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INSTITUTIONALIZATION OF COMMUNITY-BASED SMALL BUSINESS INCUBATION IN THE CAPE METROPOLITAN PERIPHERY

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ABSTRACT

The relevance of small businesses in many global economies has led to the rise of research in and increased small business incubation practices. Small business incubation is also considered important due to the high mortality of many entrepreneurial ventures in their start-up stages. Of the many models for business incubation that are available, this study considers the community-based incubation model for small business incubation within the urban peripheries in Cape Town. The urban periphery is often home to many small businesses as it is largely inhabited by individuals with financial challenges and in many cases suffer from social problems including crime and ineffective provision of public services. The aim of this study was to: determine perspectives for institutionalized community-based small business incubation at a selected periphery township in Cape Town. This objective was underpinned by need to develop strong small business enterprises that are nurtured and supported by local communities given their capacity to help community growth. The study was conducted following the focus group data collection methodology. A thematic analysis of the data led to the findings that while community based small business incubation systems were important in harnessing community resources it may be abused and there was need to ensure its effective governance by strong institutions that are well supported by those of the central government. The overall finding was that community-based incubation systems were essential but they required effective governance system to ensure their continued viability.

Keywords: Incubation, community, entrepreneurship, small business, business.