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16th - 17th April 2019

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Proceedings Editors Prof. Jan-Erik Jaensson Dr. France Shayo
FOREWORD

Dear Authors and Esteemed Readers
It is with deep satisfaction that I write this Foreword to the Proceedings of the 2nd International Conference on the Future of Tourism (ICFT) held in Arusha, Tanzania, April 16 - 17, 2019.

ICFT continues a tradition of bringing together researchers, academics and professionals from all over the world, experts in tourism and hospitality. The conference particularly encouraged the interaction of research students and developing academics with the more established academic community in an informal setting to present and to discuss new and current work. Their contributions helped to make the Conference as outstanding as it has been. The papers contributed the most recent scientific knowledge known in the field of Sustainability of Tourism; Domestic Tourism and SMEs Development; Tourism and Economic Development; Culture and Tourism; Innovation in Tourism; Customer Care in Tourism; Methods of Measuring Tourism; and National Tourism Policy.

In addition to the contributed papers, two invited keynote presentations were given: by Mr. Richald Rugimbana, the Executive Secretary of Tourism Confederation of Tanzania who spoke about the Issues for future tourism development with special focus of Tanzania; and Prof. Zororo Muranda, Pro-Vice Chancellor, Chinhoyi University of Technology in Zimbabwe who gave presentation on the Future of tourism: Tourism of the future.

The Conference was preceded by a tailor made training in e-Tourism and Management of World Heritage sites. The facilitators of training were: Prof. George Oreku, a professor of ICT from the Open University of Tanzania and Mr. Érick Kajiru, an expert of Management of UNESCO World Sites from the UNESCO Commission in Tanzania.

These Proceedings will furnish the scientists of the world with an excellent reference book. I trust also that this will be an impetus to stimulate further study and research in all these areas.

We thank all authors and participants for their contributions.

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CHALLENGES FACING TOURIST HANDICRAFT ENTREPRENEURS 
AT GREENMARKET SQUARE, CAPE TOWN

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Abstract
South Africa is facing challenges in eradicating poverty to meet the millennium 
development goals by 2025. Among the major one, is exploitation of the 
marginalized groups who are unfortunate masses by the fortunate few such as 
the rich (tourists). Because of this mass exploitation, the number of people living 
below the poverty line is increases (Okech, 2016). By tracing the lifestyle of the 
informal traders as the reflection of their income, the finding shows that, most of 
traders use their profits to sustain their livelihood and 64% were not making 
sustainable profit, only 11% of traders confirmed that the business generated 
sustainable profit. Among all the challenges high operation cost ranked number 
one as a hindering factor sin growing their business as it recorded 57.5 percent. 
The monthly spending of from what is earned is being distribute to different 
activities not related to their business such as sending back home to their 
original country, paying of their children school fees and spending in glossaries 
leaving traders into a viscous poverty cycle. These results suggest that traders 
at Green Market square have higher gross profit than average profits. This 
study is considered important because there is a rising emphasis on handicrafts 
in South Africa because crafts are an essential aspect of the development of 
micro businesses that are required if the South African economy is to experience 
fast growth. There is a need for continuous promotion of projects, to enhance the 
development of handicraft products in order to; paves a way for the 
marginalized youth to develop merchantable skills, to protect their cultural 
heritage and strengthen their sense of direction and confidence.

Introduction
Tourism industry and its related business such as handicrafts has become one of 
the key sectors that drives the South Africa economic development and 
transformed the country over the two decades. The industry has also emerged as 
significant development option in the post-apartheid era, it is the primary source 
of employment for workers, source of income with low barriers to entry 
particularly for those who are relatively disadvantaged in the labor market such 
as unskilled or low skilled, female, impaired, and older workers (Nuru & Devi, 
2016).
The growth of international tourism has resulted into generation of employment opportunity to many disadvantage groups in the country (Statistics South Africa, 2017). The country has 30% rate of unemployed active group whom most of them engages in handicraft related business to gain an income that sustain their livelihood. The craft sector is estimated to employ about 1.2 million people and contribute a significant contribution of about R 3.4 billion to the economy every year (Godfrey et al., 2006).

Informal handicrafts related businesses are among the three major sectors (agricultural, craft& textile and tourism) that could improve livelihoods of the marginalized group in a community. Its perpetuation and growth has been largely due to the weak capacity of the formal private sector to produce sufficient job and earnings (Nuru & Devin, 2016). Therefore, “tourism is the 21st century’s number one industry, and handicraft is one of the fastest growing activities. Together they make a logical and powerful combination” (John, 2014, p3).

In South Africa, the formal sector has low ability in providing jobs to the entire economic active group, together with increasing number of job seekers for that reason, informal sectors are the entry point of the economies and they are considered to be the most important sector in absorbing large number of unemployed group (Godfrey et al., 2006; Russouw & Ferreira, 2016).

The present study involved informal traders at Greenmarket Square in Cape Town, which was one of the ten most visited tourist destinations in Cape Town (Binns & Nel, 2002). Greenmarket Square attracts not only local entrepreneurs, but also a large number of migrants from other parts of the African continent. The migrants engage in the informal handicraft trading as an opportunity of expanding their business skills and gaining income to support their families back home. The trade also significantly contributes to the growth of the national economy (Crush & Peberdy, 1998). The informal traders in Greenmarket Square were selected due to the relative concentration of the poor population in handicraft trading activity (Sibhat, 2017).

Despite the contribution of the tourism handicraft industry in employment and poverty reduction; national policies, services and institutional support programmes are rarely accessible to the sector in South Africa. Question still remains as to what extent the sale of handicrafts is able to sustainably support the livelihoods of the informal traders themselves, who form the backbone of the market. While it has the potentials to graduate to micro and small scale enterprises a number of constraints currently inhibit the development of the informal sector and its integration with other sectors of the South Africa economy.

To this end, there is a need of exploring whether informal handicraft traders make sustainable profits to sustain their livelihood, and for viable and feasible
policy recommendations to ensure their survival. South Africa is facing challenges in eradicating poverty to meet the millennium development goals by 2025. Among the major one, is exploitation of the marginalized groups such as artisans, petty business people and disabled people who are unfortunate masses by the fortunate few such as the rich such as tourists. Because of this mass exploitation, the number of people living below the poverty line is increases (Okech, 2016).

Most of the vulnerable population in South Africa has low level of education and poor production skill as they cannot qualify to be part of the formal sector employment and there is limited job position for this group (Tovey, 2009). Craft industry is well thought-out to be one of the beneficially sector that embrace the population of women which was historically excluded in formal economy as well as in all the development activities (Elphick, 2007). It’s a sector that doesn’t require experience rather innovative, production and traditional skills, which simplify women involvement and integrating their household duties (Ruskin & Morris, 2015). Therefore, large number of women from disadvantage backgrounds engages in production and selling of curious to tourist for them to gain income and reduce dependence as well as to become economic active group in the society.

However, the sector lacks ‘industry’ identity, traders do not belong to any labour union and there are no business associations (Elphick, 2009). In addition, due to seasonality nature of tourism industry, traders consider themselves to be part time workers, operating informally without paying income tax, and their business are not registered (Rogerson, 2002). Nevertheless, their production is home-based and in low scale and they are not earning enough income as well as their contribution in livelihoods growth is not yet depicted in official statistic data (Lewis, 2011).

Government agencies, private sectors and international organizations around the globe have seen this and have to set out critical measures to ensure that low income and marginalized groups meet their basic needs on a sustainable basis (Ke & Liying, 2015). One way to achieve this could be through well planned, supported and managed tourism sectors and subsectors that would lead to substantial poverty alleviation (UNCTAD & WTO, 2014; Markwick, 2015). In addition, informal handicraft industry is one of the tourism sectors which are a potential source of employment, leading to empowerment and, economic development (Binns & Nel, 2016; Folland, 2017).

Therefore, the fundamental aims of this study is to analyze the value chain of the informal handicraft products sold on Greenmarket Square, so as to gain more of an understanding of the constraints within the chain that hold back the growth and competitiveness of the industry in supporting the livelihoods of informal traders.
Methods
Study design
The present study was conducted through a cross sectional quantitative descriptive research design which was concerned with describing the characteristics of informal traders. The research approach was carried out in order to understand more on the constraints within the chain that hold back the growth and competitiveness of the industry in supporting the livelihoods of informal traders.

Study Area
The setting for this study was at Greenmarket Square which is located at the heart of the Cape Town central business district. Greenmarket Square is the oldest market in Cape Town that incorporates both formal and informal traders (flea market) and surrounded with different tourist street. With regard to the spatial arrangement of the market, the area is not well arranged; it is congested and traders work in a small cubic space. Additionally, due to large number of traders who are flourishing into the city from other part of Africa in search for better livelihoods, this area is today saturated due to the fact that it accommodates a large number of traders. Therefore, the area is regarded as unsafe, poorly arranged and tourists fail to distinguish products from one trader to the other as they mostly sale similar products.

Study population and sample techniques
The population size was 197 traders at Greenmarket Square but the study selected a sample size of 40 informal handicraft traders. A systematic sampling technique was used to select traders for the interview as according to Kanpur (2016), it ensure that each unit has equal probability of inclusion in the sample.

Data collection
A pilot study was carried out to collect preliminary data so as to ascertain whether the questionnaires would fit what we intended to collect from the informal handicraft traders. The pilot study found some mistake and we corrected before the official collection. The questionnaires were self administered by the interviewer and interviewer alone was responsible for collection of the data; however interviewee were asked to fill a consent form to show that they have agreed to participate in the study (the consent form is attached as appendix). The chairperson of the market was contacted and CCDI to make an appointment for the date and time for the interview. The first interview started with informal traders.

Data analysis
The completed questionnaires from the informal traders were first coded then entered into SPSS version 19. Different themes were explored based on respondent profile, the relationship between variable were also established
which allows the change from one descriptive to explanatory analysis. The raw data were created into variables with their respective codes of categories within it. Some questions had more than one response so we employed the multiple response menu of the SPSS to enter them as different variables but under one main variable.

In order to present the finding from quantitative data, two different approaches were applied into this study: Incise of central tendency (use of standard deviation) and indices of response patter (use of frequency and percentage) (Kusluvan and Kusluvan, 2000; Rogelberg, 2002).

Results
This section presents and analyzes data obtained from the informal traders engaging in sale of tourist handicraft at Green market square, Cape Town from 2011 to 2013.

Profitability generated by sale of handicraft
The researcher only considered gross profits of the business (taking into equation only income and expenses) and disregard other types of profitability, like economic profits and accounting profits. Mean monthly spending in regular activities like transport to and from the work, education, food and drinks, groceries and clothing and footwear were R 4,348.46 and the median was R 2,550. Spending in these items was slightly positive skewed (Skewness = 2.55) (Figure 1). While spending patterns of these items is grouped into different form, about 67.5% (n = 27) spent between R 0 to R 4,999 (Table 1).

Figure 1: Monthly spending distribution of traders at Greenmarket Square
Table 1: Monthly spending distribution of traders at Greenmarket Square

<table>
<thead>
<tr>
<th>Monthly spending</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 - R4999</td>
<td>27</td>
<td>67.5</td>
<td>73.0</td>
</tr>
<tr>
<td>R5000 - R9999</td>
<td>6</td>
<td>15.0</td>
<td>89.2</td>
</tr>
<tr>
<td>R10000 - R14999</td>
<td>3</td>
<td>7.5</td>
<td>97.3</td>
</tr>
<tr>
<td>R20000 and above</td>
<td>1</td>
<td>2.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>92.5</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>3</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>40</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Operating cost
In operating costs items like suppliers and materials costs, logistics costs, and storage and premises costs, we found an average spending of R 4,835.08 and a median of R 2,850. The distribution of operating costs was slightly positive skewed (Skeweness = 1.47) (Figure 2). When we grouped all the costs, we found about 57.5% (n = 23) spent between R 0 and R 3,999 and only 5% (n = 2) spent between R 12,000 and R 15,999 (Table 2).

Figure 2: Monthly expenses of the traders at Greenmarket Square
Table 2: Monthly expenses of the traders at Greenmarket Square

<table>
<thead>
<tr>
<th>Monthly expenses</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 - R3999</td>
<td>23</td>
<td>57.5</td>
<td>59.0</td>
</tr>
<tr>
<td>R4000 - R7999</td>
<td>8</td>
<td>20.0</td>
<td>79.5</td>
</tr>
<tr>
<td>R8000 - R11999</td>
<td>3</td>
<td>7.5</td>
<td>87.2</td>
</tr>
<tr>
<td>R12000 - R15999</td>
<td>2</td>
<td>5.0</td>
<td>92.3</td>
</tr>
<tr>
<td>R16000 and above</td>
<td>3</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>97.5</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>1</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>40</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Monthly Income
The average monthly income for the two seasons (winter and summer) was R 19,925.89 and median of R 11,550. The income distribution was also positively skewed (Skewness = 1.61) (Figure 3). About 32.5% (n = 13) generated income between R 0 and R 9,999 for both seasons (Table 3).

Figure 3: Average income of the traders at Greenmarket Square
Table 3: Average Monthly Income of the Traders at Greenmarket Square

<table>
<thead>
<tr>
<th>Average Income</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 - R9999</td>
<td>13</td>
<td>32.5</td>
<td>36.1</td>
</tr>
<tr>
<td>R10000 - R19999</td>
<td>10</td>
<td>25.0</td>
<td>63.9</td>
</tr>
<tr>
<td>R20000 - R29999</td>
<td>5</td>
<td>12.5</td>
<td>77.8</td>
</tr>
<tr>
<td>R30000 - R39999</td>
<td>4</td>
<td>10.0</td>
<td>88.9</td>
</tr>
<tr>
<td>R50000 - R59999</td>
<td>1</td>
<td>2.5</td>
<td>91.7</td>
</tr>
<tr>
<td>R60000 and above</td>
<td>3</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>90.0</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>4</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>40</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Gross profits

The total income generated by traders from handicraft selling was R 717,332 while the total operating costs was R 188,568 resulted into operating profits of R 528,764. On the other hand the total spending was R 160,893 which gave a gross profit of about R 367,871 (Table 4).

Table 4: Total profits generated by all traders at Greenmarket Square

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>R 717,332</td>
</tr>
<tr>
<td>Operating costs</td>
<td>R -188,568</td>
</tr>
<tr>
<td>Operating profits</td>
<td>R 528,764</td>
</tr>
<tr>
<td>Spending</td>
<td>R -160,893</td>
</tr>
<tr>
<td>Gross profits</td>
<td>R 367,871</td>
</tr>
</tbody>
</table>

However, when we considered individual respondents we found other traders were not making sustainable profits. Only 4(11%) traders on the positive side did not make sustainable profits, the maximum profit generate was R 60,710 per annum, while 22(64%) traders on the negative side did not make any profit and the minimum profit generated was R -14,900 per annum (Figure 4).

Figure 4: Profitability of the traders at Greenmarket Square
The Lifestyle of traders
Different lifestyle persuaded by the traders at Green Market Square, however 26.7% (n = 16) used their profits to expand their business, 26.7% (n = 16) send some of their profits to support their family at their country of origin and the remaining 46.7% (n = 28) used their profits to sustain their livelihood at their usual places of residences (Table 5).

<table>
<thead>
<tr>
<th>Spending pattern of traders at Greenmarket Square</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand business</td>
<td>16</td>
<td>26.7</td>
</tr>
<tr>
<td>Send back home</td>
<td>16</td>
<td>26.7</td>
</tr>
<tr>
<td>Sustain own livelihood</td>
<td>28</td>
<td>46.7</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

For traders using their money to sustain livelihood at their usual place of residences, about 23.6% (n = 35) spent in groceries, 23.6% (n = 35) in food and drinks (Table 6).

<table>
<thead>
<tr>
<th>Lifestyle persuade by traders at Greenmarket Square</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>35</td>
<td>23.6</td>
</tr>
<tr>
<td>Clothing and footwear</td>
<td>33</td>
<td>22.3</td>
</tr>
<tr>
<td>Food and drinks</td>
<td>35</td>
<td>23.6</td>
</tr>
<tr>
<td>Transport</td>
<td>31</td>
<td>20.9</td>
</tr>
<tr>
<td>Education</td>
<td>14</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100</td>
</tr>
</tbody>
</table>

Discussion
The focus of this article was to assert whether sufficient profits are being generated to sustain the livelihoods of the of informal handicraft traders on Greenmarket Square. By tracing the lifestyle of these traders as the reflection of their income, the finding above shows that, most of traders use their profits to sustain their livelihood. In this case we found that, the mean monthly spending in regular activities like transport to and from the work, education, food and drinks, groceries and clothing and footwear was at R 4,348.46 and the median was at R 2,550. According to Statistic South Africa (2017), the amount of Rand that is an average to sustain a standard living in South Africa with the main components of that expenditure coming from housing and utilities, transport, food, and miscellaneous goods and services between the year 2014 and 2015 was R8600 monthly earning. This finding supports our main research argument
that, the benefits derived by informal traders from handicraft sales is not enough to be reflected in their livelihoods.

**Profit generated from sale of handicraft**
Profit generated from sale of handicraft relate to assert whether sustainable livelihood is being generated to sustain the livelihoods of the of informal handicraft traders on Greenmarket Square. Handicraft sector has an enormous potential to generate sustainable profit to unemployed people and has an unlimited potential for economic development of a country/region (John, 2014). Fillis & Oyekunle (2016), in their study on profitability generated from sale of handicraft product by informal traders in Western Cape in 2016, observed that almost half (70) of the traders confirmed that the business was a profitable venture and 84% believes that the handicraft sector has the capacity to generate wealth and jobs. However, the finding of the present study indicate that 64% informal traders at Greenmarket Square were not making sustainable profit and only 11% of traders confirmed that the business generated sustainable profit. On the other hand, ****Writer (2016) observed that 38% small and medium enterprises (SMEs) are unprofitable in South Africa. The present study concurs with Writer (2016) because large proportions of traders are under some distress and they don’t make profit. Therefore, handicraft micro-enterprises can reduce poverty under proper conditions and with adequate support toward sustainable development.

In South Africa, one of the ways for human resources development is through micro-enterprise, through informal training, in which skills are attained through apprenticeship and training. Therefore, if more of the South African youths are involved in handicraft micro-enterprises, then the unemployment situation will be reduced to some extent (Berry, 2001). Eradicating poverty involves, creating employment and income generating opportunities for the youth. Tourism handicrafts related business improves livelihoods of the poor, eradicates poverty and empowers large number of women. This business could be imperative in the attaining of some of the Millennium Development Goals by 2025 (UNCTAD & WTO, 2009). If the small and medium enterprise (SME) sector does not perform well during the next couple of decades, overall economic performance will also be unsatisfactory especially in the areas of employment creation and income distribution (Berry, 2001).

The majority of trader’s spending pattern or financial flow is used to sustain their livelihoods at usual place of residence (Cape Town), while the remaining is send back home of their origin countries. This corresponds with the amount of income they generate monthly daily on their business. The money generated from sale of handcraft products is not a salary, rather it’s the source of income most of traders have (Fillis & Oyekunle,. 2016). If traders could through their business enjoy some form of income, that means they will be able to afford some
basic necessities of life for their families and that will help in poverty alleviation (Agyapong, 2010). The study shows that informal handicraft industry, if managed and supported well have high potentials to speedily increase income by means of direct employment for the traders and contributing to sustainable livelihood. However, what is gained from the sale of handcraft to traders at Greenmarket Square cannot be used to generate sustainable livelihood.

**Operating Cost**
Informal traders all over the world are faced with lots of challenges in their day to day business operation and this was not different from the responses received from the traders at Green Market Squire. Traders were asked to identify the major challenges facing their daily business, among all the challenges high operation cost ranked number one as a hindering factor in growing their business as it recorded 57.5 percent. The present study concurs with OECD report that indicated high operation cost in Netherlands linked to regulations limits them to expand their business operations (OECD, 2017). Similar study in Pakistani Handicraft Industry found that, the main obstacle for handicraft entrepreneurs in rural areas is the increase of operation cost due to poor infrastructure leading to uncompetitive business environment in the domestic as well as international markets (Yang et al., 2018). This means that among all the problems faced by SMEs in their day to day business operation ranging from competition, high utility tariffs, infrastructure among others, traders sees high operation cost as the major constraint hindering their growth.

**Monthly Income**
SMEs are often the vehicle by which the people who earn the lowest income in the South African society gain access to economic opportunities (Berry, 2001). In Colombia, the handicraft sector is given a high level of importance as it provide a yearly income of approximately US$ 400 million and provide a monthly income of approximately US$ 510 to traders after all the expenses have covered (Richard, 2007). Likewise, in Kenya, SMEs entrepreneurs generate an average of Ksh 6,008 per month, almost 2.5 times higher than the then minimum wage (UNDP, 2015). Key success factors were the innovation on product design and strict quality management. The present study concurs with the above authors, because the average monthly income for traders in the two seasons (winter and summer) was R 19,925.89 (US$ 1380.75) before the deductions of operation expenses. From the above data, there is no doubt that the traders at Green Market square sell all kinds of individual felt products, mostly souvenir products produced and supplied by the craftsmen as they thought it would be interesting for tourist, However, the monthly spending of from what is earned is being distribute to different activities not related to their business such as sending back home to their original country, paying of their children school fees and spending in glossaries leaving traders into a viscous poverty cycle.
**Gross Profits**
Measuring the Gross profits of traders has focused on variables for which information was easy to gather. the use of gross profitability to measure performance is in line with the assumptions of profit maximization and utility maximization (Chimucheka, 2014). SMEs performing well are characterized to have been established in recent years compared to those with poor performance (Fitzsimmons et al., 2005; O’Regan et al., 2002). This is consistent with other results showing profits to yield higher variance for younger entrepreneurs (e.g. Cowling (2004)). These results suggests that traders at Green Market square have higher gross profit than average profits, however, they still struggles to expand their business and maintain their competitive advantage. SBP Alert (2013), in South Africa, small traders spends some 4% of their gross profit on compliance costs. And because it tends to impose “fixed” costs, it is felt more severely by the traders and hence they cannot invest in growing their business. Small traders with above gross profit average will attract competition from either new or existing players. Although gross profit per trader is a single measure, it nevertheless provides multiple metrics of a SME’s performance. Still, it is believed that a ‘multiple assessment’ of a SME’s performance ought to consist of a variety of measures so as to provide a broader picture (Sawang et al., 2018).

**Lifestyle of Traders**
Lifestyle of traders is grounded in their ability to obtain a health balance between their desires to engage fully in the labour market while sharing their earning to their loved ones (Belhadi et al., 2018). Traders perceive themselves as examples for their community members. For example, in Burundi, trades perceive their lifestyle can be observed by conducting business with people from different background regardless of their different political interest and provide service to customers from different countries such as Serbs, Albanians and Roma (Jagt and Winters, 2013). The present study concurs with Jagt and Winters because, traders in Green market square originate from different countries such as Zimbabwe, Malawi, Ethiopia, Somalia, Namibia and they work together to provide service to customers from different counties. For the case of this study, lifestyle of traders can be observed from their spending pattern as it can be observed from the finding traders spends their profit to sustain their livelihood at their usual place of residence. This finding are supported by Straka (2015) who observed that, small traders spend their profit in paying for their children education, transport, grocery and drugs as well as sport facilities. Many traders do not want to grow, are happy with staying small and at one end of the continuum, some are simply ‘buying’ themselves employment

**Conclusion**
The focus of this study was to assert whether sufficient profits are being generated to sustain the livelihoods of the of informal handicraft traders on Greenmarket Square. It is observed that 38% small and medium enterprises
(SMEs) are unprofitable in South Africa. The operation cost ranked number one as a hindering factor. These traders have higher gross profit than average profits, however, they still struggle to expand their business and maintain their competitive advantage. It was observed that, many trader do not want to grow, are happy with staying small. This study is considered important because there is a rising emphasis on handicrafts in South Africa, from individuals, non-governmental and governmental organizations. Stevens (2007) state that, in the near future, the crafts sector can be built through a social process whereby: large number of people can engage in its profession as a means of livelihood; capacity-building to promote the quality of the work; and capacity measure to develop entrepreneurial and marketing skills.

Recommendations
Development agency and strategies need to recognize the importance of youth as stakeholders in the development process. Therefore, as emphasized in this study, supporting the informal handcraft industry which creates employment should be taken into consideration as a strategy to sustainable livelihood. There is a need for continuous promotion of projects, to enhance the development of handcraft products in order to; paves a way for the marginalized youth to develop merchantable skills, to protect their cultural heritage and strengthen their sense of direction and confidence.

There is a need to improve access to credit as the best way to empower the informal sectors and increase their income generation opportunities, i.e. micro-finance. At the local level, an intervention in the form of projects targeted to increase employment for the youth to help them generate sustainable livelihood are proposed. This calls for capacity building intervention.

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