

THE CHANGING LANDSCAPE OF THE SPAZA RETAIL OUTLET AMONGST BLACK SOUTH AFRICANS

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Abstract

The Spaza retail outlet is predominately found in South Africa's black populated areas or townships. It also has a historical significance to it because, during the apartheid years, black people were not allowed to move freely by the white minority rule. This study is qualitative research where the author carried out an extensive literature review to look first, at the background, characteristics, challenges, and future directions that affect the Spaza micro businesses in South Africa. The research aims to first highlight the importance of micro-businesses. Second, to highlight the need for South Africa's government initiatives to support small businesses for sustainable growth of the economy and to explore whether this support is far-reaching enough to protect the Spaza retail shops. The authors rely on Karl Marx's theory of class struggle as the theory informing the study. Some of the findings are: Spaza owners need to be more trained in business management, entrepreneurial skills, advertisement, social networking and marketing research, accounting and bookkeeping, technology, and innovation concerning promoting their businesses. The Spaza's annual revenue stream for the South Africa government currently stands at 5.2 % of the GDP.

Keywords: Spaza, economy, micro business, retailing, grocery, entrepreneur.

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1. Introduction

Over twenty-six years after the fall of the apartheid regime in South Africa, many black South Africans are still living in abject poverty and economic disempowerment. The spaza shop is part of black South Africans history and a reminder to all black South Africans that the freedoms (social, political, and economic) they enjoy today were not achieved without some enormous sacrifices. The spaza retail industry constitutes about 2.7 % of the country's retail market, Fato-ki [1]. The Apartheid government's obnoxious and oppressive laws made it impossible for black South Africans to enjoy economic prosperity as they were confined to townships and locked out of the mainstream of society. The Spazas were the first retailing business that was predominately owned by black owners in post-apartheid South Africa. Several restrictive, obnoxious, and oppressive laws were placed on black people, limiting their economic opportunities. For example, oppressive laws were enacted like:

The Group Areas Act 41 of 1950 summarised as:

- Restrictions of the Group Areas Act No. 41. The Group Areas Act No 41 forced physical separation and segregation between races by creating different residential areas for each race.
- Implications. However, the Africans were a significant economic source in South Africa, in particular, as a labour force in the cities.

Effects of the Group Areas Act. Black citizens tried to use the courts to overturn the Group Areas Act, though they were unsuccessful each time. The Act also restricted ownership and the occupation of land to groups as permitted, meaning that Africans could neither own nor occupy land in European areas. The law was also supposed to apply in reverse, but the result was that land under black ownership was taken by the government for use by whites only.

The government set aside ten "homelands" for relocated non-white residents, mostly scattered bits of unwanted territories, based on ethnicity among the black communities. These homelands were granted "independence" with limited self-rule, the main purpose of which was to delete the homeland residents as citizens of South Africa, and cut back on the government's responsibility for providing housing, hospitals, schools, electricity, and water supplies. The introduction of several Spaza shops in South Africa is a good example of how black people's socio-economic predicament circumstances were redirected into economic viability and sustainability. It can be argued,

that it was black people's resilience to survive South Africa's dark historical past, which gave rise to several Spaza shops in South Africa today. Over the years, the Spaza's have become more of a symbolic of sustainability and representation of the economic social-cultural heritage of black people living in townships and rural areas. Fourie [2], Tengeh & Mukwarami [3].

South Africa is one of the most sophisticated and promising emerging markets in the world, offering a unique combination of highly developed first-world economic infrastructure with a vibrant emerging market economy. Timmons & Spinelli [4]. Perks [5]. The Spaza shops if managed properly can assist in economic growth and reduce the number of unemployed labour workforce. Most Spaza shops are located in black townships and owned by black South Africans. During post-apartheid South Africa, the foreign migrants saw a niche in the economic opportunities to invest in Spaza shop businesses. To the extent, that they have played a contributory role towards the closing down of several owned small businesses not able to compete with foreign owned businesses. The manner and business knowledge can contribute to the long term survival of Spaza shops. In some instances, the frustration of some Spaza owners in South Africa has been reported and documented through the expression of violent xenophobic attacks in South Africa over time.

The South Africa Spaza owners have complained that the immigrant-owned shops are running them out of business with cheaper goods, flooding the market, groceries, and cigarettes, alcohol, proliferating the market with little or no regulation in place to protect them or their businesses from collapsing. Spaza owners have faced competition from both big retailers like Pick and Pay, Checkers, Shoprite, Spar, Woolworths, Game, and Fruit, and Veg.

Not all municipalities require spaza shops to possess trading licenses or permits. Some of these shops trade in illicit cigarettes, but most of the goods are usually bought from established registered wholesalers. Many municipalities permit individuals to run small businesses from their homes, providing they do not constitute a nuisance to their closed neighbours.

Definitional concepts

a. A Spaza shop

A Spaza shop is an informal business run from a township room or in a shack, small house where customers stand outside and purchase groceries over a counter, to the less common and more sophisticated grocery shop (Von Broembsen [6]. Spiegel [7]. The term "Spaza" lacks clear etymological roots. One view is that it emanates from the *isiZulu* word *isiphazamiso*, translated in English as something that causes disturbance or hindrance. This line of argument is supported by the commonly shared belief that Spaza shops first emerged during boycotts of white businesses in South Africa in the late 1970s and garnered the name Spaza because they were seen as enabling as means of disruption to the apartheid led government. Today the term Spaza is used throughout South Africa to refer to informal grocery shops, operated from private houses in black townships. These shops supply basic household items, such as food, soft drinks, and toiletries to nearby residents. Some spaza shops are located in large cities as well as small cities and rural towns across the country. The spazas vary in size and form. Traders operate from converted garages, shipping containers, placed in front yards, corrugated iron structures, attached to houses, and from houses themselves. The spaza shops are considered informal businesses because some of them tend not to be registered with state authorities.

Lighthelm [8] defines a spaza shop as "a business, operating in a section of an occupied residential home or any other structure on a stand in a formal or informal township, which is zoned for residential purposes and where people live permanently."

b. Microbusiness

Microbusinesses in South Africa can be described as informal, having less than five employees, and very few assets. A sole proprietor company or close corporation with an annual turnover of R1 million or less. A micro business that does not have to be registered at CIPC. It can be started with very little money and is easier to manage because some fewer rules and regulations govern micro businesses.

c. Small business

A small business may be defined as a business with a small number of employees. The legal definitions of "small" often vary by country and industry. But small businesses are usually with

less than 100 employees (Scheers [9]. Within the South African context, a small business can be described as owner-managed, having more than five but less than twenty employees and less than R2 million in assets, except in the agricultural sector (Small Business Amended Act, 2003:6) [10].

d. Entrepreneur

The word “Entrepreneur” comes from the French verb “entreprendre” meaning to undertake in the English language. An entrepreneur is a person who sets up a business, taking on financial risks in the hope of making a profit. The entrepreneur is commonly seen as an innovator, source of new ideas, goods, services, and business skills. Entrepreneurs are agents of social change they often break away from the existing tradition with unique inventions that reduces dependence on the status quo. Tengeh [11] defines “Entrepreneur as a person with the ability to combine resources to achieve the desired outcome. While Zimerer and Scarborough [12] argue that such outcomes must relate to profitability and growth that is achievable through creativity and innovation.

Aim of the research. The research aims to first highlight the importance of micro businesses. Second, to highlight the need for South Africa’s government initiatives to support small businesses for sustainable growth of the economy and to explore whether this support is far-reaching enough to protect the Spaza retail shops.

2. Materials and Methods

This article is qualitative research, a process where the author carried out an extensive consultation of previous studies, relating to the topic under study. The author relied on secondary data including books, journals, official documents, media reports, and internet sources. The use of secondary data is to avoid carrying out a time-consuming research exercise, where the researcher is expected to directly interview each selected participant. Data gathered were analysed into emerging themes, relating to the research topic Spaza.

3. Results

3. 1. Characteristics of Spaza shops

Nager and Swanepoel [13], Ligthelm [14] provides with some characteristics, associated with small businesses (spaza shops) as follows:

- They normally operate from home or residential stand.
- They are mainly financed by private savings or loans from friends and relatives.
- The average employment per business is 2.9 persons.
- The most important products, sold at these outlets, are bread, soft drinks, cigarettes, paraffin/candles, maize meal, and sugar.

While both (Mariotti and Glackin [15] provided us with some decisive factors to be made by potential entrepreneurs before setting up a spaza business. They are as follows:

- Start-up costs
- Proximity to customers
- Access to suppliers
- Cost of facilities and stock
- Availability of business incentives
- Government financial support

Like big businesses, the spaza retail shops are faced with several challenges. The author will discuss some of these challenges with the hope of finding some solutions to them. Some of these identified challenges are as follows:

1. General Management

The success of a spaza shop lies in the creativeness, innovativeness, and hard work of its owner. Terblanche [16] notes that spaza shops normally open from seven in the morning till nine in the night to cater to early and late customers respectively. Such long hours are meant to boost sales and profit margins. In the absence of the owner, going off sick or passing away, the hard work becomes very difficult to follow. This is one of the reasons why we have a high number of spazas, closing up for business when the owner passes on. Due to a lack of continuity, which posits a challenge for the long-term survival of the spaza shops.

2. Purchasing order and stock replenishment

Most spaza shops manually replenish their stocks by travelling to meet the suppliers and transport their items at a high cost and convenience. Some of them do not have vehicles of their own, so they rely on public transportation to deliver their goods back home. This is one of the reasons why Spaza shop owners do not want to travel far to replenish their stocks but would rather buy these items at very close proximity to their residence to avoid added transportation costs. Spaza shops do not have bar code electronic devices that alerts them when stocks are about to run out. This is manually done by the owners or a few employed staff. In some instances, stock runs out before the owner becomes aware or before new orders are placed due to a lack of an electronic warning system, not put in place (Tladi and Isaacs [17]. Whythawk [18].

3. High crime (robbery) rate

Spaza shops are very susceptible to crime due to their location in townships and far from police stations. Some of the spaza shops close at late hours of the night, opening themselves to attack by criminals. The whole idea of not using electronic payments would make most people believe that the cash daily sales are kept in the shop by the owners. The high unemployment rate in townships makes break ins of spaza shops becoming a common trend, associated with crime. Bear, Tladi, & Pedro [19]. In some cases, these spaza shops are not insured or having alarm systems to protect their businesses. Private security with alarm response is not cheap in South Africa. In some instances, the monthly fees for private security services are not affordable by spaza owners [20]. The high crime rate in townships deters suppliers to enter the townships to provide delivery services to spaza owners. These suppliers see it as a risk too high to pay to keep their business afloat. This limited delivery has made the cost of transportation too difficult a challenge for spaza owners. Van Scheers [21].

4. Marketing

Marketing is the process of teaching consumers why they should choose your product or service over those of your competitors, and is a form of persuasive communication. It is made up of every process, involved in moving a product or service from your business to the consumer. Marketing includes creating the product or service concept, identifying who is likely to purchase it, promoting it, and moving it through the appropriate selling channels. If the objective of your business is to sell more products or services, then marketing is what helps you achieve that goal. Anything that you use to communicate with your customers in a way that persuades them to buy your products or services is marketing, including advertising, social media, coupons, sales, and even how products are displayed. There are three primary purposes of marketing:

1. Capturing the attention of your target market;
2. Persuading a consumer to purchase your product;
3. Providing the customer with a specific, low-risk action that is easy to take.

A positive correlation exists between marketing skills and business failure in South Africa. Marketing in the spaza shop business is the responsibility of the owner. Due to the information environment, in which spazas are set up, most owners are reluctant to effectively market their products in their respective communities. First, because the costs that are associated with the advertisement are not cheap and secondly, the is the long-held believes that the owners of spazas are well known in their respective communities and need no introduction. Without a good business marketing strategy, put in place, there is bound to limited success.

5. Financial Management

In other to run a business successfully, the business captains must have some financial managerial skills, acumen, and knowledge of the business. For example, the owner of the spaza must know about the following: purchasing, storage, stock control, labour relations, customer care, accounting, and business tax-related issues. According to Fatoki [22], financial literacy is indeed a challenge that some micro-entrepreneurs cannot appreciate the importance of keeping simple accounting records. Without keeping financial records, banks would not give further credit/loans, needed for business growth. The handling of financial records covers all aspects of keeping accounting records, which is a vital function of any business (Tengeh and Mukwarami [23].

6. Information technology

With the arrival of the fourth industrial revolution spazas needs to update its sales through the use of technology. Electronic pay points need to be installed to reduce the use of cash payments. Shops need to be computerised to make stock orders easier to do. Spazas needs to become more creative and innovative in how they do business in a constantly changing and competitive world.

7. Lack of financial support and Credit facilities

Informal businesses like the spazas have the potential to grow when it is necessary, financial support put in place. With financial support, the growth of the spaza shops is stagnated. Rolfe et.al. [24]. Unlike credit facilities to secure bank loans makes it harder for spaza owners to benefit from government support without keeping financial records, monitoring their sales and performances. Chandra and Rajaratnam [25], Adam [26].; Mokgabudi [27, 28].

3. 2. Immigrant owned Spaza's

From the mid 1990s to date, many township residents and South African spaza owners have observed a new market trend in the surge in the numbers of foreign-owned spazas, encroaching into their communities. They view these foreign spaza owners as not only invading their countries, but are also taking their economic opportunities and means of livelihoods away from them and as a result have either taken part in orchestrating xenophobic attacks against them or participated in the looting of these foreign-owned shops in a desperate attempt to reduce the stiff competition, notably arising from Somalians, Ethiopians, Zimbabweans, Chinese, Indians, Pakistanis and Nigerians traders. Essa [29], Gastrow [30]. Some notably have thrived very well in these communities at the expense of closures of several South Africa owned businesses. Their arrival has introduced new competitive practices into the spaza market. For example, foreign migrants, spaza shop keepers invest great efforts in sourcing low prices for their goods, place low markups on them, and offer enhanced customer services (such as credit, longer operating hours, bulk selling at discounted prices, flexible and affordable repackaged items) Gastrow & Amit [31], Charman et al. [32], Leideman [33].

1. Competition from large scale grocery retailers

Within the last few years, many big retail outlets have moved into the operating space where the traditional spaza shops used to predominately serve communities. This is partly because big grocery retailers like checkers, Shoprite, PnP, Spar, Boxer, have been granted licenses to establish their businesses in townships. In doing so, have taken away several customers from the spaza shops, forcing them out of business. The spaza shops do not have the economic leverage to compete with such big retailers.

Traditionally, spaza shops were predominant only in townships with little or no competition. Post-apartheid South Africa in the 1990s provided access to big shops to have access to these townships. Big malls were constructed with several shops, which the spaza shop owners could not economically compete with for customers. It can be argued, that spaza owners are feeling pressure from both sides (immigrants on one hand and big retailers on the other found in big shopping malls). Both of these two threats hinder the growth of spaza shops in South Africa. Ligthelm [34]; Cokayne [35].

2. Recommendations

Some of the barriers facing Spazas, identified above, enabled the author to make the following recommendations:

a. General Management

The author suggests that owners of spaza must be given a mandatory basic business course, empowering them to manage their businesses effectively. Several spaza owners are not educated enough to deal with the market demands of the 21st Century. A good business owner must be equipped enough to know about marketing trends, customer service, Swot analysis, return on investment, stock taking, and debt control if they want their businesses to do well. Nieman & Nieuwenhuizen [36].

b. Purchasing and stock replenishment

This is where the use of technology is very important. The era of physically taking stock should be a thing of the past. An electronic handheld device(s) for stocktaking should be introduced

to spazas and will be a very good idea if it is used by all spaza owners. It is very difficult for any person to know all items in their shop manually without some form of reliance on some form of technological assistance like computers being in use. The author argues that it is difficult to manually keep track of all items found in a spaza.

c. High crime (robbery) rate

Crime is prevalent in communities where there are spaza shops. Criminal elements in our communities sometimes assumed that spaza owners keep their money at home instead of keeping it in the bank. The spaza becomes a legitimate target to be attacked and dispossessed of their money sold and other valuables. The author argues that spaza owners must work with the community police forums in their respective communities to prevent the robberies, directed at them. The police must be proactive and visible enough to deter robbers from breaking into these spazas with impunity. Our criminal justice system must give a harsher sentence to criminals to protect the spaza from financial losses. Some spaza shops are not insured and cannot afford the services of private security alarm response services, breaking into them unlawfully is likely going to put them out of business.

In some instances, spaza owners are too scared to sleep at home, they have converted their retail outlets to become bedrooms at night. There is a health and safety issue concerning this, we do know that it is unhygienic to sleep where consumable goods are stored. Community members must organise themselves into neighbourhood watches to protect the spazas from the hands of criminal elements who like to prey on them. The geographical location of spazas in the middle of rural areas makes it very difficult for security to provide them with a service Mukwarami & Tengeh [37].

Several private security firms in South Africa provide an armed response to those South Africans who predominately live in affluent suburbs. One can appreciate the class struggle, nuanced in the class struggle dichotomy. It is clear that not all South Africans can afford the luxury of private security services. It is a privilege paid for, not a right.

d. Marketing

Marketing starts when you develop an idea for a product or service. Before launching a product or service, you must decide what you are selling, how many options are available, and how they will be packaged and presented to consumers. Some spaza owners do not have the marketing skills to promote their businesses. The government must intensify the rollout of business courses for small business owners to prepare them for marketing challenges they may face. Marketing also includes placing out of advertisement sales products. Some Spaza owners are reluctant to do so because they do not feel the need to do so or more importantly, they do not have the capital set aside for adverts. Not advertising having in a marketing strategy, put in place to promote one's business, will hinder the growth of the business.

e. Financial Management

This includes good financial planning and budgeting, expenditure, financial planning or forecast, savings, investment, and growth. Spaza owners who lack financial acumen are likely going to have limited success in their businesses.

a. Information Technology

Globally, the fourth industrial revolution has introduced a new variety of information ecosystems, informing how we do things. Most of the spazas are run without computers or electronic payment devices to support sales. This is partly because of the level of education of some of these owners. Some consider technology as too complex to understand and utilise for their daily sales. The author argues that information technology and automation can make life easier for spaza owners and it will be of immense benefit to them to invest in it if they are going to keep up with the competitive environment not only with the big retailers but also with the foreign own spazas.

b. Lack of financial support and credit facilities

Several spaza owners do not keep account books. Most banks would prefer to lend to a small business that has a good account and bookkeeping system. It reduces the risk of lending and promotes the ethos of responsible lending. In the absence of financial keeping of financial records, it becomes complex for spaza owners to get credit facilities from banks and other financial institu-

tions. Potgeiter [38]. For credits to be approved, one is expected to have a good credit profile with the credit bureau for the potential lender to conduct their risks and affordability checks.

When lenders are faced with the issue of not being able to support your loan /credit application with proof of income, it becomes a risky venture to assist spaza shop owners who fall under this category,

c. Threats posed by Immigrant owners

The number of immigrant spaza owners has increased in South Africa post the 1990's after the fall of the apartheid government. Immigrants explored the gap in the South Africa market with fewer regulations or restrictions, put in place. One school of thought from spaza owners is that the government is not protecting enough of their means of livelihood, the spaza immigrants introduced new ways of marketing their products, sold items at cheaper rates, and put in long hours. Some turned their retail outlets into accommodation at night, sold contraband goods, and were involved in illicit trade, violating the laws of the Republic of South Africa. The author does not promote xenophobia because it is wrong, unlawful, and morally indefensible to treat anyone differently based on their race, ethnic origins, religion, class, or social differentiation. Immigrants owners of spaza shops have been victims of xenophobic attacks, resulting in several losses of lives and property. South Africa's violent past is re-enacted during some of these attacks. We need to condemn these attacks against fellow Africans no matter where they come from. An economic downturn or high crime rates cannot be blamed on migrants alone. To do so is not to be objective, fair, and humane. Scapegoating of migrants for economic woes, found in a high rate of unemployment, is not a new phenomenon in industrial countries of the world. Citizens who target migrants at times of crisis or protests must face the law, in the same way, immigrants who do not abide by the laws of their respective host countries if found guilty in the court of law must be punished severely for abusing their hospitality. Next, the author looks at the theoretical framework, informing his study.

Theoretical Framework (Marxist theory on class struggle and capitalism)

Karl Marx Posited to us that a class struggle between the proletariat and bourgeoisie is intrinsic to capitalism and industrial society. The key to understanding Marx is his class definition. A class is defined by the ownership of property. Such ownership vests a person with the power to exclude others from the property and to use it for personal purposes. Concerning the property, there are three great classes of society: the bourgeoisie (who own the means of production, such as machinery and factory buildings, and whose source of income is profit), landowners (whose income is rent), and the proletariat (who own their labour and sell it for a wage). Rummel [39]. The class thus is determined by property, not by income or status. These are determined by distribution and consumption, which itself ultimately reflects the production and power relations of classes. The social conditions of bourgeoisie production are defined by bourgeois property. Class is, therefore, a theoretical and formal relationship among individuals. Parkin [40].

The force, transforming latent class membership into a struggle of classes, is *class interest*. Out of similar *class situations*, individuals come to act similarly. They develop a mutual dependence, a community, a shared interest, interrelated with a common income of profit or wages. From this common interest, classes are formed, and for Marx, individuals form classes to the extent that their interests engage them in a struggle with the opposite class Kingston [41].; Samir [42].

As Marx saw the development of the class conflict, the struggle between classes was initially confined to individual factories. Eventually, given the maturing of capitalism, the growing disparity between life conditions of the bourgeoisie and the proletariat, and the increasing homogenization within each class, individual struggles become generalized to coalitions across factories. Increasingly class conflict is manifested at the societal level. Class consciousness is increased, common interests and policies are organized, and the use of and struggle for political power occurs. Classes become political forces. Marx & Engels [43].

Conflict theorists like Marx believe that competition is a constant and, at times, an overwhelming factor in nearly every human relationship and interaction. Competition exists as a result of the scarcity of resources, including material resources like money, property, commodities, and more. Whenever there is an imbalance, a shift of power, or something that disrupts the fragile equilibrium between different social classes, a crisis can emerge.

There are six elements in Marx's view of class conflict.

- Classes are authority relationships based on property ownership.
- A class defines the groupings of individuals with shared life situations, thus interests.
- Classes are naturally antagonistic by their interests.
- Imminent within modern society is the growth of two antagonistic classes and their struggle, which eventually absorbs all social relations.
- Political organization and Power are an instrumentality of class struggle, and reigning ideas are its reflection.
- Structural change is a consequence of the class struggle

Next, the author presents the South African government initiatives in supporting small businesses.

South Africa's government initiatives to support small businesses

a. The National Development Plan 2030

The National Development Plan (NDP) [44] of 2012 is intended to be the main policy framework for the government of South Africa. The NDP has three overarching objectives, by 2030, it wishes to:

- Reduce unemployment to 6 %
- Eliminate income poverty by reducing the poverty headcount from 39 % to Zero with the poverty line, defined as monthly income R419 [in 2009 prices] per person,
- Reduce inequality by reducing the Gini coefficient from 0.69 to 0.6.

The NDP notes that failure to achieve these targets could lead to social and political unrest and instability, as well as room for dangerous populist politics. The key instrument for reaching these objectives is faster economic growth, improving the quality of education, skills development, and innovation, building the capability of the state to play both developmental and transformative roles... attaining an inclusive rural economy, improving health, care for all, transforming human settlements, improved housing and basic services, better access to public transport, better social protection, safer communities ... these various aspects are conceived to be intricately linked in a multidimensional, virtuous 'cycle of development' (NDP [44]). Next, the author takes a look at South Africa's government Small Enterprise Development Agency (Seda).

b. The Small Enterprise Development Agency (Seda)

The Small Enterprise Development Agency (Seda) is an agency of the Department of Small Business Development. Seda was established in December 2004, through the National Small Business Amendment Act, 29 of 2004.

It is mandated to implement the government's small business strategy; design and implement a standard and common national delivery network for small enterprise development; and integrate government-funded small enterprise support agencies across all tiers of government. Seda's mission is to develop, support, and promote small enterprises throughout the country, ensuring their growth and sustainability in coordination and partnership with various role players, including global partners, who make international best practices available to local entrepreneurs [45].

c. The Small Enterprise Finance Agency(Sefa)

The Small Enterprise Finance Agency (SOC) Ltd was established in April 2012 as a result of the merger of South African Micro Apex Fund, Khula Enterprise Finance Ltd, and the small business activities of IDC. With a footprint of 9 offices around the country. Their mandate is to foster the establishment, survival, and growth of SMMEs and Co-operatives, and thereby contributing towards poverty alleviation and job creation. The facilities range from a minimum of R50 000 to a maximum of R5 million. Sefa offers the following:

- Asset Finance
- Bridging Finance
- Revolving Loans
- Term Loans

Their vision is to be the leading catalyst for the development of sustainable SMMEs and Co-operatives through the provision of finance.

Sefa's Mission is:

- Providing loan and credit facilities to SMMEs and Co-operatives;
- Providing credit guarantees to SMMEs and Co-operatives;
- Supporting the institutional strengthening of Financial Intermediaries, so that they can be effective in assisting SMMEs and Co-operatives;
- Creating strategic partnerships with a range of institutions for sustainable SMME and Co-operative development and support;
- Developing (through partnerships) innovative finance products, tools, and channels to speed up increased market participation in the provision of affordable finance; and
- Monitoring the effectiveness and impact of our financing, credit guarantee, and capacity development activities [46].

d. Industrial Development Corporation (IDC)

The Industrial Development (IDC) is a national development finance institution, set up to promote economic growth and industrial development. It is owned by the South African government under the supervision of the Economic Development ministry. The IDC was established in 1940, as a national development finance institution, set up to promote economic growth and industrial development, owned by the South African government under the supervision of the Department of Trade Industry & Competition.

3. 3. IDC's Mission

The Industrial Development Corporation is a national development finance institution, whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa, and the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles [47].

The Industrial Development Corporation of South Africa Limited (IDC) was established in 1940 by an Act of Parliament (Industrial Development Corporation Act, No. 22 of 1940) and is fully owned by the South African Government under the supervision of the Department of Economic Development. It is a national development finance institution, mandated to promote economic growth and industrial development and develop domestic industrial capacity.

As a key implementing agency of industrial policy, the IDC's activities currently centred on the National Development Plan (NDP), the New Growth Path (NGP), and the Industrial Policy Action Plan (IPAP). We identify sector development opportunities, aligned with policy objectives, and develop projects in partnership with stakeholders. By developing industrial capacity, the IDC achieves specific outcomes, such as facilitating job creation through the companies we fund.

3. 3. 1. National Empowerment Fund (NEF)

Established by the National Empowerment Fund Act No 105 of 1998 (NEF Act), the National Empowerment Fund (the NEF) is a driver and thought-leader in promoting and facilitating black economic participation by providing financial and non-financial support to black-owned and managed businesses, and by promoting a culture of savings and investment among black people. The operations of the NEF are governed by the Public Finance Management Act No 1 of 1991 (PFMA), including the National Treasury Regulations, the King III Report on Governance for South Africa, and the Protocol on Corporate Governance in the Public Sector, 2002. The NEF is a catalyst for Broad-Based Black Economic Empowerment (B-BBEE) in South Africa. We promote, enable, implement, and develop innovative investment and transformation solutions to advance sustainable black economic participation in the economy [48–50].

3. 3. 2. Black Business Supplier Development Programme

The Department of Small Business Development has a statutory mandate to “lead and coordinate an integrated approach to the promotion and development of entrepreneurship, small businesses, and co-operatives, and ensure an enabling legislative and policy environment to support their growth and sustainability” [51].

The Black Business Supplier Development Programme (BBSDP) is part of the business support trajectory and the current government support mechanism, directed at black small businesses that are in dire need of both financial and personnel training to run their established businesses successfully. It is a cost-sharing grant, offered to black-owned small enterprises to assist them to improve their competitiveness and sustainability to become part of the mainstream economy. The programme provides grants to a maximum of R1 Million:

- R800 000 for tools, machinery, and equipment on a 50:50 cost-sharing basis; and
- R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity, and use of modern technology on an 80:20 cost-sharing basis [51].

4. Conclusion

For decades in South Africa, spaza shops have played an important livelihood role as retailers of household grocery items. They are also important incubators for entrepreneurship, providing the business foundations for generations of South African families, enabling them to make a living, and also bringing income, needed for their families. More attention is needed at the apex of grocery markets and revenue, derived from it. The NDP 2030 needs to focus more on creating a prosperous and inclusive society where there are equal opportunities for all and not for the privileged few. The government must do more to recognise the informal economy, which collectively employs more people than any individual sector and embrace the opportunity it represents. With townships settlement being the epicentre of population growth. These local economies and businesses must be stimulated in ways, benefiting all business entrepreneurs, employees, and consumers.

It is high time the South African government takes a closer look at the reasons why spaza shops are closing down and the reasons for the incursion of big retailer's businesses into townships and rural areas, putting Spaza shops out of business. The government must also look at business practices that allow big supermarkets and retailers to use their market and corporate power to push smaller players and Small, Medium, and Micro-sized (SMME's) out of South African township's economies. Multinational corporations reward most of their foreign shareholders than locals. The government must also look at the official licensing of spaza shops and restrict foreign spaza owners, wanting to come into the already saturated and oversubscribe micro businesses. The bitter truth is that it is near impossible for South Africans to be allowed to open small businesses in these foreign countries. It is argued, that their home country's economy is not as free as South Africa's market. South Africa must control and regulate the influx of migrants, setting up businesses at the expense of its citizens. This is not a xenophobic statement but a practical long-term solution to create jobs and opportunities for South Africans. Most countries of the world will protect their citizens first before their visitors.

Spaza is a symbol of resistance to the apartheid regime, driven by capitalism. Brutalised though blacks people were subjected through apartheid, they endured and survived against all hardships. The Spaza is a reminder of black South Africans about their social economic and cultural painstaking survival, deeply rooted in a nostalgic rallying point for the oppressed black South Africans. A black socio-economic movement, cultural identity, and a reminder of our past, present, and future. The Spaza becomes part of our identity of economic survival and a reminder of the dark history of racial injustices. For these reasons, the South African government must do all they can to preserve and protect the Spazas and see them not only for economic reasons but for historical reasons as well.

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