. Businesses that are operating in this municipality are mostly in the Trade industry. In addition, the majority of these businesses are owned by black Africans. Those with lower levels of education (matric and lower) own more businesses than those with higher levels of education (tertiary qualification).

Even though most businesses are owned by older people (35 years and older), young people (15–34 years) are more employed than older people. In relation to occupation, people in Sales and services (12,7%), Plant and machine operators (12,5%), Professional (12,2%), Managerial (8,7%), Elementary (8,3%) and Technician (7,8%) occupations were more likely to be employed when compared to other occupational categories. The results further reveal that the majority of businesses operating in Steve Tshwete Local Municipality are considered to be small businesses, as they are not generating a turnover of more than R1 million per annum.

In terms of business registration, support and assistance is required. Only a quarter of businesses indicated that they are registered for VAT, income tax and with the CIPC, while a small proportion of businesses indicated that they have received support from government agencies. The majority of businesses indicated that they do not require assistance to grow their businesses.

6. Crime perception

6.1 Key findings on crime perception

The MEBS Phase 3 investigated the extent to which businesses in Steve Tshwete Local Municipality experienced crime in the 12 months leading up to the collection of survey data. This report discusses the factors influencing feelings of safety by businesses and specifically, the nationality of the business owners (those owned by South African nationals compared to non-South Africans), their perceptions about motives behind victimisation, the measures that they took to protect themselves against crime and ultimately, the impact of crime on the businesses.

The population group that most likely perceived that crime has increased was the Indian/Asian population group with 39,5%. About eight in ten businesses (80,2%) in Steve Tshwete Local Municipality had never experienced crime during the period of review, a year prior to the survey. The black African population group had the highest percentage (85,0%) of businesses who reported that they hadn't experienced crime, followed by coloureds (80,0%). Findings on perceptions of the overall level of crime in Steve Tshwete Local Municipality in the year prior to the survey show that 41,6% of businesses were of the view that crime had remained the same, while almost a third (30,2%) responded that crime had increased.

In terms of residency status of foreign nationals, 25,9% of those holding a work permit experienced crime, followed by asylum seekers/refugees (20,5%), whereas those with permanent residency status were 18,3%. An enquiry into the level of reporting of crime by businesses who were victimised showed that 76,2% of businesses who were victims of crime reported it to the police.

The Indian/Asian population group (87,5%) had the highest percentage of businesses who reported crime incidents to the police, followed by the white population group (79,4%). For all victims of crimes who did not report the crimes to the police, the majority (28,6%) indicated that they solved it themselves, 19,6% indicated that it was because the police won't do anything about it, whereas 17,0% and 16,1% were due to the crimes not serious enough to report and lack of proof, respectively.

Businesses headed by black Africans had the highest level of satisfaction (56,4%) with police services, followed by the coloured population (54,3%). White-owned businesses were the least likely to be satisfied with the police (37,4%). The South African Police Service (SAPS) was rated as the most important role player in terms of crime prevention or reduction (90,6%), followed by community policing forums (CPFs) at 53,4% and police crime prevention officers (53,1%).

Burglary was the most experienced crime by businesses (63,6%), followed by robbery (32,8%) and shoplifting (28,9%). When asked about their perceptions on possible motives for crime, the majority of businesses indicated money or other financial motives (50,6%), followed by drug-related need (44,7%), and gang or other related motive (38,5%).

Most businesses in Steve Tshwete Local Municipality installed or upgraded a security alarm (26,3%), followed by installation of CCTV (21,0%); the highest percentage amongst these was done by businesses where the owner/manager is white (78,4% and 67,3%, respectively).

7. Business owners' perceptions of crime

This section addresses the extent to which businesses in Steve Tshwete Local Municipality feel safe and the extent to which they have experienced crime. The study further measures the impact of crime on business investments; their view about motives for business crime as well as their responses to crime are also discussed.

7.1 Views on business crime levels and experiences

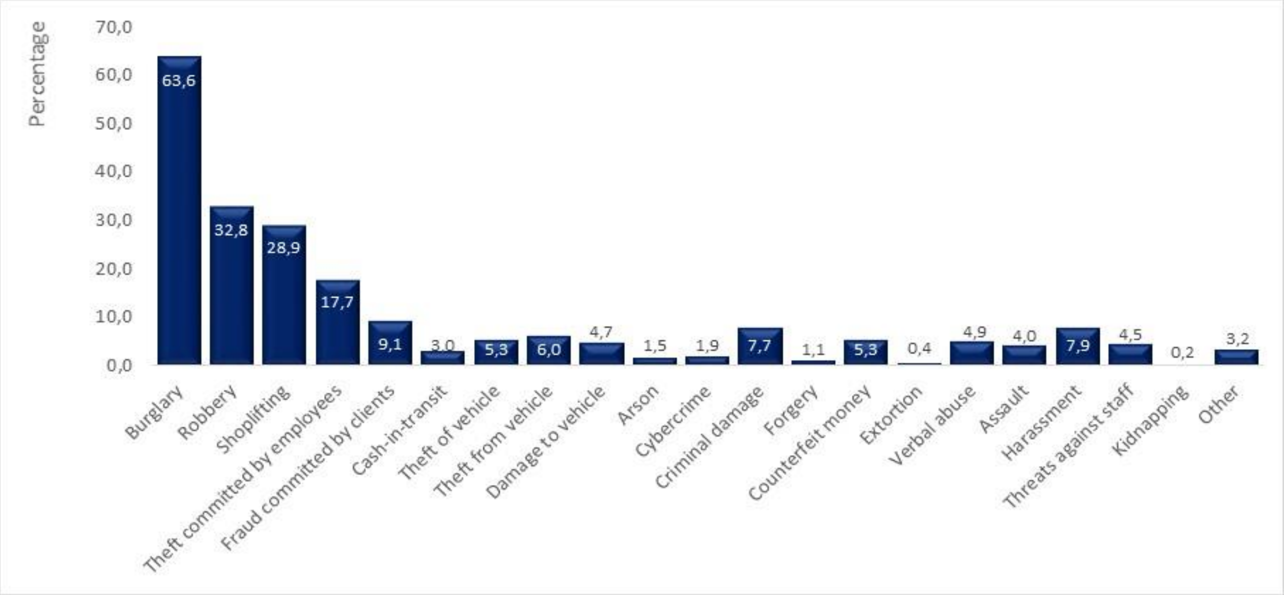
Table 20: Experience of crime by population group, citizenship and industry

	Experienced crime		Did not experience crime		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Population group	**470**	**100,0**	**1 899**	**100,0**	**2 369**	**100,0**
Black African	268	57,0	1 523	80,2	**1 791**	**75,6**
Coloured	7	1,5	28	1,5	**35**	**1,5**
Indian/Asian	64	13,6	113	6,0	**177**	**7,5**
White	107	22,8	171	9,0	**278**	**11,7**
Other*	24	5,1	64	3,4	**88**	**3,7**
Citizenship	**470**	**100,0**	**1 899**	**100,0**	**2 369**	**100,0**
South African	363	77,2	1 515	79,8	**1 878**	**79,3**
Non-South African	107	22,8	384	20,2	**491**	**20,7**
Industry	**470**	**100,0**	**1 899**	**100,0**	**2 369**	**100,0**
Agriculture	26	5,5	103	5,4	**129**	**5,4**
Mining	2	0,4		0,0	**2**	**0,1**
Manufacturing	28	6,0	128	6,7	**156**	**6,6**
Utilities	.	0,0	.	0,0	**.**	**0,0**
Construction	10	2,1	32	1,7	**42**	**1,8**
Trade	292	62,1	1 021	53,8	**1 313**	**55,4**
Transport	10	2,1	39	2,1	**49**	**2,1**
Finance	56	11,9	290	15,3	**346**	**14,6**
Community and social services	46	9,8	286	15,1	**332**	**14,0**

*Note: "**Other***" refers to those who did not regard themselves as belonging to any of the specified population groups.*

There were 2 369 businesses in Steve Tshwete Local Municipality and 470 (19,8%) businesses experienced crime between January 2018 and December 2018, while 1 899 (80,2%) did not experience crime during the reference period. The majority of the businesses that experienced crime were owned/managed by black Africans (57,0%) who were South African citizens (77,2%) in the Trade industry (62,1%).

Figure 14: Types of crimes experienced by businesses



There were 470 businesses which reported that they experienced crime during the reference period of January to December 2018. Figure 14 shows that burglary (63,6%), robbery (32,8%) and shoplifting (28,9%) were the major types of crimes experienced by the businesses in Steve Tshwete Local Municipality. Kidnapping and extortion were the least reported crimes committed against the businesses at 0,2% and 0,4%, respectively.

Figure 15: Experience of crime during the period January to December 2018 by population group

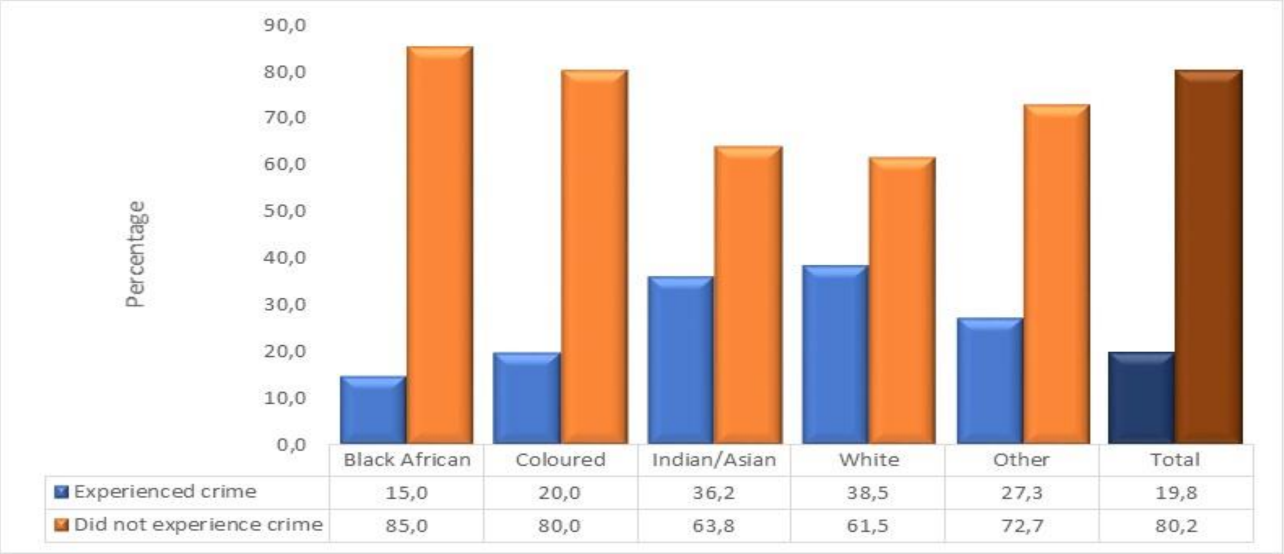


Figure 15 summarises the percentage distribution of experience of crime during the period 2018 by population group. The majority (80,2%) of businesses in the Steve Tshwete Local Municipality had never experienced crime during the period of review. The black African population group (85,0%) had the highest percentage of businesses who reported that they never experienced crime, followed by the coloured population group (80,0%). However, Indian/Asian and white-owned businesses reported significantly higher proportions (36,2% and 38,5%, respectively) of those that experienced crime between January and December 2018.

Table 21: Experience of crime by residency status

Experienced crime	Statistics	Permanent	Work permit	Asylum seeker/refugee	Other	Total
Yes	Number	17	53	36	1	**107**
	Percentage	18,3	25,9	20,5	9,1	**22,1**
No	Number	76	152	140	10	**378**
	Percentage	81,7	74,1	79,5	90,9	**77,9**
Total		**93**	**205**	**176**	**11**	**485**

*Other includes unspecified.

Table 21 shows the extent of crime experienced by non-South African citizens according to their residency status. Of the non-South Africans who experienced crime, the majority were among those with a work permit (25,9%), followed by asylum seekers/refugees (20,5%) and those with permanent residency status (18,3%), resulting in 22,1% of non-South Africans experiencing crime.

Table 22: Perceptions of crime levels during the period January to December 2018

Level of crime		Population group					Total
		Black African	Coloured	Indian/Asian	White	Other	
Increased	Number	462	9	70	86	38	**665**
	Percentage	25,8	25,7	39,5	31,0	45,2	**28,2**
Decreased	Number	599	9	46	45	15	**714**
	Percentage	33,5	25,7	26,0	16,2	17,9	**30,2**
Remained stable	Number	727	17	61	146	31	**982**
	Percentage	40,7	48,6	34,5	52,7	36,9	**41,6**

*Unspecified has been excluded.

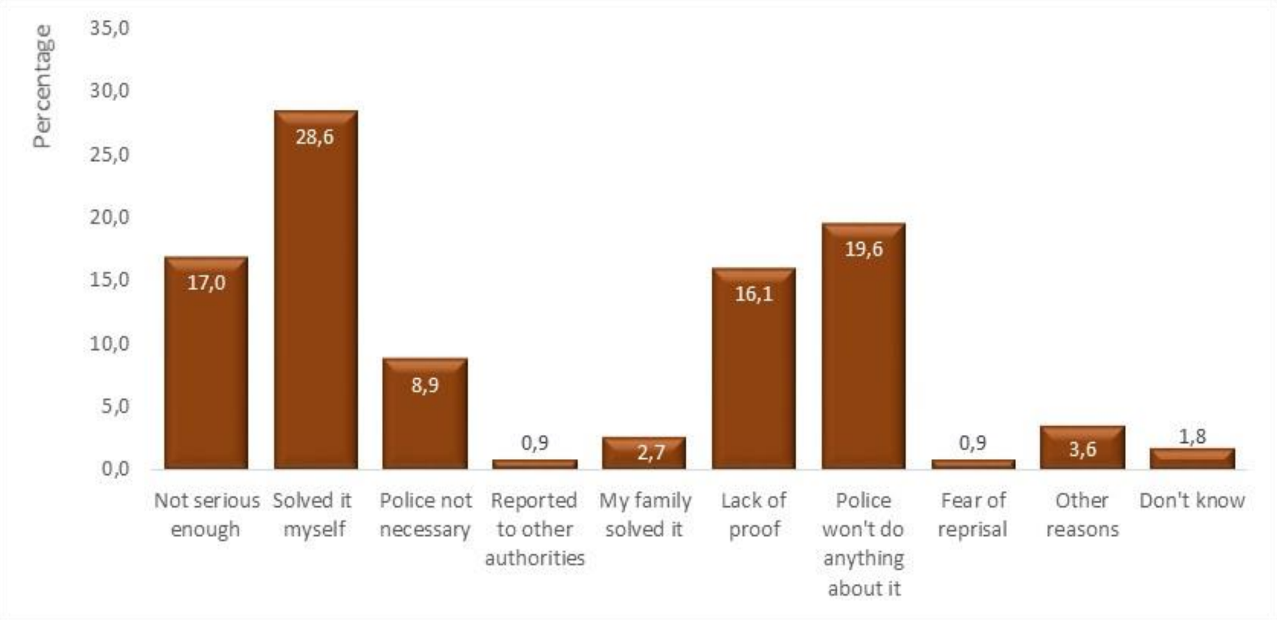
Table 22 shows the percentage distribution of businesses' perceptions of crime levels in Steve Tshwete Local Municipality for the period 2018, by population group. Four out of ten businesses in this municipality were of the view that crime levels had stayed the same (41,6%). The population groups that were the most likely to think that crime had increased were the Indian/Asian population group (39,5%), followed by the white population group (31,0%).

Table 23: Reporting of crime by businesses during the period January to December 2018 by population group

Reporting of crime		Population group					Total
		Black African	Coloured	Indian/Asian	White	Other	
Yes	Number	195	5	56	85	17	**358**
	Percentage	72,8	71,4	87,5	79,4	70,8	**76,2**
No	Number	73	2	8	22	7	**112**
	Percentage	27,2	28,6	12,5	20,6	29,2	**23,8**

About 76,2% of businesses that were victims of crime in Steve Tshwete Local Municipality indicated that they had reported incidents of crime to the police during 2018. The Indian/Asian population group (87,5%) had the highest proportion of businesses who reported crime incidents to the police, followed by whites (79,4%) and black Africans (72,8%). The highest proportion of those who did not report crime were found in the coloured population group (28,6%), followed by black African (27,2%).

Figure 16: Reasons for not reporting crime



The majority of businesses stated the main reason for not reporting the crime against the business as solving it themselves (28,6%), followed by the reason that the police won't do anything about the crime at 19,6%. Other main reasons were that the crime was not serious enough and lack of proof at 17,0% and 16,1%, respectively. The least stated reasons for not reporting a crime were fear of reprisal and reported to other authorities at 0,9% each.

Table 24: Satisfaction with the service of the police by population group

Satisfaction with the police		Population group					Total
		Black African	Coloured	Indian/Asian	White	Other	
Very satisfied	Number	177		16	15	6	**214**
	Percentage	9,9	0,0	9,0	5,4	6,8	**9,0**
Satisfied	Number	833	19	79	89	26	**1 046**
	Percentage	46,5	54,3	44,6	32,0	29,5	**44,2**
Neither satisfied nor dissatisfied	Number	348	6	30	67	24	**475**
	Percentage	19,4	17,1	16,9	24,1	27,3	**20,1**
Dissatisfied	Number	263	6	20	60	12	**361**
	Percentage	14,7	17,1	11,3	21,6	13,6	**15,2**
Don't know	Number	170	4	32	47	20	**273**
	Percentage	9,5	11,4	18,1	16,9	22,7	**11,5**

Table 24 shows the changes in the levels of satisfaction with the police during 2018 in Steve Tshwete Local Municipality by population group. Businesses headed by black Africans (56,4%) had the highest level of satisfaction, followed by coloureds (54,3%) and Indians/Asians (53,7%). White-owned businesses were the least likely to be satisfied with the police (37,4%).

Table 25: Decision by businesses not to invest due to crime, by population group

Decision not to invest due to crime		Population group: Black African	Coloured	Indian/Asian	White	Other	Total
Yes	Number	136	4	20	27	2	**189**
	Percentage	7,6	11,4	11,3	9,7	2,3	**8,0**
No	Number	1 655	31	157	251	86	**2 180**
	Percentage	92,4	88,6	88,7	90,3	97,7	**92,0**

Table 25 shows the percentage distribution of businesses who took the decision not to invest due to fear of crime, by population group. The minority (8,0%) of business owners indicated that due to fear of crime, they have decided not to make major investments to their businesses during the 12 months prior to the survey date. The coloured population had the highest proportion of businesses who reported this (11,4%), followed by the Indian/Asian (11,3%) and white population groups (9,7%).

Table 26: Motive for committing crime

Motive for committing crime	Population group: Black African	Coloured	Indian/Asian	White	Other	Total
Jealousy	26,9	0,0	32,8	4,7	16,7	**21,7**
Gang or other group-related motive	38,1	57,1	50,0	32,7	33,3	**38,5**
Money or other financial motive	45,5	28,6	57,8	67,3	20,8	**50,6**
Racial, ethnic or political motivation	11,9	0,0	21,9	8,4	66,7	**15,1**
Real need (such as hunger)	15,3	14,3	35,9	22,4	16,7	**19,8**
Drug-related need	45,9	57,1	56,3	29,0	66,7	**44,7**
Influence of alcohol	19,4	0,0	39,1	16,8	16,7	**21,1**
Anger towards business owner/ family	8,2	0,0	10,9	6,5	12,5	**8,3**
Other	0,7	0,0	4,7	3,7	0,0	**1,9**

*Note that this is a multi-select response where the respondent can select more than one option, hence the percentages will not add up to 100.

Table 26 shows the percentage distribution of the perceived motivation behind business crimes that were experienced in 2018. The black African and Indian/Asian population groups experienced the same main motives for committing crime against their businesses, which were drug-related need (45,9% and 56,3%, respectively) and money or other financial motive (45,5% and 57,8%, respectively). Among the coloured population group, the main motives were gang or other group-related motive and drug-related need (57,1% each), while the main motive cited by whites was money or other financial motive (67,3%). As a result, the main reasons cited by business owners on motives for committing crime against businesses were money or other financial motives (50,6%), drug-related need (44,7%), and gang or other group-related motive (38,5%).

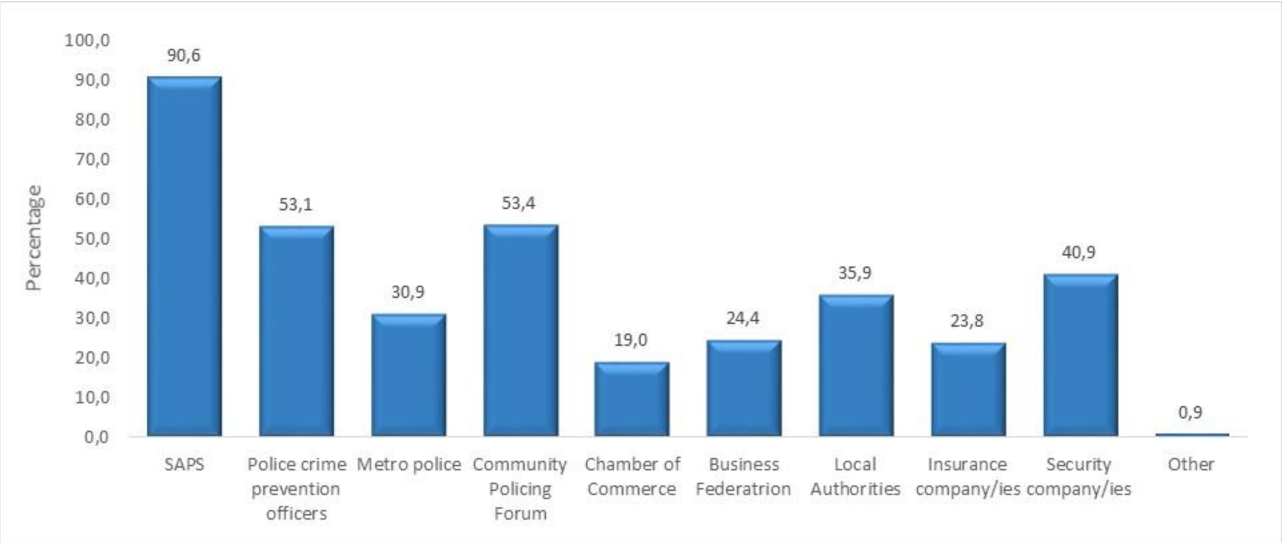
Table 27: Measures to prevent/reduce crime against business by population group

Measures to prevent/reduce crime against business		Population group: Black African	Coloured	Indian/ Asian	White	Other	Total
Installed or upgraded a security alarm	Number	290	9	80	218	25	**622**
	Percentage	16,2	25,7	45,2	78,4	28,4	**26,3**
Installed CCTV	Number	230	7	49	187	25	**498**
	Percentage	12,8	20,0	27,7	67,3	28,4	**21,0**
Hired security firm	Number	209	7	67	140	18	**441**
	Percentage	11,7	20,0	37,9	50,4	20,5	**18,6**
Sought advice from the police	Number	171	1	23	40	17	**252**
	Percentage	9,5	2,9	13,0	14,4	19,3	**10,6**
Moved/considered moving to another area	Number	41		6	13	3	**63**
	Percentage	2,3	0,0	3,4	4,7	3,4	**2,7**
No measure put in place	Number	196	1	16	6	12	**231**
	Percentage	10,9	2,9	9,0	2,2	13,6	**9,8**
Other	Number	34	1	3	9		**47**
	Percentage	1,9	2,9	1,7	3,2	0,0	**2,0**

*Note: More than one response was possible. Percentages do not add up to 100%.

Table 27 shows the distribution of businesses who took measures to protect themselves from crime in 2018 by population group of the owner/manager. Most businesses in the Steve Tshwete Local Municipality installed or upgraded a security alarm (26,3%); the highest percentage amongst these was done by businesses where the owner/manager is white (78,4%), Indian/Asian (45,2%) and coloured (25,7%). About 9,8% of businesses indicated that they put no measure in place to prevent crime, with 10,9% of black African business owners/managers indicating this, followed by Indians/Asians (9,0%), coloureds (2,9%) and whites (2,2%).

Figure 17: Role players in crime prevention or reduction



The percentage distribution of important role players in crime prevention or reduction as reported by businesses in Steve Tshwete Local Municipality in 2018 is shown in Figure 17. SAPS was rated as the most important role player in terms of crime prevention or reduction (90,6%), followed by community policing forums (53,4%) and police crime prevention officers (53,1%).

8. Technical notes

Below are activities within the statistical value chain (SVC) and methodology that were adopted during the survey.

8.1 Response details

Table 28: Response by results code

Final result codes summary	Number
Completed	2 355
Partly completed	14
Non-contact	346
Refusal	778
No usable information	92
Other non-response	123
Not a business	21 284

8.2 Survey requirements and design

The questionnaire design, testing of the questionnaire, data collection, computer programming, data capture, and data editing constituted the methodology used in this survey, as discussed below.

8.3 Questionnaire design

Stats SA has committed itself to the highest international standards of data collection. In this regard, without compromising South African values and concepts, the MEBS survey strives to bring the questionnaire content to international standards, so that comparative analyses with other countries can be undertaken. The MEBS questionnaire was developed based on the methodology used for Computer-Assisted Personal Interview (CAPI) device standard. The Stats SA CAPI questionnaire design standard for household surveys was also used as a normative reference. In order to minimise fieldworker and capturing errors, the questionnaire was largely pre-coded.

The questionnaire represents information about the businesses for which a proxy respondent (preferably business owner/manager) answered on behalf of the business. All analysis done in this report that included demographic variables was done using the demographic characteristics of the business owner or manager.

Table 27 summarises the details of the questions included in the MEBS CAPI questionnaire. The questions are covered in 10 sections, each focusing on a particular aspect.

Table 29: Contents of MEBS CAPI questionnaire

Section	Number of questions	Details of each section
1	15	This section covers the particulars of the owner or manager
2	05	The section covers the particulars of the business
3	28	People employed in a business and business labour costs
4	12	This section captures details about the site where the business operates
5	08	Business management, operations and finances
6	14	Business expenditure and turnover
7	08	Business exports and imports
8	12	Business registration and affiliation
9	12	Crime committed against the business
10	05	Owner or manager's citizenship
Total	**119**	

**Most questions in all sections had compulsory options to be completed by respondents, hence the questionnaire contained more than 104 questions.*

8.4 Data collection

The Stats SA dwelling frame was used as the population frame where all dwelling units with business activities were enumerated through face-to-face personal interviews. The questionnaire was deployed to electronic mobile devices which supported the use of CAPI. The household survey standards were adopted throughout the processes.

Stats SA conducted the MEBS Phase 3 survey in close collaboration with other role players from Mpumalanga DEDT. MEBS collected data from all informal businesses and covered most formal businesses in Steve Tshwete Local Municipality.

Stats SA is committed to meeting the highest ethical standards in its data collection processes. In addition to being bound by the Statistics Act (Act No. 6 of 1999), the MEBS, due to its sensitive nature, required additional measures to ensure that the integrity and well-being of the businesses are protected.

8.5 Editing and imputation

Quality monitoring was conducted on a continuous basis by a team of permanent Stats SA staff members and DEDT officials to ensure compliance with all field work quality dimensions as stipulated in the quality certification framework – the South African Statistical Quality Assessment Framework (SASQAF) – covering all phases of the MEBS SVC.

All questionnaires were synchronised to the headquarters server where they were stored, processed and downloaded for the post-capture process of editing and imputation. At each stage of checking, data was edited to ensure consistency. Data editing is concerned with the identification and, if possible, the correction of erroneous or highly suspect survey data. Data was checked for valid range, internal logic and consistency.

The focus of the editing process was on clearing up skip violations and ensuring that each variable only contains valid values. Very few limits to valid values were set and data was largely released as received from the field.

When dealing with internal inconsistencies, logical imputation was used, i.e. information from other questions was compared with the inconsistent information. If other evidence was found to back up either of the two inconsistent viewpoints, the inconsistency was resolved accordingly. If the internal consistency remained, the question subsequent to the filter question was dealt with by either setting it to missing and imputing its value or printing a message of edit failure for further investigation, decision-making and manual editing. Hot-deck imputation was used to impute for missing values.

8.6 Non-response adjustment

In general, editing (i.e. invalid or inconsistent responses) and imputation (i.e. blanks within the questionnaire) was used for item non-response. The eligible businesses can be divided into two response categories: businesses and non-businesses; and weight adjustment is applied to account for the non-respondent business (e.g. refusal, non-contact).

8.7 Reliability of the survey estimates

The survey estimates for questions related to businesses are reliable and provide good estimates at the level that data was collected. The general rule of thumb is that if the number of cases in a cell is less than 5, the estimates should rather not be used. Alternatively, less than 5 unweighted cases per cell should also be regarded as too small to provide reliable estimates.

8.8 Comparability with previous surveys

Since MEBS is the first of its kind, it will be used as a comparative survey for future purposes.

8.9 Limitations of the MEBS survey

The accuracy of statistics is influenced by the ability of people to recall past information. The longer the elapsed time period, the less likely it is that information will be recalled accurately.

The survey area, Steve Tshwete Local Municipality in the Mpumalanga province, has significant mining activity mainly driven by the supply of coal to the electricity power generating plants in the region. The Minerals Council South Africa, which is a mining industry employer's organisation, and the Department of Mineral Resources and Energy were approached for assistance through their regional office in eMalahleni but the survey was able to collect data from only two of the mines in the survey area. This presents a challenge to the completeness of the mining industry-related data.

The data on education levels of employees is unreliable (i.e. they are more than the total number of employees). This is because the respondents were owners/managers, and they have double counted the education level statuses of the employees. The same applied for the citizenship of the employees. As for the benefits, though they are more than the total number, it can be noted that an employee can have more than one benefit hence results are reasonable.

The table that shows expenses for businesses per item is not populated because for the said variable a mean expenditure was used. Since most businesses were informal, the formal businesses inflated the expenditure per item.

9. List of acronyms and abbreviations

CAPI	Computer-Assisted Personal Interview
CIPC	Companies and Intellectual Property Commission
CPF	Community policing forum
DEDT	Department of Environmental Affairs and Tourism
ICT	Information and communication technology
MEBS	Mpumalanga Employment and Business Survey
SAPS	South African Police Service
SMME	Small, medium and micro enterprise
Stats SA	Statistics South Africa
VAT	Value-added tax

10. Appendix

Table 30: Number of businesses that are owned by individual owners by industry and sex

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Industry	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
Agriculture	42	4,8	21	2,9	**63**	**3,9**
Mining		0,0		0,0		**0,0**
Manufacturing	53	6,1	54	7,4	**107**	**6,7**
Utilities		0,0		0,0		**0,0**
Construction	12	1,4	3	0,4	**15**	**0,9**
Trade	532	61,0	382	52,4	**914**	**57,1**
Transport	22	2,5		0,0	**22**	**1,4**
Finance	83	9,5	158	21,7	**241**	**15,1**
Community and social services	128	14,7	111	15,2	**239**	**14,9**

Table 31: Number of individual owners

	Men		Women		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Population group	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
Black African	641	73,5	669	91,8	**1 310**	**81,8**
Coloured	7	0,8	13	1,8	**20**	**1,2**
Indian/Asian	117	13,4	6	0,8	**123**	**7,7**
White	46	5,3	37	5,1	**83**	**5,2**
Other	61	7,0	4	0,5	**65**	**4,1**
Age	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
Youth	403	46,2	229	31,4	**632**	**39,5**
Adults	431	49,4	446	61,2	**877**	**54,8**
Senior citizens (+65 yrs)	38	4,4	54	7,4	**92**	**5,7**
Highest level of education	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
No schooling	43	4,9	38	5,2	**81**	**5,1**
Primary school not completed	72	8,3	94	12,9	**166**	**10,4**
Primary school completed	60	6,9	40	5,5	**100**	**6,2**
Secondary school not completed	294	33,7	218	29,9	**512**	**32,0**
Secondary school completed (Matric)	312	35,8	273	37,4	**585**	**36,5**
Tertiary	82	9,4	55	7,5	**137**	**8,6**
Other	9	1,0	11	1,5	**20**	**1,2**
Citizenship	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
South African	549	63,0	674	92,5	**1 223**	**76,4**
Non-South African	323	37,0	55	7,5	**378**	**23,6**
Number of businesses	**872**	**100,0**	**729**	**100,0**	**1 601**	**100,0**
One business	820	94,0	692	94,9	**1 512**	**94,4**
More than 1 business	52	6,0	37	5,1	**89**	**5,6**

Table 32: Experience of crime by citizenship

Crime experience		Crime experienced: South African	Crime experienced: Non-South African	Total
Experienced crime	Number	363	107	**470**
	Percentage	77,2	22,8	**19,8**
Did not experience crime	Number	1 515	384	**1 899**
	Percentage	79,8	20,2	**80,2**

Table 33: Reasons for not reporting crime

Reasons for not reporting crime	Population group: Black African	Coloured	Indian/Asian	White	Other	Total
Not serious enough	12,3	0,0	25,0	27,3	28,6	**17,0**
Solved it myself	32,9	50,0	12,5	22,7	14,3	**28,6**
Inappropriate for police	5,5	0,0	12,5	18,2	14,3	**8,9**
Reported to other authorities	1,4	0,0	0,0	0,0	0,0	**0,9**
My family resolved it	4,1	0,0	0,0	0,0	0,0	**2,7**
Lack of proof	17,8	0,0	25,0	13,6	0,0	**16,1**
Police won't do anything	20,5	50,0	25,0	9,1	28,6	**19,6**
Fear of reprisal	1,4	0,0	0,0	0,0	0,0	**0,9**
Other reasons	1,4	0,0	0,0	9,1	14,3	**3,6**
Do not know	2,7	0,0	0,0	0,0	0,0	**1,8**

Table 34: Reasons for dissatisfaction with the service of the police

Reasons for dissatisfaction with the service of the police	Population group: Black African	Coloured	Indian/Asian	White	Other	Total
Police not visible enough in the area	32,1	50,0	32,0	35,4	22,2	**32,4**
Police involved in corruption	19,8	8,3	20,0	14,2	25,0	**19,0**
Police do not react in time	27,7	25,0	24,0	19,7	30,6	**26,3**
Police do not catch offenders	13,9	8,3	18,0	18,1	16,7	**14,8**
Police not interested in crimes reported by businesses	3,8	8,3	4,0	7,9	2,8	**4,4**
Other	2,8	0,0	2,0	4,7	2,8	**3,0**

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