

Is the hope for Survivalist?| Success in running a non-VAT registered business in S.A.

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The impact that informal sector makes in the lives of the poor is unavoidable, well to some it makes a decent living and to others it is solely a day to day means of survival. We restricted our study on non-vat registered business owners that have started their businesses due to unemployment.

Our study is mainly based on the improvement of these businesses on the informal sector in relation to the poverty lines of South Africa 2014 in particular the upper poverty line.

Findings

Figure 1: Percentages of businesses by location in the informal sector,2013.

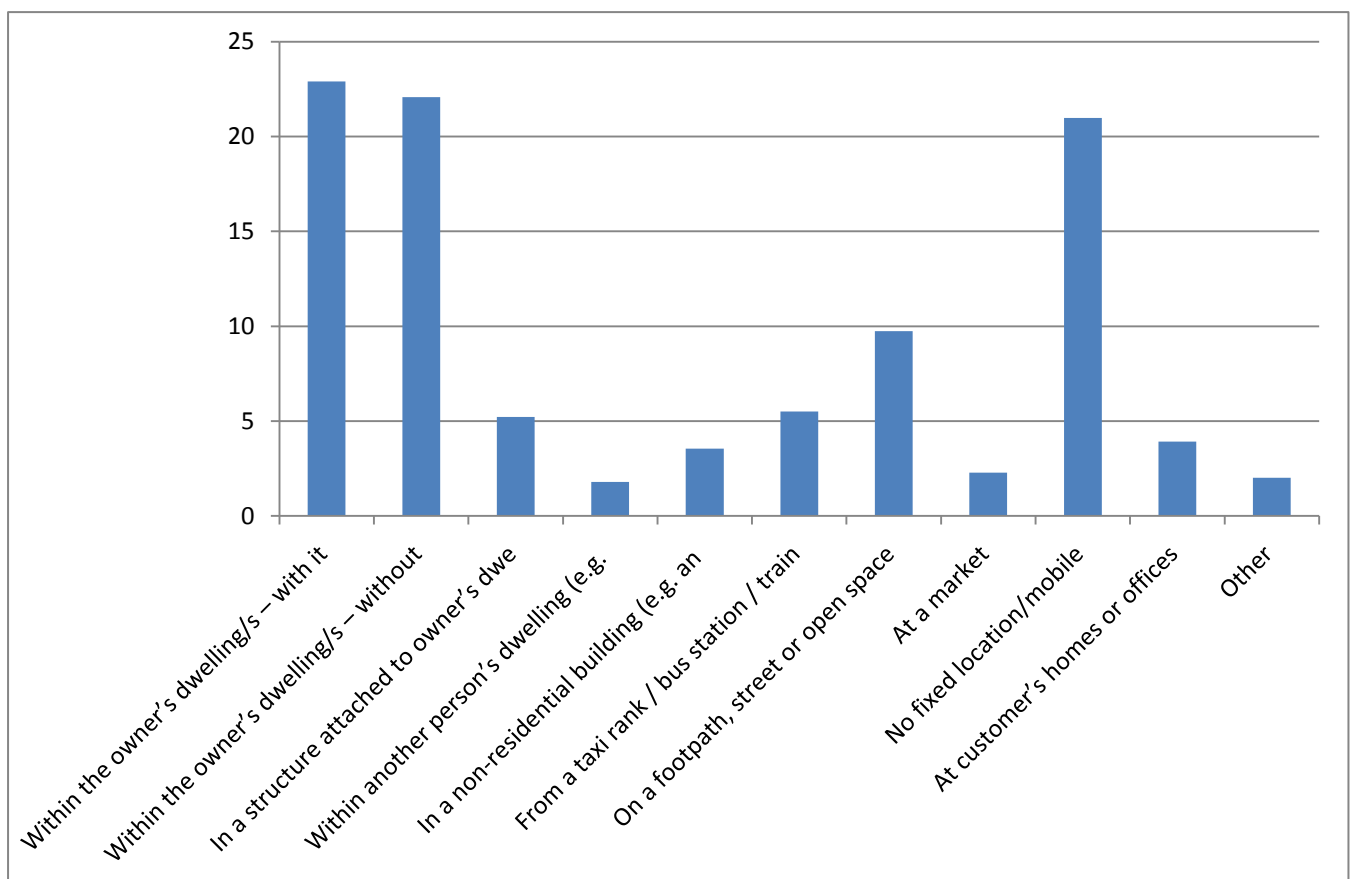


Figure 1 shows that more businesses in the informal sector are operated within the owner's dwelling unit with it's own space, without its own space and some with no fixed location respectively and with a very few of them (1.8%) operating within another person's dwelling unit.

Figure 2: Distribution in percentage of factors that causes business not have activities on some months within a year, these are businesses that indicated that in the last twelve months the business operated for less than twelve months .

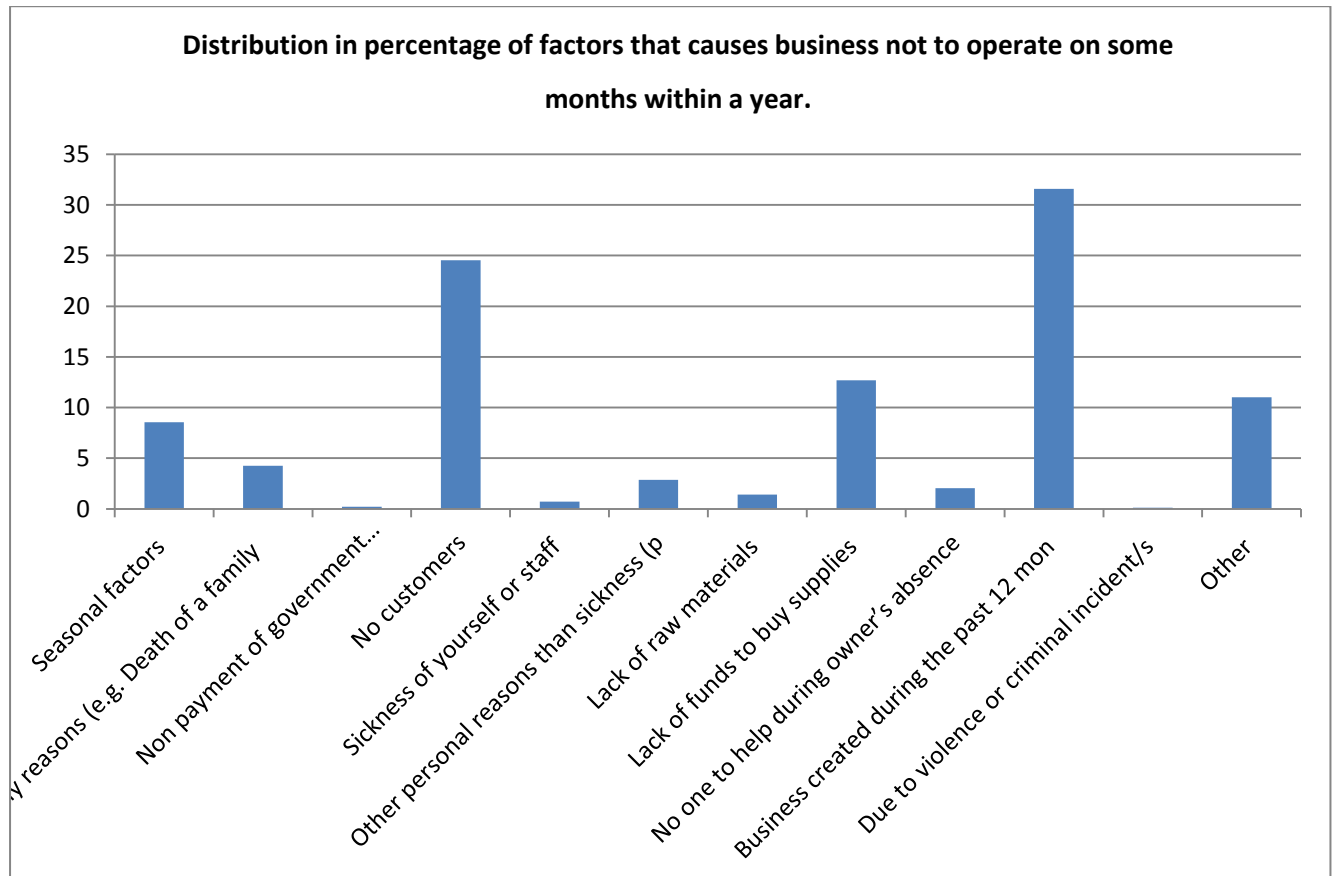


Figure 2 shows that most businesses in the last twelve months had no activities in some months mainly because of business being created during the past 12 months, no customers and very few (0.1%) due to violence or criminal incidents.

Figure 3: Distribution of average net income of the non-vat businesses by the 2014 upper poverty line of South Africa.

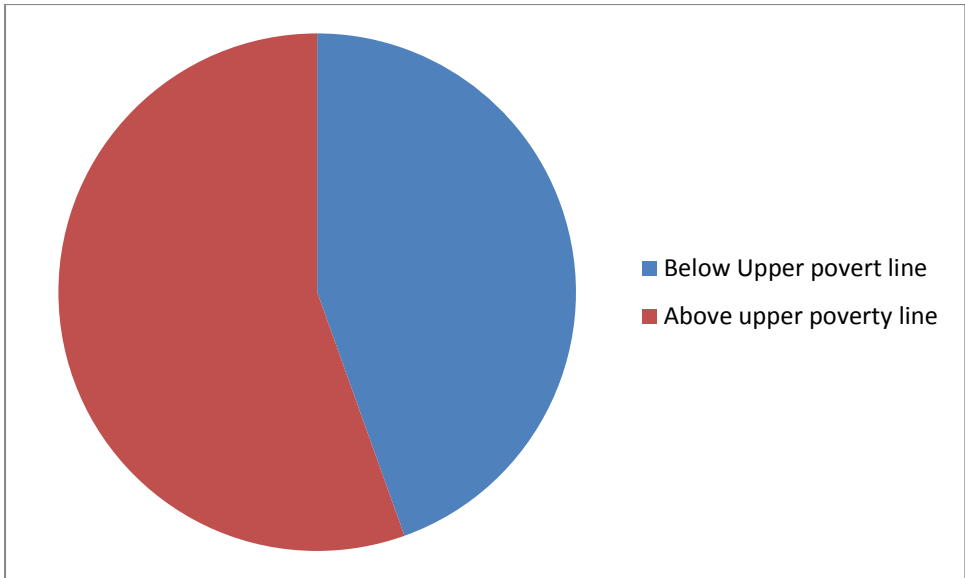
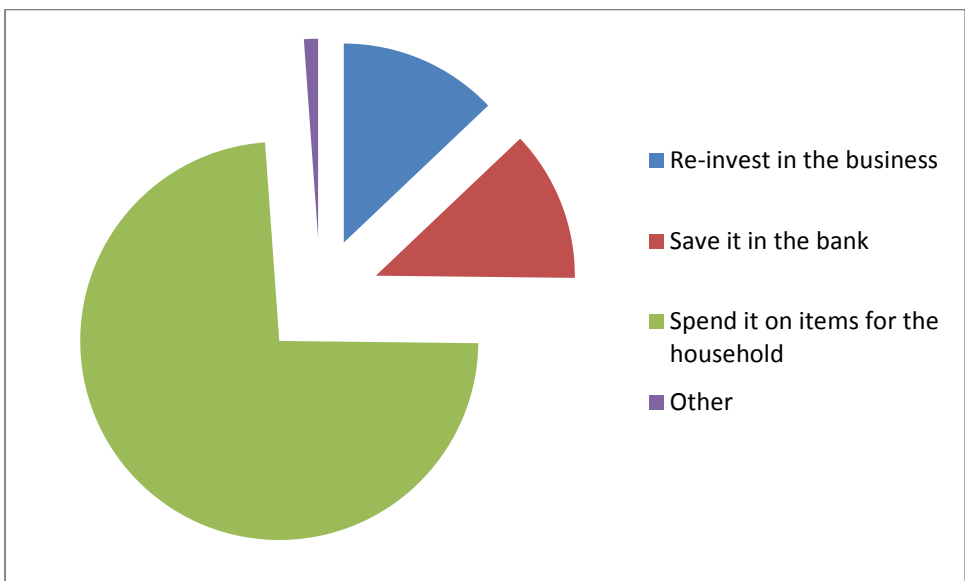


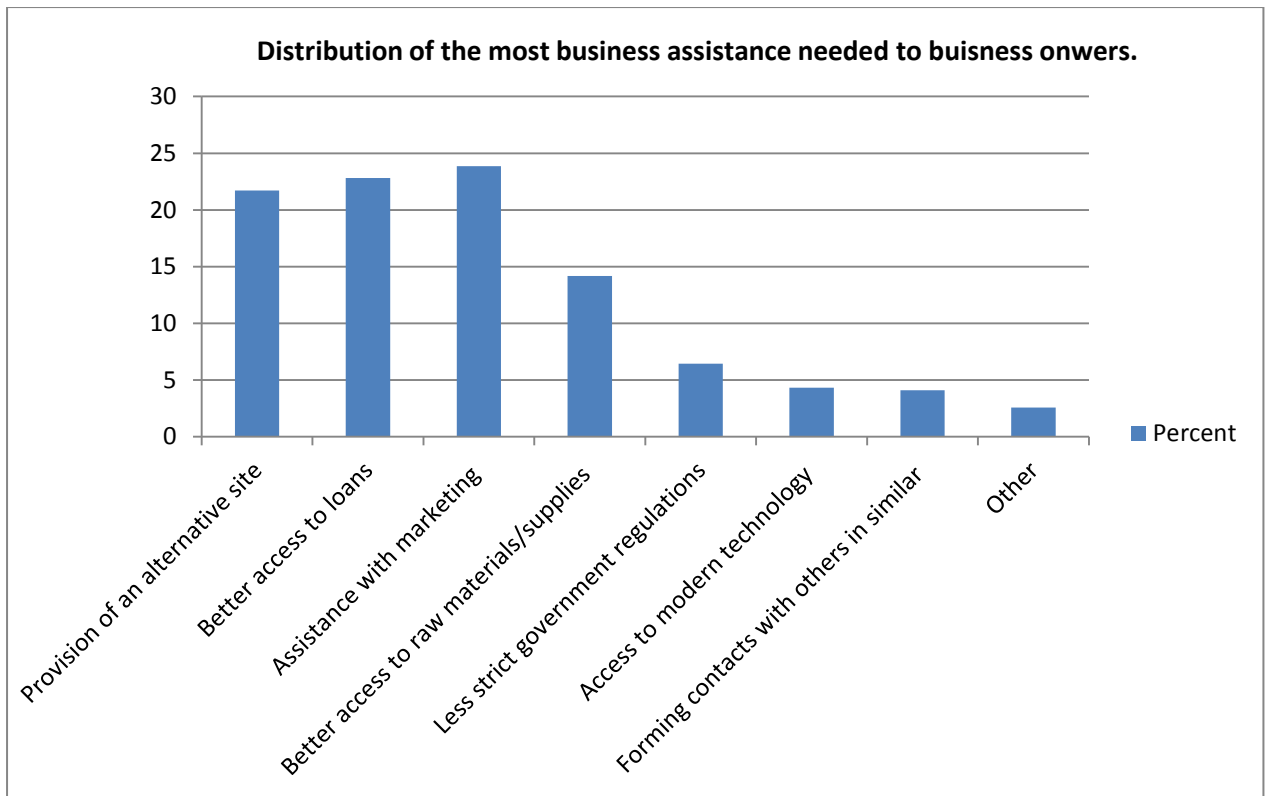
Diagram shows that there is a slight difference between being above and below the upper poverty line nonetheless more (55.48%) businesses are above the upper poverty line meaning that the people have control over both food and non-food essentials.

Figure 4: Distribution of the usage of profit by the businesses in informal sector.



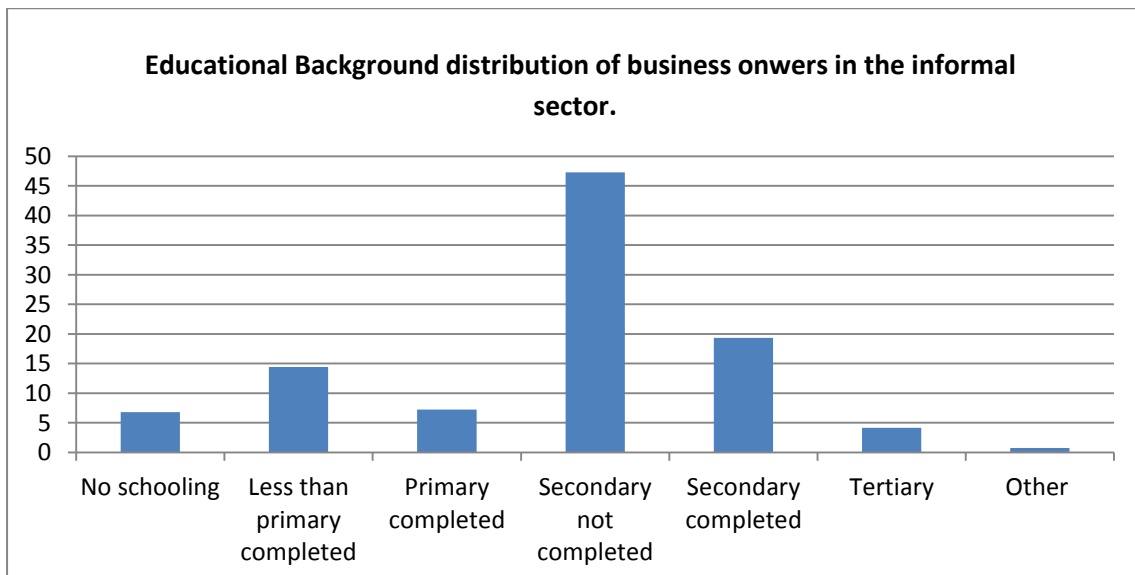
More (73.68%) of these businesses do use the profit on items for the household, a considerable few use the profit to re-invest in the business and to add to their savings respectively.

Figure 5: Percentage split of the most important factors that businesses need assistance on.



Majority of businesses do need assistance on marketing, access to loans and provision of alternative site respectively and with a very few seeking assistance in other factors not mentioned here.

Figure 6: Percentage distribution of educational background of the non-vat business owner.



Majority (47.29%) of business owners have not completed secondary and with very few of them with tertiary education.