

**Livelihood and income generation from the woodcarving trade in
the Cape Town area of the Western Cape Province, South Africa**

By

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and has not previously in its entirety or in part been submitted at any university for a degree.

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ABSTRACT

While the contribution of non-timber forest products (NTFPs) in sustaining livelihoods of the poor is gaining global attention, the importance of woodcarving trade in sustaining the livelihoods of the poor people has been poorly researched. A study was conducted in Cape Town area of the Western Province, South Africa to assess the contribution of woodcarving trade to the livelihoods of the traders and the dynamics of the trade, and institutional constraints impacting on the development of the trade. A total of 61 traders in wood carving, as well as municipal authorities and key informants, were interviewed using structured questionnaires; note taking, personal observations, and in-depth interview based open-ended questions.

The findings of the study revealed that the woodcarving trade is a highly male (69%) dominated activity. Most traders were married (55%) and most of the respondents (63%) fell within the active age group of 21-35 years. The wood carving trade was dominated by highly literate people with 66% and 25% having reached secondary and tertiary education, respectively. The study also revealed that “earning a living” represented the single most important factor (70%) that pushed people into the wood carving trade. Most traders (85%) did not own property but for those who owned property, 56% were South Africans followed by Zimbabweans (22%).

The study showed that most of the woodcarving products arriving in the Western Cape come from the SADC region accounting for 78% of the products. Malawi (36%), Zimbabwe (30%) and Kenya (13%) are the main sources of the wooden crafts curio into the Western Cape woodcraft market. The study also found that *Dalbergia melanoxylon* from Zimbabwe (47%) and Malawi (16%) and *Brachylaena huillensis* from Kenya (47%) and *Azelaia quanzensis* from Zimbabwe (27%) represent the most traded wood species.

The wood for carving was mainly accessed through intermediate agents (48%) and on site purchase (43%); and polishing represented the most important process (80%) of value adding compared to painting and shining. Personal cars (38%) and buses (36%) were the main means of transportation used compared to other forms of transport.

It was shown that cost (48%) and customer based price (33%) represented the main pricing methods used by traders. Shop owners had an average income estimated at R 6, 450 and R 2, 692 in good and lean month sales, respectively. In addition, seasonality represented the single most important factor (56%) threatening the woodcarving industry and the livelihood of urban traders compared to factors such as quality of wood product (18%) and scarcity of the resource (10%).

This study found that traders had difficulties accessing physical infrastructures (87%); social assets (50%) and human capital (74%). On the other hand, 62% of the traders did not seem to have problems accessing natural assets. As a livelihood strategy, traders also undertook multiple activities including sale of minor products as

well as soliciting extra help from companions and/or hiring extra help during peak seasons.

For the sustainability of the woodcarving trade in the Western Cape, there is a need for sustained, long-term management of wood species used for carving through domestication and use of alternative wood species. In addition, policies should promote: (i) integrated resource use that will ensure maximum utilisation of the wood from a single tree e.g. timber and wood carving, (ii) the culture of association and cooperation among traders, (iii) collaborative mechanisms involving all players from the forest and the tourism sector as well as the traders, (iv) secure traders' livelihood assets, (v) an environment favourable to business venture's expansion and growth through micro-finance and micro-credit schemes.

OPSOMMING

Terwyl die bydrae van nie-hout bosprodukte om die lewensonderhoud van die armes aan te vul wêreldwye aandag geniet is die belangrikheid van houtsneehandel in die lewensonderhoud van armes egter swak nagevors. 'n Studie is in die Kaapstad area van die Wes-Kaap Provinsie van Suid-Afrika onderneem om die bydrae van die handel in houtsneewerk tot die lewensonderhoud van die handelaars en die dinamika van die handel en die institusionele beperkings op die ontwikkeling van die handel te bepaal. Onderhoude is gevoer met 61 handelaars in houtsneewerk asook munisipale owerhede en sleutel-informante, deur gebruik te maak van gestruktureerde vraelyste, aantekeninge, persoonlike waarnemings en in-diepte onderhoude.

Hierdie studie het getoon dat die handel in houtsneewerk deur mans oorheers word (69%). Die meeste handelaars was getroud (55%) en meeste van die respondente het in die ouderdomsgroep 21-35 jaar geval. Die houtsneehandel was gedomineer deur hoogs opgevoede mense, t.w. 66% en 25% het repektiewelik primêre en sekondêre onderrig ontvang. Die studie het ook getoon dat "om 'n bestaan te maak" die enkele belangrikste faktor was (70%) wat mense in die houtsneehandel betrokke laat raak het. Die meeste handelaars (85%) het nie eiendom besit nie, maar van dié wat wel eiendom besit het, was 56% Suid-Afrikanners, gevolg deur Zimbabwiërs (22%).

Die studie het getoon dat 78% van die houtsneeprodukte in die Wes-Kaap van SADEK-lande afkomstig was. Malawi (36%), Zimbabwe (30%) en Kenya (13%) was die hoofbronne van houtsneewerk in die Wes-Kaap. Die studie het ook bevind dat *Dalbergia melanoxylon* van Zimbabwe (47%) en Malawi (16%), *Brachylaena huillensis* van Keniaanse (47%) en *Azalia quanzensis* van Zimbabwe (27%) die houtsoorte was waarmee die meeste handel gedryf is.

Die hout vir sneewerk is meestal verkry deur tussenganger agente (48%) en persone wat op die markte koop (43%). Polering was die belangrikste proses van waardetoevoeging (80%) in vergelyking met verfwerk en blikmaak. Persoonlike motors (38%) en busse (36%) was die belangrikste metodes van vervoer.

Daar is bewys dat koste (48%) en verbruikers baseerde pryse (33%) die belangrikste metode was wat handelaars gebruik het om pryse vas te stel. Winkel-eienaars het 'n beraamde gemiddelde inkomste van R 6, 450 en R 2, 692 in sg. "goeie" en "swak" maande repektiewelik verdien. Seisoenale wisseling was die belangrikste (56%) faktor wat die houtsneenywerheid en die bestaan van plattelandse handelaars bedreig het, in vergelyking met faktore soos die kwaliteit van produkte (18%) en die skaarsheid van bronne (10%).

Die studie het bevind dat handelaars probleme ondervind het om fisiese infrastrukture (87%), sosiale bates (50%) en opleiding (74%) te bekom. Tog het 62% van die handelaars skynbaar nie probleme ondervind om natuurlike bates te bekom nie. As 'n lewensonderhoud strategie, het handelaars veelsoortige aktiwiteite

onderneem, insluitend die verkoop van kleinere produkte asook om ekstra hulp van metgeselle te vra of ekstra hulp gedurende die besigste seisoene in diens te neem.

Om 'n volhoubare houtsnееhandel in die Wes-Kaap te verseker, is daar 'n behoefte aan 'n volhoubare, langtermyn bestuursplan van houtagtige spesies wat vir houtsnееwerk gebruik word, deur domestikasie en die gebruik van alternatiewe houtsoorte. Daarbenewens behoort beleid die volgende te bevorder: (i) geïntegreerde hulpbron gebruik wat die maksimum benutting van 'n enkele boom sal verseker, bv. saaghout en houtsnееwerk, (ii) die kultuur van assosiasie en samewerking tussen handelaars, (iii) samewerkingsmeganismes wat alle rolspelers van die bos en toerisme sektore asook handelaars sal insluit, (iv) beskerming van die bates wat belangrik is vir die welstand van die handelaars, en (v) 'n omgewing wat gunstig is vir die uitbreiding van besigheidsondernemings deur mikro-finansiering en mikro-krediet skemas.

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CHAPTER 1.0 INTRODUCTION

1.1 Background of the study

Informal economy in Africa, particularly in South Africa, is growing steadily due to the failure of the formal economy to generate sufficient employment. The latter situation has been aggravated by the continuous increase of population and slow growth of the agriculture sector (Ligthelm and van Wyk, 2004). In the case of Zimbabwe, programmes such as economic structural adjustments and devaluation of Zimbabwe dollar stimulated the growth of the tourist sector as well as the purchasing power of tourists (Braedt and Standa-Gunda, 2000, Matose, 2006). These reforms have acted as a driving force in the increase of small and medium enterprises in rural and urban areas, especially trade in woodcarving.

However, in the particular case of the Western Cape of South Africa, the growth of the informal economy was mainly the result of policy improvement based on the removal of past Apartheid by-laws, which were initially restricting people's mobility (Shackleton, 2005). The latter situation has stimulated both the tourism sector and the growth of informal economy, especially woodcarving trade (Shackleton, 2005). According to Steenkamp (1999), in the past Apartheid epoch, traders of craft were afraid to sell their products around Kruger National Park because of police arrests, and municipal authorities or conservation authorities' persecution. These days, this has changed in a sense that the industry is growing with increasing numbers of road stalls or flea markets occurring along main national routes, as well as in main cities.

Poverty and inequality as well as lack of employment are the main factors driving people into informal economy "survivalist activities", especially trade in Non Timber Forest Products (NTFPs). The latter is particularly carried out by the poor segment of society. Statistics related to poverty, inequality and unemployment in South Africa shows that 8 to 18 million South Africans out of a total population estimated at 44 million (in 2000), were living below the poverty line and in poverty (Woolard, 2002).

According to Shackleton (2006), 30% of South Africans are unemployed while 70% of rural households qualify as poor. Poor are individuals or household's members failing to meet basic livelihood's requirements in terms of consumption of some items such as food, clothing and housing (Woolard and Leibbrandt, 1999).

A recent study by Frye (2006) has revealed an increase of poverty from 34.3% in 2000 to 40.5 % in 2005. These trends are more likely to increase as the government is not able to provide employment to the most vulnerable segment of the society. Thus, due to the incapacity of the formal economy to create jobs, survivalist activities such as roadside trade of woodcarvings will continue growing as they offer low capital entry to poor people (Shackleton, 2006).

The ability of woodcarving to sustain the livelihood of people venturing in this trade has been well documented and case studies carried out around developing countries have been convincing (CIFOR, 2002; Campbell *et al.*, 2005). In the case of Kenya, the industry provides livelihood to 300,000 people (Campbell *et al.*, 2005) while in Saharanpur (India), the industry provides employment to 50,000 people (CIFOR, 2002). However, the industry as well as woody resources used for carving purposes were unsustainably managed for example in Kenya (Choge *et al.*, 2002; Choge, 2004a) and Zimbabwe (Braedt and Campbell 2001; Standa-Gunda, 2004).

1.2 Problem statement

The role of wood products in sustaining livelihoods of forest dependent people (e.g. rural and peri-urban communities) is increasingly recognized. This role ranges from daily subsistence to income generation (Shackleton and Shackleton, 2003; 2004a). It contributes significantly to households and the national economy of many developing countries (López and Shanley, 2004; Campbell *et al.*, 2005). Commercialization of wood carved curios has therefore the potential to provide income and improve the livelihood of people involved in the trade. Indeed, in some cases woodcarving commercialization has lifted people out of poverty. In Oaxaca (Mexico), the trade of woodcarving provided an estimated US\$ 2,500 per year to a carver's household

(CIFOR, 2002). In Bali (Indonesia), trade based export of curios was annually worth US\$ 100 million (CIFOR, 2002).

Statistics related to poverty and unemployment in South Africa, and especially the Western Cape Province indicate that up to 40% of South Africans live below the poverty line (Kingdon and Knight, 2004), represented by a monetary value of R 3, 000 per annum (2000 estimates) (RSA, 2007).

Thus, 18 million out of 45 million of people lack government support directed towards improvement of social and economic condition of the poor country-wide. In addition, poverty in South Africa presents racial connotations with more of the African population living in poverty. Moreover, poverty is much higher in rural than urban areas (DFID & URCT, 2004) and varies across the nine provinces of the country (Klasen, 1997). In rural areas, the poverty rate has been estimated at 75%, three times higher than poverty levels observed in urban areas. Furthermore, Woolard (2002) has shown that poverty is a function of geographical locations with more poor people encountered in rural environments (62%) than in small towns (32%), and secondary cities (25%) and metropolitan areas (13%). Klasen (1997) has shown that Eastern Cape and Northern Cape are classified among the poorest provinces of the country with poverty rate evaluated at 70%, while Gauteng and Western Cape are among the richest provinces with a poverty rate of 20%.

With regard to unemployment, Kingdon and Knight (2001) have shown that the level of unemployment in South Africa is estimated at 36%, which is one of the highest in the world. Furthermore, income inequality in South Africa is among the highest in the world (Klasen, 1997). This feature is mainly the result of the past South African regime, which was based on exclusion of other races. Despite the relatively low rate of poverty, the Western Cape Province is characterized by unequal distribution of income among population groups (Woolard, 2002).

It is therefore crucial in the particular context of the Western Cape Province, to assess the ability of the woodcarving trade to improve the livelihoods of communities engaged in the trade. Achieving the latter will require:

- I. Studying the profile of communities engaged in small enterprises development.
- II. Mapping the value chain analysis.
- III. Assessing the livelihoods and economic value generated by the trade.
- IV. Assessing constraints, challenges faced by the industry and the sustainability of the trade.

1.3 Objectives

1.3.1 Overall objectives

The main objective of this research study was to investigate the role played by woodcraft trade in communities involved in small enterprise development as well as to assess the extent to which woodcarving trade can contribute to sustain the livelihoods of communities engaged in this trade in Cape Town and the rest of the Western Cape Province of South Africa.

1.3.2 Specific objectives and research questions

This research study was constructed around the following specific objectives and research questions:

Objective 1

- I. To study the profile of communities engaged in small enterprises development in the Cape Town area in terms of age distribution, education level, gender, marital status and nationality composition.

Research questions

- Is there any nationality difference regarding people's involvement in the sale of wood carved items?
- Is there any gender difference regarding people's involvement in the sale of wood carved items?
- Are people with higher education levels more likely to be involved in the sale of wood carved items than people with lower education levels?
- Are married people more likely to be involved in the sale of wood carved items than unmarried people?

Objective 2

- II. To map the value chain of the woodcarving trade.

Research questions

- What are the species traded, their country of origin, and means of transportation to bring woodcarvings to South Africa?
- Who are the main actors involved along the market chain and power-relation between them?
- What marketing strategy, processing stages, and pricing methods do sellers use for the commercialization of woodcarvings?

Objective 3

- III. To assess the economic value of the woodcarving trade and its ability to sustain the livelihood of communities depending on the trade.

Research questions

- Is there any influence of socio-economic characteristics (e.g. gender, age, marital status, education level, experience) on communities engaged in the trade and their level of income?
- Does the woodcarving trade generate income, employment and satisfaction for people involved in the trade?
- What is the relationship between income and the community's level of satisfaction regarding the trade?
- What is the impact of problems related to the supply of resources and level of income of communities engaged in the trade?
- How can those communities overcome factors threatening their livelihoods?

Objective 4

- IV. To investigate the socio-economic and institutional constraints that prevent communities involved in woodcraft industry from benefiting further in the trade of woodcarving as well as the sustainability of the trade.

Research question

- Is there any policy constraint regarding sellers' access to livelihood assets?

1.4. Overview of the study

This thesis consists of the following six chapters:

Chapter 1 is an introductory chapter setting the background of the study by assessing the rationale behind the growth of the woodcarving trade in developing countries, especially in the Western Cape Province, South Africa. It also strengthens the motivations behind the deployment of the study as well as the ability of the woodcarving trade to sustain the livelihood of poor people who depend on NTFPs,

as it is poorly recognized. Objectives and research questions of the study are highlighted.

Chapter 2 reviews the importance of the woodcarving industry from a range of case studies world-wide. The sustainable livelihood framework has been used as a tool to (i) study communities engaged in woodcarving trade in terms of nationality, age, marital status, education level, experience, wealth, etc., (ii) assess the economic value of the trade, as well as issues and challenges that face communities engaged in woodcraft trade along with the sustainability of the industry.

Chapter 3 provides some information related to population and tourism activity in the Western Cape, especially Cape Town and its surroundings. This section also focuses on the description of the research methodology of the study. Additionally, this section stresses the importance of value chain analysis (VCA). This framework is very important because it identifies all actors involved from source of the market chain to final stage of market (consumers), power-relations linking players along the market chain as well as possible policy interventions. Lastly, the limitations of the research study are highlighted.

Chapter 4 presents the results and interpretation section of the research study. Tables and histograms have been used to illustrate and interpret the analysis of the data and comparison of variables.

Chapter 5 has been devoted to the discussion section. Each objective of the study has been discussed separately, while highlighting cross-cutting issues related to gender difference, vulnerability (seasonality) and institutional constraints that affect the sustainability of the woodcarving industry.

Chapter 6 provides conclusions of the study by summarising the most salient findings that have been critically discussed in the previous sections. Lastly, the researcher has suggested some key recommendations that may help in sustaining the trade and the industry as a whole.

CHAPTER 2.0 LITERATURE REVIEW ON INFORMAL ECONOMIC ACTIVITIES

2.1 Significance of the livelihood framework and its components

This study used the sustainable livelihood framework (SLF) (Figure 1) as a guidance framework. The livelihood framework puts either household or people (unit of analysis) in the centre of development (DFID, 2000). In this study the unit of analysis was represented by the trader at his working place. The SLF is dynamic and changes in response to both pressure coming from outside and people's choice regarding their approach to satisfy their livelihood (Norton and Foster, 2001). The SLF is also constructed around key core assets (DFID, 1999).

In the context of this study, the SLF (Figure 1) comprises five components mainly (i) vulnerability context (e.g. shocks, trends and seasonality), (ii) livelihood assets (e.g. human, social, financial, physical, and natural assets), (iii) transforming structures (e.g. government) and processes (e.g. law and policies), (iv) livelihood strategies, and livelihood outcomes, for example increasing income and well-being. The significance of each component of livelihood framework will be highlighted in the section below.

Vulnerability context represented by shocks, trends and seasonality have the potential to deteriorate assets available to the poor (Ellis and Allison, 2004). Thus, assets are important for the poor segment of a society as they shape their livelihood and their future. The way out of poverty for underprivileged people depends on their ability to use and combine assets available to them (Ellis and Allison, 2004) as well as level of their assets (Moser, 1998). Meikle *et al.*, (2001) have pointed out that poverty has been triggered by lack of access to vital assets rather than access to wealth in most of the cases. Thus, smoothing progress based on poor people's access to assets has a potential to open up opportunities for the poor to meet their needs, as those assets require low capital investment. Seasonality and resource

scarcity will be illustrated as factors causing people's vulnerability and threatening their livelihood.

Seasonality refers to either a particular time of the year and/or tourist arrivals. The latter drives demand for products. It has been pointed out in CSG (1998) that in the summer season, "craft traders" earn more money as a result of an increased demand, which in return is driven by tourism flow. On the contrary, in winter, craft traders earn low income as a result of fewer tourists. The same trends have been reported by Shackleton and Shackleton (2004b) who pointed out that the market for carvings fluctuates widely according to tourists' demands.

In terms of resource scarcity, increased harvesting of forest resources leads to resource depletion, especially in cases of species with restricted geographical distribution (Cunningham, 2002). Increased harvesting of forest resources that is not followed by sustainable use and management of natural resources leads to natural resource degradation (Chonga, 1999; Barrow *et al.*, 2002). The problem of resource degradation impacts negatively on the livelihood of people who depend on forests and related resources to sustain their livelihoods. It has been revealed in IUCN news (2002) that the livelihood of over one-third of Africa's land area is pressurized by desertification, especially in Mediterranean Africa, the Sudan-Saharan region and Southern Africa. Additionally, deforestation threatens the livelihood of 1.7 billion of forest dependent people worldwide. Furthermore, it has been estimated that 200 million people live in and depend on forests to meet their needs in terms of food, medicine, and shelter worldwide. These figures call for awareness regarding the importance of natural resources and application of sound practices in the use and management of natural resources to ensure long lasting benefits.

The role of transforming structures (for instance government, private sector) and processes (law, policies) are crucial in directing financial support and skills development that will best meet the needs of the poor segment of the society and secure their livelihood (Meikle *et al.*, 2001). Furthermore, efficient interaction between these structures and processes is fundamental to strengthen and secure

the livelihood of disadvantaged communities. Thus, researchers (Thomson, 2000; Dorward 2001; Norton and Foster, 2001; DFID, 2002; Morris and Ingles, 2003; Pinglé, 2005; IFAD, 2007) have suggested that enabling processes (e.g. law, policies) have the potential to set a platform for the sustainable development of lower income people. However, putting in place a favourable environment, requires an extensive understanding of how the underprivileged people cope and mitigate risks (e.g. shocks, trends and seasonality) as well as the negative impact of institutions on their ability to access livelihood assets (DFID, 2000).

Livelihood strategy refers to the way that people use assets and combine them to meet their needs (Meikle *et al.*, 2001) and secure themselves from hard times. In that particular phase, the ability of poor households to effectively use assets and their decision-making abilities are challenged because the outcome of their decisions can lead to either their security or not. Thus, poor decision-making and the inability to effectively use available assets will depreciate their livelihood. The same outcome can also be evidenced in cases where inappropriate policies are set in place by relevant institutions. Additionally, it has been shown in PMEDP (2002) that livelihoods of the poor can be restrained as a result of inappropriate policy related to the way that unfortunate people access and use resources.

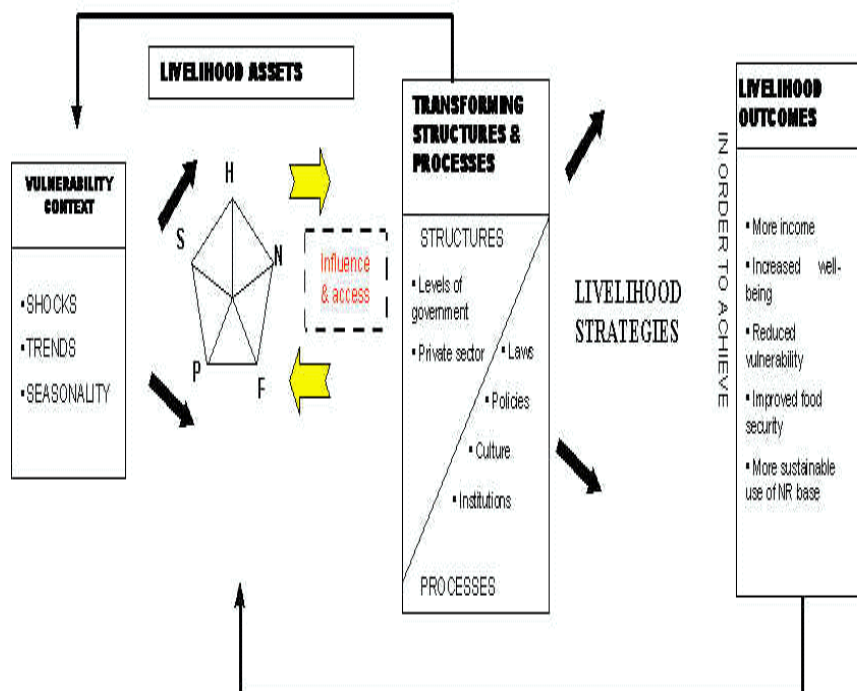


Figure 1: Sustainable livelihood framework from DFID (2000)

2.2 Livelihood diversification framework in the context of this study

Figure 2 shows the schematic presentation of the livelihood diversification framework in the woodcraft industry. The framework starts with livelihood diversification, which represents the ability of traders of handmade crafts to diversify their household's income through carrying out multiple activities. In the context of this research study, livelihood diversification of woodcraft traders consisted of mainly three sources of income (i) sale of wood carved products on a part or full-time basis (Shackleton, 2003, 2004a), (ii) sale of natural products other than woodcarvings, (iii) household income provided by family members of traders of carvings (Shackleton, 2003, 2004a).

These three sources of income together contribute to the overall household's income. Money earned by traders and their family members is used to meet their individual and households needs. In a South African study, Shackleton and Shackleton (2003; 2004a) have pointed out that income generated by trade of

woodcarvings is used to pay school fees and meet the basic household needs. The same trend has been reported by the study of Matose (2006) related to woodcarving commercialization around Victoria Falls, Zimbabwe.

As can be seen in Figure 2, strengthening livelihood assets (e.g. natural, human, financial, social and physical) available to traders of woodcarvings requires a policy and institutional framework. The aim of this policy should be to put in place an environment favourable to the growth of the woodcarving industry. This policy should aim at: (i) securing right and access, (ii) promoting and building skills, (iii) supportive environment (e.g. low entry barriers, micro credit and microfinance facilities), (iv) reducing vulnerability to shocks, seasonality and trends, (v) policy taking into account multi-livelihood strategy of people engaged in commercialization of artefacts (Shackleton, 2006).

Achieving such a policy and institutional framework will more likely lift poor people (e.g. traders of wooden curios) out of poverty. More importantly, it will contribute to reducing their vulnerability regarding seasonality, shocks, and improve their livelihoods in terms of income, well-being, and sustainable use of natural resources (DFID, 2000, Meikle *et al.*, 2001, Ellis and Allison, 2004, Shackleton, 2006).

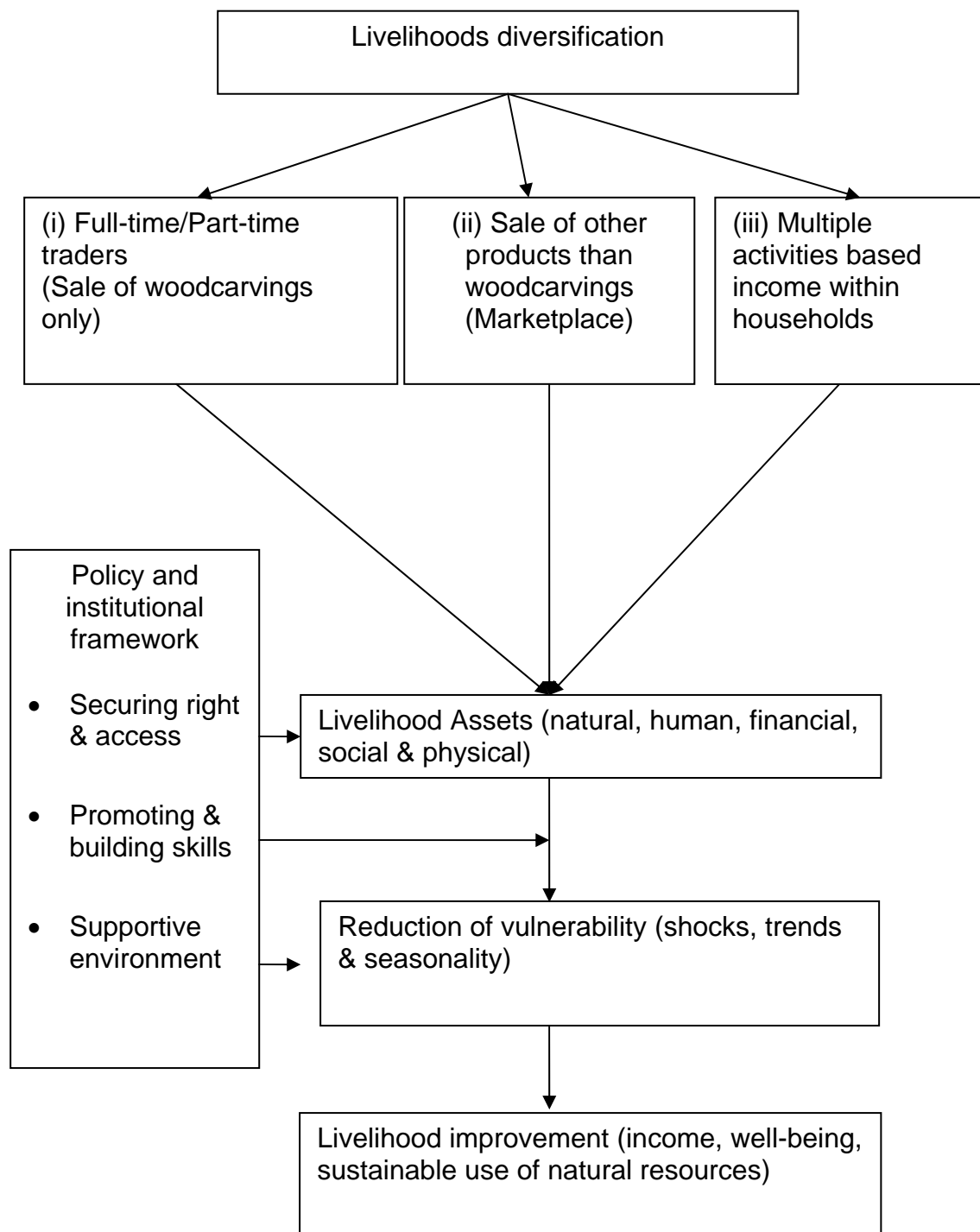


Figure 2. Livelihood diversification framework adapted from Ellis and Allison (2004)

In the context of this research study, the sustainable livelihood approach was used as a tool for assessing:

- (i) community profiles in terms of socio-economic characteristics for better understanding of their needs,
- (ii) the role played by woodcarving trade within communities living around Cape Town area in reducing risk and vulnerability for example shocks, seasonality, and trends, and sustaining the livelihood of those communities,
- (iii) constraints and challenges that woodcarving industry faces as well as the role played by government in alleviating those issues.

This study should therefore draw attention to the sustainability of the trade and the livelihood of those communities.

2.3 Socio economic profile of woodcraft traders and driving factors

From case studies carried out worldwide, it has been found that the trade of woodcarving is gender segmented, with male dominance (Shackleton and Shackleton, 2003; ID21 NRH, 2006). Despite the absence of women in carving activities, their presence in brush industry and marketing of marula beer as well as crafting activities such as weaving, is considerable (CSG, 1998, Shackleton and Shackleton, 2003). The participation of women is also more pronounced in processing stages (e.g. polishing finishing) and along the market chain (Steenkamp, 1999; Barrow *et al.*, 2002) as well as at marketplaces for the sale of woodcraft products (Standa-Gunda and Braedt, 2004; Sunderland and Ndoye, 2004).

With regard to marital status, married people are more involved in carving production than single people (Faleyimu and Agbeja, 2004). The rational driving the former is mainly retrenchment, family problems (Shackleton and Shackleton, 2003) as well as economic and family responsibilities (Faleyimu and Agbeja, 2004).

There is a noticeable age segmentation regarding the involvement of people in informal activities, especially woodcarving trade with the dominance of certain age

groups (Nkuna, 2004). The woodcarving industry is dominated by older people, rather than young adults (Shackleton and Shackleton, 2003; Faleyimu and Agbeja, 2004). The participation of old people compared to young adults in crafting activities is particularly important as experience and skills are key criteria for shaping the right products, especially in the skill dependent industry (Nkuna, 2004). However, if good health in relation to age is taken as a criterion of business productivity, labour intensive activities dominated by older people can be seen as problematic. Based on that criterion, Nkuna (2004) has speculated that the woodcarving industry tends to be dominated by young adults because they are more dynamic and mobile compared to older people.

Moreover, the woodcarving industry also tends to be dominated by young adults if risk taking ability is considered as a measure of business productivity. A recent study by Matose (2006) has shown that woodcraft curio trade in Victoria Falls (Zimbabwe) tends to favour young people at the expense of women and older men because of the risky nature of the woodcarving activity.

In terms of livelihood activity, Shackleton and Shackleton (2003) have stated that older people (more experienced in carving production) consider the woodcarving trade as their main livelihood activity while young people regard it as temporary activity. Experience, is regarded as a key factor allowing more experienced sellers to take advantage of market opportunities, compared to less experienced sellers (Nkuna, 2004). As is the case in most informal activities, communities engaged in the trade of NTFPs (e.g. woodcarving) are particularly poor and lack education (Shackleton and Shackleton, 2003). Educational level (e.g. reading and writing) and numerical skills are key factors shaping people's revenue. Nkuna (2004) has supported the latter statement by stating that educated people have a greater advantage over less educated people when it comes to taking advantage of market opportunities.

Growth of the woodcarving trade has been stimulated by various key measures and varies from country to country. In the case of South Africa, the growth of the sector

has been supported by: (i) South Africa becoming democratic in 1994, (ii) the removal of trading barriers, and (iii) the increase in tourist numbers (Steenkamp, 1999). On the other hand, in Chivi District in Zimbabwe, the woodcarving industry was triggered due to other factors such as: (i) the devaluation of the currency, (ii) structural adjustments and (iii) failure of the formal sector to create employment (Matose, 2006). In addition, the positive trend of tourism in the Southern African Development Community (SADC) region has also played a key role in the boom of the industry. Braedt and Campbell (2001) have acknowledged that the growth of tourism industry has led to an increase of craft production for commercial purposes.

2.4 Importance and contribution of the woodcarving industry

2.4.1 Characteristics of the industry

Woodcarving is a labour intensive activity (Nkuna, 2004) requiring dedicated people and much effort, especially in busy seasons when markets are flooded with tourists. Woodcarving is comprised of several activities, among them harvesting, collection and transportation, carving and adding value to wood. This latter stage determines the worthiness of the final product (Nkuna, 2004). The CIFOR (2002) study highlighted in a sense that “highly” processed wood will fetch higher prices at marketplaces than less processed wood. As a result, poor final touch of the products will reduce considerably the chances of products being sold at a high price.

South Africa is a small producer of carved wooden items in comparison to well established producers of woodcarvings such as Malawi and Zimbabwe (Steenkamp, 1999). Policy based restrictions on access and commercialisation, as well as increasing competition for resource use from other sectors, for example agriculture, building materials and energy use (e.g. fuel wood, charcoal) are among the factors explaining the low carving production observed in the South African’s woodcraft industry (Steenkamp, 1999, Nkuna, 2004).

A positive relationship exists between the growth of the woodcarving sector and tourism industry. The woodcarving sector is perceived as a benchmark for tourism growth as it attracts tourists, both foreign and local (CIFOR, 2002). In Zimbabwe, the number of woodcraft markets increased from five to 200 between 1980 and 1999, as a result of a boom in tourism.

Typical of forest based enterprises, the craft industry of South Africa requires low capital investment for the poor (CSG, 1998, Shackleton, 2006). The number of people in this industry tend to fluctuate with time and as new opportunities arise (CSG, 1998). Shackleton and Shackleton (2003) found that people join and leave the NTFPs trade when new opportunities are offered by the formal sector.

Supply chain or value chain analysis (VCA) defined by Schmitz (2005) as a set of stages (activities) needed to manufacture a product or catering a service, represents a cross border trade involving SADC countries. The supply chain can be complex (Kaplinsky and Morris, 2002), with players such as producers, middlemen and traders undertaking multiple activities along the chain. Producers of woodcarvings are not rewarded for their effort because middlemen pay low prices for goods purchased (Shackleton and Shackleton 2003; 2004a). Thus, carving activities are seen as low income sources, especially in rural areas.

Manufactured wood can be purchased either in cash or on credit. The latter means of wood purchase has been criticized by Makhado and Kepe (2006) because producers of goods often wait very long before being paid for products taken on credit. Income as well as prices of goods fluctuate along the market chain, with higher prices upper stream than at down stream markets (CIFOR, 2002). Price of goods is a function of supply and demand relationship, consumers' willingness to pay for goods and services, beauty and aesthetic value of end products, complexity of processing stages, sellers-buyer relationship, and sellers' urgent needs of cash at the particular time of a transaction (Powicke and May, 1964, CIFOR, 2002, Faleyimu and Agbeja, 2004, Nkuna, 2004).

2.4.2 Contribution of the woodcarving industry in sustaining livelihoods

Forests and their related products such as NTFPs play a vital role in the livelihood of rural and urban poor, by fulfilling different functions, especially “safety net” and “emergency net” functions. A wide range of literature from around the world has emphasised the importance of these two functions in meeting the needs of poor people, especially when their main economic activities (e.g. agricultural activities) have failed (Shackleton and Shackleton, 2003; 2004a, Sunderland *et al.*, 2004; Sunderlin and Huynh Thu Ba, 2005). In this particular time of “hunger”, there is an increasing harvesting and commercialisation of forests and related products so that poor people can cope with shortages of their main economic activities.

In South Africa crafts industries provide employment to the most vulnerable segment of the society (CSG, 1998). The latter represents 15 million people or about 25% of the national labour force. The ability of woodcarving trade to provide employment to the most vulnerable segment of the society has been reported in several studies (Steenkamp, 1999, Shackleton and Shackleton, 2004a). In South Africa for example, the woodcarving industry provides to households an income estimated at US\$ 500-2,000 per year, corresponding to 80% of those households’ cash (CIFOR, 2002). In Kenya, the woodcarving industry offers employment to 80,000 carvers, corresponding to half a million people beneficiating from the industry countrywide (Chonga, 1999). In Bali (Indonesia), the export based woodcarving industry has been estimated at US\$ 100 million per year, while in Saharanpur (India), the industry is worth US\$ 65 million, and provides employment to 50,000 people (CIFOR, 2002).

Several researchers have highlighted the fact that the growth of the woodcarving industry is closely related to the trend in the tourism sector (CIFOR, 2002) and contributes quite notably to national economies of developing countries (CSG, 1998; Spenceley, 2003; Mamadi, 2004). The South Africa tourism sector is ranked fourth as a foreign exchange contributor, accounting for 8.2% of the national economy (Spenceley, 2003).

2.4.3 Socio-economic and institutional threatening factors and sustainability of the industry

Despite the good trends of the woodcarving industry and its potential to sustain the livelihood of many dependants, the industry is threatened by factors such as seasonality (Shackleton and Shackleton 2003; 2004a; Matose, 2006), access to resources (CIFOR 2002; Shackleton and Shackleton 2003), arrival of tourists (Matose, 2006), supply-demand imbalance (CSG, 1998; CIFOR 2002, Cunningham, 2002; Sunderland and Ndoye, 2004), resource scarcity (CIFOR 2002, Choge *et al.*, 2002), quality of wood (Steenkamp, 1999; CIFOR 2002, Nkuna, 2004), consumption patterns, environmental conditions (e.g. weather), and products on sale (CSG, 1998).

2.4.3.1. Seasonality and financial constraints

Periods of lean months for people engaged in the trade of natural resources (e.g. woodcraft curios) vary according to people, regions and seasons of the year (CSG, 1998). Shackleton and Shackleton (2003; 2004a) have shown that traders of natural resources are better off in summer than in winter as a result of higher tourist arrivals. In winter, sellers of natural resources (e.g. woodcraft curios) experience periods of low profit margins or no income at all. Matose (2006) has revealed in his study related to the trade of woodcarving around Victoria Falls, Zimbabwe that sellers of artefacts experience shortage of income in months falling between February and June, excluding Easter holidays, as well as between September and November. Furthermore, (Shackleton and Shackleton, 2004b) also found that traders of natural resources (e.g. Kiaat carvings) within rural environments of South Africa, experience better profit margins during Christmas and Easter holiday periods.

As acknowledged in OEP (2005), people engaged in informal activities lack financial support from relevant institutions. In a particular case of woodcarving trade in Oyo (Nigeria), it was shown that most of the traders had ventured into the activity as a result of their personal investments, (Faleyimu and Agbeja, 2004). Shackleton and

Shackleton (2003; 2004a) reported similar findings in South Africa whereby producers of carved items, beer brewers (e.g. marula cream) as well as brush sellers started trading in NTFPs with their own starting capital. A recent study by Sriram and Parhi (2004) criticized the lack of micro-credit and micro-finance schemes directed towards small and medium enterprises that could have stimulated people's ability to expand their activities and take better advantage of market opportunities.

2.4.3.2 Social constraints

It has been emphasised by Tamasane (2002) that social capital, such as extended families and social organizations, has the potential to improve socio-economic conditions as well as policy and institutions shaping societal behaviour. In Kenya, cooperatives have the potential to teach wood carvers how to assess costs of goods produced as well as suitable pricing methods (Choge *et al.*, 2002). Achieving this will offer wood carvers better economic returns from their trade. However, in Oyo (Nigeria), the role of cooperatives was directed towards promoting wood carvers' skills and marketing their products (Faleyimu and Agbeja, 2004).

2.4.3.3 Natural constraints

The problem of resource degradation currently observed in many developing countries has been the result of increasing unsustainable commercialization of NTFPs (Sunderland and Ndoye, 2004). Unsustainable management of NTFPs has led to depletion of the resource base in many developing countries such as (Kenya) *Brachylaena huillensis*, (Malawi) *Dalbergia melanoxylon*, (Indonesia) *Diospyros celebica*, *Zanthoxylum rhetza*, (Oaxaca, Mexico; Indonesia); *Bursera spp.*, (Central Australia) *Erythrina vespertilio* and (Ghana) *Holarrhena floribunda* (Cunningham, 2002). The result of this situation has been restraining the livelihoods of people who depend on these resources to meet their every day needs as well as worsening their state of poverty. In South Africa, resource degradation has been driven by factors such as land conversion into agriculture, land exploitation for fuel wood, charcoal, construction and other uses (Steenkamp, 1999). As a result, the livelihoods of

people who depend on wood for carvings have been considerably restricted and their survival almost jeopardized.

2.4.3.4 Human constraints

According to UNDP & RIQL (2001), informal sectors are particularly labour intensive activities requiring people to work over standard working hours or days. Shackleton and Shackleton (2003) have shown that woodcarvers in South African rural communities work 6 days a week. The informal economy is characterized by unskilled labour that works under adverse conditions (OEP, 2005). The poor quality of wood in the woodcarving industry has to do with the lack of skilled labour force (CIFOR, 2002). There is therefore a need to upgrade people's skills and technology (Nkuna, 2004).

The South African craft industry also faces the problem of low quality human capital such as skills, technology and marketing ability (CSG, 1998). The lack of these crucial skills impact negatively on the ability of people engaged in the industry to take advantage of occurring opportunities. However, despite this negative picture presented by informal activities, Chonga (2005) and CIFOR (2002) have highlighted the tremendous ability of the woodcarving industry of Kenya to provide employment to over 80,000 carvers and a source of livelihood to 300,000 household dependants, respectively.

2.4.3.5 Physical constraints

The study of UNDP & RIQL (2001) has underlined some of the characteristics of the informal sector. These characteristics initially formulated by the International Labour Organisation (ILO) in 1972 range from easy entry to labour intensive activities. Informal activities such as roadside trade of woodcraft curios are particularly characterized by poor working conditions, and lack of proper infrastructure (Devey *et al.*, 2003). However, the study by Standa-Gunda and Braedt, (2005) in Chivi communal area in Southern Zimbabwe revealed that the physical environment in

which traders of wooden craft products carry out their activities (marketplaces) are composed of basic infrastructure with shelters, potable water and sanitation.

2.5 Coping mechanisms in the trade of woodcraft curios

In order to cope with factors of vulnerability, sellers of woodcraft curios put in place coping mechanisms. For example, when markets are busy, craft traders tend to hire assistants (CSG, 1998). This coping mechanism is similar to the emergency “net function” highlighted by Shackleton and Shackleton (2003). They showed that the increased harvesting and commercialisation of NTFPs in times of hardship does not reflect the actual use of resources by rural poor. It represents a coping mechanism put in place by poor people to cope with hard times (e.g. crop failure, retrenchment). However, the high rate of harvesting and use of natural resources initially observed in time of hardship, shifts towards a lower rate of access and use of NTFPs (Shackleton and Shackleton, 2003; Sunderland and Ndoye, 2004).

Another coping mechanism put in place by sellers of wooden carved curios is related to livelihood diversification of households. This mechanism is particularly important because it allows households to meet their needs and secure their source of livelihood through multiple activities that generate income (Ellis and Allison, 2004).

CHAPTER 3.0 STUDY AREA AND METHODOLOGY

3.1 Socio-economic profile of the Western Cape Province

3.1.1 Population

The Western Cape Province is located in the south western part of South Africa. The Province is bordered by the Northern Cape Province in the north, Eastern Cape Province in the east, Indian Ocean in the south, and Atlantic Ocean in the west. The population of the Western Cape Province is 10, 88% of the whole country, which is estimated at 48, 5 million people (Statistics South Africa, 2007).

3.1.2 Economy

According to Lehohla (2004), the unemployment rate of less than 18, 6% in the Western Cape Province is lower than that of the other provinces. The gender difference regarding labour force in the informal sector generally shows that there are more females involved than males but the reverse is true for the Western Cape (Lehohla, 2004), where twice more males than females are involved in the informal economy. The growth rate of the Western Cape Province (5,7%) was higher in comparison to other provinces such as Gauteng (5,4%) and Northern Cape (3,9%) (Statistics South Africa, 2006). Furthermore, the Gross Domestic Product (GDP) of the Western Cape has been estimated at 14,4%, being only third to Gauteng (33,3%) and KwaZulu-Natal (16,7%) (Lehohla, 2004).

Thomas (1999) stated that the Western Cape represents an important tourist industry with a contribution to the South African tourist market estimated at 26-28% (1997 estimate). Additionally, this industry in the Western Cape attracted over 50% of foreign tourists visiting South Africa in 1998. Furthermore, WCDEAAT (2002) has shown that the Western Cape tourism sector is booming as the province moves towards the 2010 Football World Cup. Thus, it has been predicted that: (i) the number of foreign tourists to the Province will rise from 0.8 to 3 million by 2010, (ii)

foreign tourist expenditure will increase from R 7.2 billion to R 22 billion by 2010 (1998 price estimates), and (iii) domestic tourism expenditure will increase from R 8.2 billion to R 12.7 billion (1998 price estimates). The growth in tourism creates an opportunity for entrepreneurs of business ventures, such as woodcraft trade, to earn a better living from their trade. However, this might not happen without significant help from government and relevant institutions who should create an ideal environment and institutional framework for “survivalist” business ventures such as the woodcraft trade.

The city of Cape Town has a dual economy consisting of the formal and informal economy. The formal economy is well structured and develops in an environment favourable for its growth while the informal economy is underdeveloped and operates in a difficult environment according to the Western Cape Socio-Economic Profile WCSEP (2006). The informal economy generates about 12% of revenue and employs 18% of the economically active population of the city of Cape Town.

Cape Town has been claimed by Morris (1991) as a charming place to live in and visit. Cape Town and its surroundings provide a variety of destinations to visitors, e.g. Table Mountain, Robben Island, Cape Point, Old Museum, the Garden Route and Camps Bay. According to Skinner and Fraser (2006), Cape Town represents one of South Africa’s most important tourist destinations as it presents a modern architecture and relaxing environment for visitors. This environment is favourable for tourism growth and has played a crucial role in the development of informal market trade in handcraft products. As a result, street trading activities of artefacts in the city of Cape Town has increased.

3.1.3 Surrounding marketplaces of Cape Town

According to O’hagan (2001), informal flea markets occur in the city of Cape Town, for example Green Market Square. This flea market offers numerous handmade products (e.g. crafts and wooden carved products) to people, especially tourists (Barker, 1991).

Fountain Market, close to Green Market Square, offers tourists a variety of wooden craft products and other hand made products. Fountain Market and Green Market Square are both under the control of the municipality of Cape Town as well as private tendering as revealed during an in-depth interview with responsible authorities of the Metropolitan City of Cape Town.

Hout Bay, which is 15 km away from Cape Town, is known for its harbour. Hout Bay represents an important tourist hub of Cape Town and an economic activity for people living in the suburb (O'hagan, 2001). This tourist attraction has stimulated an informal woodcraft market.

Hermanus is 115 km east of Cape Town on the south coast of South Africa. According to Burman (1989), Hermanus is "unique" regarding its population and environment. Hermanus comprises a beautiful combination of sea (fishing harbour), restaurants, and mountains attracting tourists. In addition, Hermanus offers tourists a museum, nature reserve, and a quiet lagoon, which is an ideal resting environment for visitors (Barker, 1991). It is an important tourist hub of Cape Town, known for its whale-watching festival (O'hagan, 2001). The whale-watching festival is an important economic activity which attracts many tourists in August and September. This tourist attraction has stimulated informal woodcraft markets.

Stellenbosch is 45 km from the main city of Cape Town. It is the oldest town in South Africa besides Cape Town and is well known for its wine industry (Barker, 1991; 1992; Skinner and Fraser, 2006). The surroundings of Stellenbosch represent one of the most popular tourist attractions in the south-western Cape (Barker, 1991). Besides the wine industry, the cultural history and aesthetic beauty of the town have driven the development of tourism in the town (Simson, 1992; Skinner and Fraser, 2006).

Franschhoek is situated about 45 minutes from Cape Town and is known for its wine industry and farming activities (Skinner and Fraser, 2006). Franschhoek is also well known for its informal craft and local goods trading commerce.



Figure 3: Map of the Western Cape showing the study area around Cape Town¹ (adapted from www.safarinow.com)

3.2 Methodology

3.2.1 First entry

Several visits were made to the craft market of Stellenbosch in order to initiate contact with the population of interest before undertaking the pilot study. The rationale behind those visits was to stimulate participation of communities involved in the trade into the research process. According to Nkuna (2004), the level of

¹ Green Market Square and Fountain Market (not indicated on the map) are study areas visited in Cape Town.

community participation in a research study (e.g. woodcarving trade) depends on the ability of the researcher to negotiate successfully; thus establishing interpersonal relationship with communities, especially during the pilot study. In the case of this research study, some of the sellers of wood-carved items were not enthusiastic to participate in the project because they were suspicious about the “real” purpose of the study. They thought that the outcome of the study might be used against them, for example removing them from trading sites.

3.2.2 Pilot study

A pilot study is defined by Wilson (1996) as a small research study carried out prior to the final research. According to Allison *et al.*, (1996), a pilot survey is a small version of the future research survey which aims at collecting a small sample, and assessing the feasibility of the research study. Burton (2000) has pointed out that the pilot study has its objective as to assess the effectiveness of the sampling method, level of responses of people interviewed, and assessing the quality of coding method used. Wilson (1996) considers that a pilot study helps researchers to test the strengths and weaknesses of both research design and methods upon which the research study is constructed.

The initial pilot study was based on two types of questionnaires, i.e. a shop owner and shop assistant questionnaire. As a result of lack of participation of shop assistants in the research process, the shop assistants' questionnaire could not be further carried out. The pilot study was conducted at Stellenbosch craft market where there are 18 stalls or shelters. However, only 14 of the owners were willing to respond to the questionnaire. Data collected were analysed before the final questionnaire was adjusted and refined to meet the objectives of the study. The pilot study had four main objectives: (i) to communicate with the targeted population, (ii) to identify knowledgeable key informants, (iii) to test the reliability of the questionnaire, (iv) to acquire information related to value chain analysis (VCA), marketing of woodcraft curios as well as determination of prices of items.

Thus, the structured questionnaire used in the pilot survey was field tested at the craft market of Stellenbosch with a small sample of traders (N=14) before the questionnaire was finalized. However, focus group discussion could not take place during both pilot study and final fieldwork research, due to shop owners not attending meetings that were convened. The reason for non-attendance of meetings was that the street traders felt that it would be a waste of their valuable time. In order to overcome this difficulty, it was decided that more time would be spent in the field to capture more information through in-depth interviews with traders and key informants. In-depth interviews were also carried out with municipal authorities during both pilot study and final fieldwork research, to obtain information related to services that municipal authorities provide to communities engaged in street trading in artefacts.

3.2.3 Sampling

Population is defined as a set of elements upon which the researcher wants to make deductions (Scheaffer *et al.*, 1986). In the context of this research study, population was represented by the community involved in street trading of wooden carved curios in the vicinity of Cape Town, Western Cape, South Africa. Due to the small population size within each marketplace, it was decided that all shop owners should be interviewed, thus providing a 100% sampling for data collection. This method is particularly important because it represents perfect knowledge without any unexplained errors (Bredenkamp, pers.com.). However, the interview was voluntary and in cases where sellers refused to participate in the interview, the next shop owner was interviewed.

3.2.4 The main research phases

The triangulation method was used for data collection of this research study. According to Ritchie (2003), the triangulation method comprises different methods which aim at measuring the reliability of data gathered and helps the researcher to draw consistent conclusions on the basis of data in the researcher's hands. This

method provides the researcher with a wide understanding of phenomena being studied, especially from different standpoints (Neuman, 2003). In addition, this method allows researcher to strengthen and cross-check data collected as well as findings that will result from the subsequent analysis of the data (Denscombe, 1998). The research methods applied in this study comprised structured interview, in-depth interview with key informants, i.e. street traders and municipal authorities, personal observations, and note taking.

The triangulation method consisting of the above-mentioned research methods was carried out as follows:

Each questionnaire was handed over and completed by shop owners. However, in cases of misunderstanding of questions, the researcher provided extra information. Personal observation and note taking were carried out during the interview or after shop owners had filled in the questionnaire.

In-depth interviews carried out with key informants and municipal authorities allowed the researcher to grasp extra information and cross-check information provided by traders. Each method applied in this study is described below.

3.2.4.1 Questionnaire survey

Initially, the structured questionnaire of the pilot study contained both open and closed ended questions. After the pilot study, the initial questionnaire was improved so that the final questionnaire contained closed ended questions only. In closed ended questions, the researcher sets in advance a range of answers from which respondents will choose alternatives (Denscombe, 1998). According to Burton (2000), this method does not allow the interviewee to speak freely about the topic being discussed. On the contrary, the discussion is controlled by the interviewer, who asks for specific information (Allison *et al.*, 1996). In addition, this method yields responses which are easy to code and thus speed up process based data analysis in comparison to open ended questions (Hinds, 2000).

3.2.4.2 In-depth interview with key informants

Checklists were used to carry out in-depth interviews with key informants, municipal authorities and some sellers. The choice of key informants was driven by the particular status of an individual within the community and their particular know-how (Denscombe, 1998). In-depth interviews are often used in social science research, especially qualitative research. It allows interactive communication and detailed understanding of issues as well as viewpoints of respondents on specific matters (Legard *et al.*, 2003). However, achieving the above requires skills (e.g. good listening skills and memory) and intellectual capability (e.g. logic and critical thinking) which represent key attributes from the researcher. Other qualities, for instance emotional response to the feelings of interviewees and use of checks are also required for successful interviews and quality data collection (Denscombe, 1998).

In-depth interviews with key informants, i.e. municipal authorities and some sellers, conducted in this study was aimed at collecting data based on: (i) supply-demand relationships, (ii) identifying constraints faced by communities involved in the woodcarving trade, and (iii) identifying functions of municipal authorities in terms of services provided to communities engaged in roadside trade of wooden craft curios. The structured questionnaire and in-depth interviews with traders and key informants were also used to capture information related to the value chain.

3.2.4.3 Value chain analysis as method of data collection

The value chain analysis (VCA) was defined by Schmitz (2005) as a set of stages (activities) needed to manufacture a product or supply a service, while Nkuna (2004) considered the VCA as a process aimed at identifying stages based on the production of goods (source of chain) to consumers (marketplace). The structured questionnaire was used to capture information related to the VCA in terms of: (i) identifying various players engaged within the trade, (ii) means of transportation, (iii) species traded, (iv) interactions among various players, and (v) their power relationships. The significance of the (VCA) is assessed in the discussion section.

3.2.4.4 Observations and note taking

Observation is an important tool for data collection. According to Ritchie (2003), observation aims at recording, analysing and interpreting behaviour and actions of a subject of interest. Foster (1996) stressed that observation provides the researcher with opportunity to check, and corroborate information collected from other research methods. In addition, observation as a tool of data gathering allows research to scrutinize what is happening in real life situations (Denscombe, 1998). However, the reliability of data collected through observation has been questioned as the perception of researchers may negatively impact on the quality of data gathered (Foster, 1996; Denscombe, 1998).

Note taking was another important method of data collection in this study. Neuman (2003) defined note taking as a non-verbal way of collecting data. In addition, note taking enables researchers to understand the behaviour of respondents as well as their level of agreement (e.g. head shaking) regarding matters being discussed. In this study, observation and note taking provided information relating to marketing strategies and working conditions of sellers of wooden craft curios.

3.3 Data analysis

Prior to the stage of data analysis, the structured questionnaire was pre-coded and constructed on the basis of closed ended questions. De Vaus (2002) defined coding as a process that aims at transforming responses of interviewees (e.g. open or closed ended questions) into numbers. This process is important in research surveys (e.g. questionnaire) as it facilitates data entry. According to Swift (1996), pre-coding of data reduces time and costs related to data collection, and source of error. The latter occurs at the stage of data entering and can impact negatively on the quality of data collected as well as the outcomes of research. However, the coding process helps researchers to present their raw data better (Neuman, 2003).

Coded data were converted into a suitable format easily readable by the appropriate software. The qualitative and quantitative data were analysed with StatSoft Inc, (2006), i.e. a data analysis software system named STATISTICA, Version 7. Descriptive statistics such as histograms, frequency tables and percentage (%) allowed the researcher to present the profiles of communities involved in commercial woodcarving. Where continuous variables (e.g. income) were compared versus nominal variables (e.g. gender), appropriate analysis of variance methods were used which can be either parametric or non-parametric (if residuals are not normally distributed) (Dunn and Clarke, 1974). Nominal variables were compared with other nominal variables and appropriate contingency tables were used. In all analyses a significance level of 5% was used.

3.4 Strengths and limitations of the research methods

Apart from the merits of the triangulation method of data collection mentioned above, indirect questions contained in the structured questionnaire assessed the wealth status of communities engaged in the trade of woodcarving because traders of NTFPs are not always willing to reveal the exact amounts of their earnings. Such questions included the following:

- Do you own or rent the house you live in?
- Does the house you currently live in have electricity and running water?
- Do you possess a cell phone?
- Which means of transportation do you use to transport goods?

Thus, indirect questions strengthened the robustness of the research used in this study.

A major limitation of this study was that the focus group discussion could not take place because traders were too occupied with their activities. To overcome this, the researcher spent extra time at the study sites. Additionally, this study was unable to estimate the monthly income of traders due to a lack of financial records and trust

between traders and the researcher. Thus, income was measured in terms of sales during “good” and “lean” months. (Matose, 2006) stated that income data are difficult to capture, especially when respondents are suspicious about the real outcome of the study. He found that woodcraft traders at Victoria Falls in Zimbabwe were unwilling to provide researchers with information related to income as they thought that the research outcome would be used against them.

CHAPTER 4.0. RESULTS

4.1 Results of the questionnaire

4.1.1 Study of community profile in the woodcraft industry

The results showed that the trade in woodcarving around the Western Cape Province is particularly dominated by sellers coming from Kenya 21% (n=13), Zimbabwe 18% (n=11), South Africa and Malawi 11% (n=7) each and Democratic Republic of Congo (DRC) 15% (n=9) (Figure 4). Other nationalities involved included Senegal, Tanzania, Cameroon, Angola, Zambia and Mozambique. The results also showed that the trade in wood carving was mostly dominated by traders from Southern African Development Community (SADC) representing 68% (n=54) of the respondents.

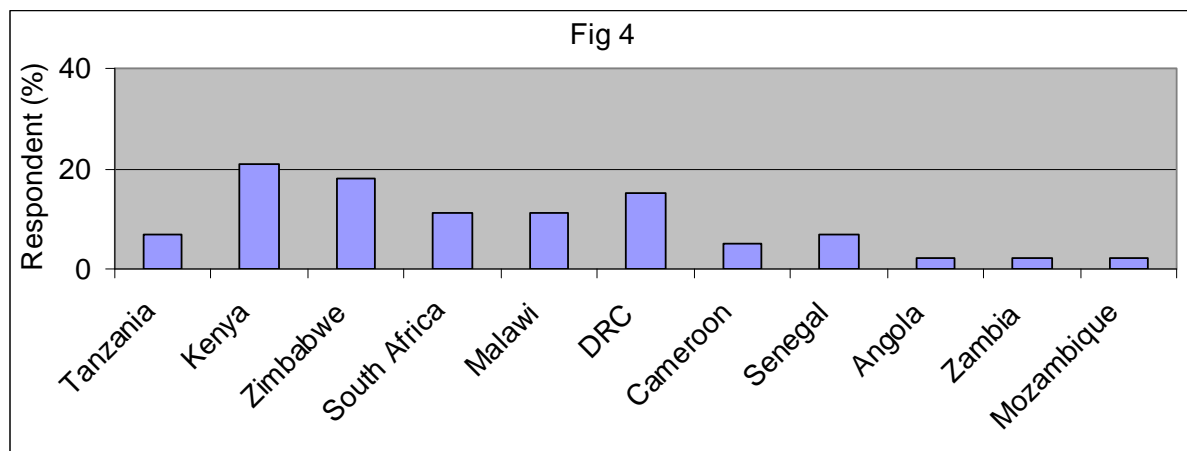


Figure 4: Nationality distribution in the woodcraft industry (N=61)

The woodcraft industry is gender segmented with males dominating the sale of wooden carved curios representing 69% of the respondents (see Table 1). There was a significant difference ($p=0.02$) between the ratio of males and females engaged in the woodcarving industry across all trading sites of Cape Town areas.

Table 1: Gender distribution (%) in the woodcraft industry (n=61)

Gender	Frequency	Percentage (%)
Female	19	31
Male	42	69

There was a significant difference ($p=0.01$) between the number of unmarried and married people involved in the trade of woodcarving around Cape Town areas (Figure 5), although the proportion of married people was only slightly greater representing 55% ($n=34$) of the respondents compared to only 45% ($n=27$) unmarried people (see Table 2).

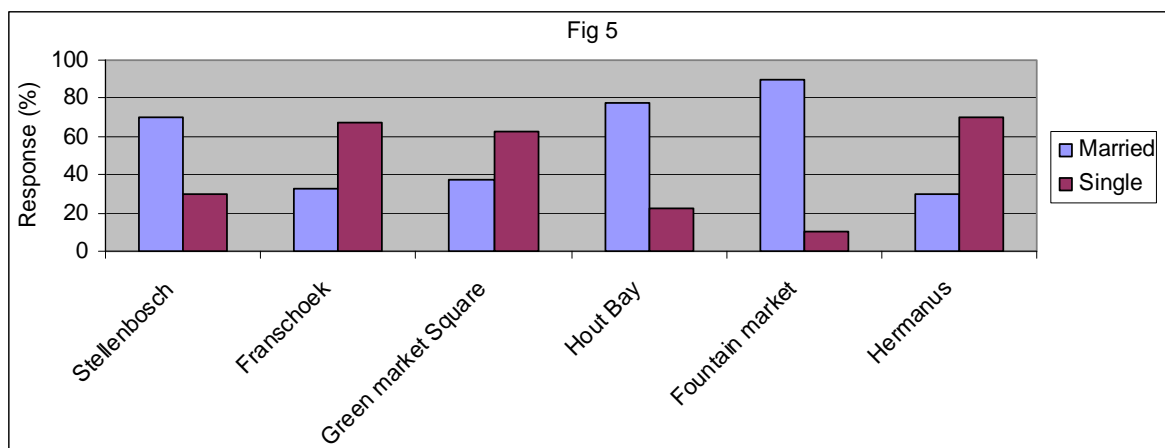


Figure 5: Marital status profile across all trading sites ($p=0.01$)

Table 2: Marital status (%) in the woodcraft industry (n=61)

Marital status	Frequency	Percentage (%)
Married	38	55
Single	23	45

With regard to age distribution of people engaged in the trade of woodcrafts, it was found that their age ranged from 21 to 57 years with a mean age of 33 years. The dominant age group was within the ages 21-35 years, representing 63% (n=38) of respondents (Figure 6).

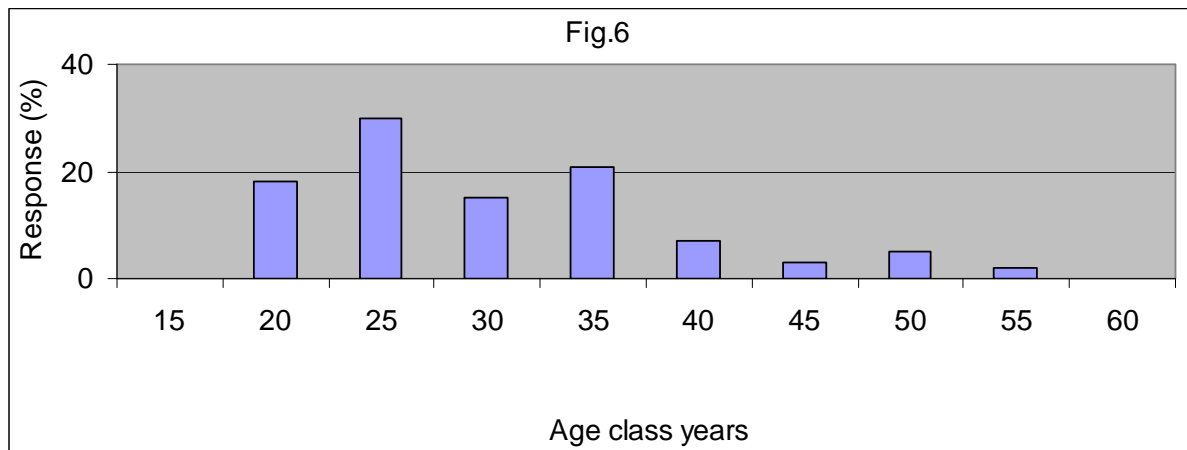


Figure 6: Age distribution in the woodcraft industry (n=61)

The results showed that the trade in wood carving is dominated by people with a high (secondary) literacy level, representing 66% (n=40) of the respondents (Figure 7). The people with secondary education and tertiary education levels represented over 90% of the respondents. No significant difference was found between the number of people who have reached secondary and tertiary education levels in the woodcarving industry around Cape Town areas.

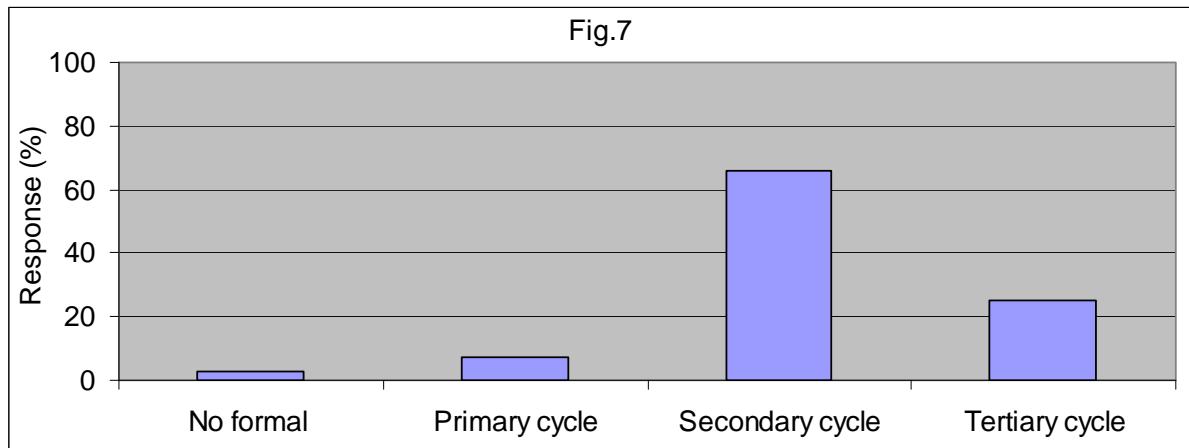


Figure 7: Education level distribution in the woodcraft industry (n=61)

Respondents had an average of four years of experience. Most respondents 56% (n=34) had experience ranging from 2 to 8 years (Figure 8).

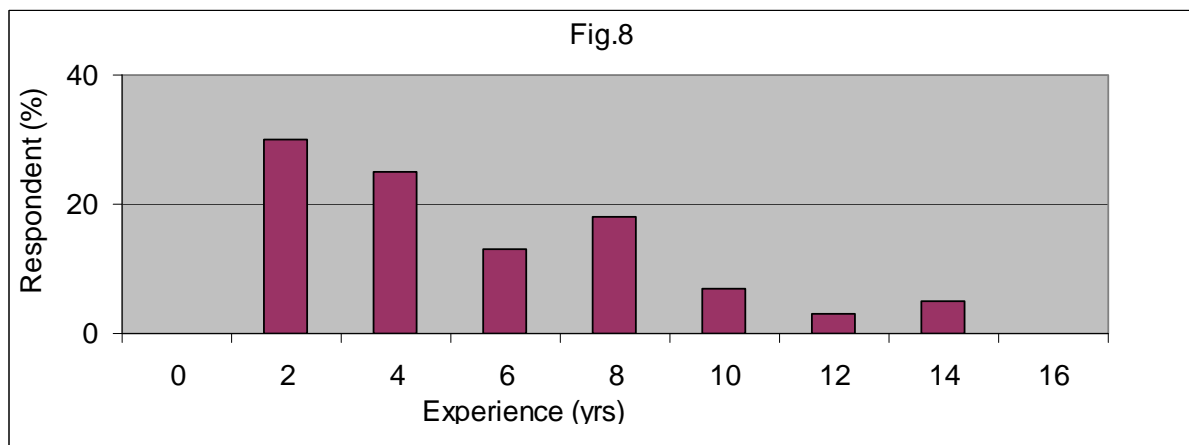


Figure 8: Traders' working experience in the woodcraft industry (n=61)

With regard to wealth status, all the respondents (n=61) reported that the place where they live had basics utilities such as tap water and electricity. Almost 90% (n=54) of respondents possessed a cell phone as device for keeping in touch with their clients and for other needs (see Table 3).

Table 3: Wealth status (%) of woodcraft traders (n=61)

Wealth status	Positive response (%)	Negative response (%)
Tap water	100	0
Electricity	100	0
Cell-phone	90	10

The study showed that most (85%) of the respondents (n=52) rent their homes while just 15% (n=9) of traders own a property (Figure 9).

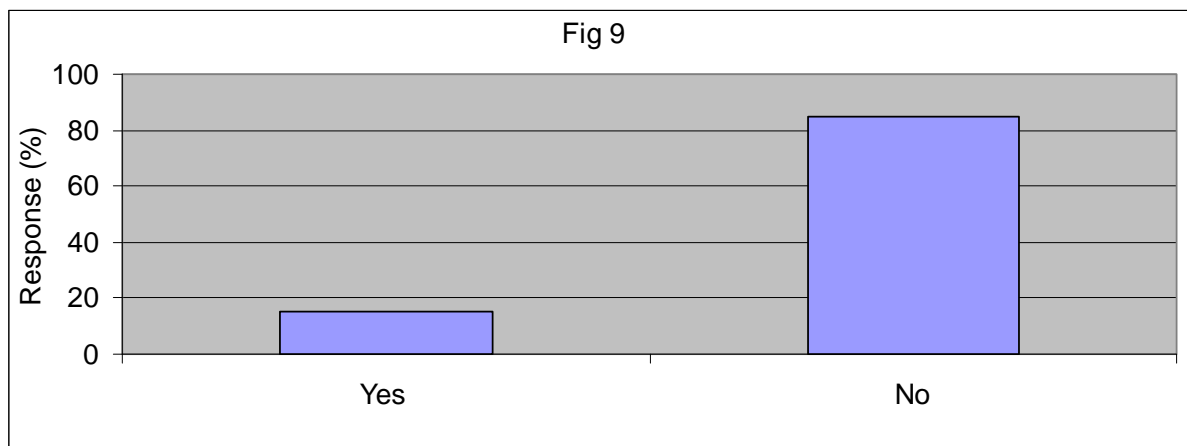


Figure 9: Proportion (%) of traders owning a house (n=61)

Among the 15% (n=9) of respondents who own a property, a positive relationship (p=0.02) was found between nationalities of traders and property ownership. Thus, most South African traders 56% (n=5) own a property, compared to 22% (n=2) Zimbabweans, and 11% Kenyans and Tanzanians (n=1) each (Figure 10).

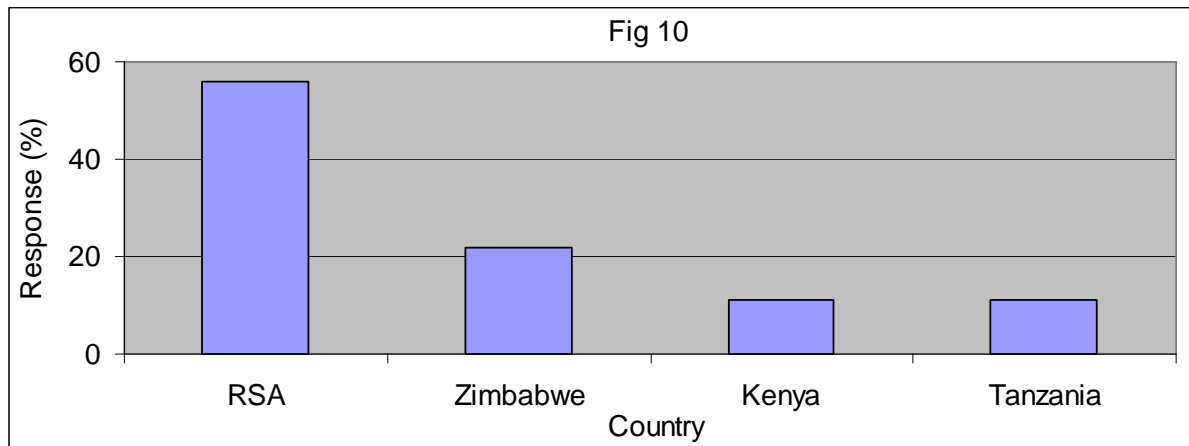


Figure 10: Relationship between nationality of traders and property ownership

As for the motivation for involvement in the woodcraft trade, the study found that 70% (n=43) of people entered the trade to “earn a living”, while 20% (n=12) were in the trade due to “family problems”, such as death of head of the households (Figure 11).

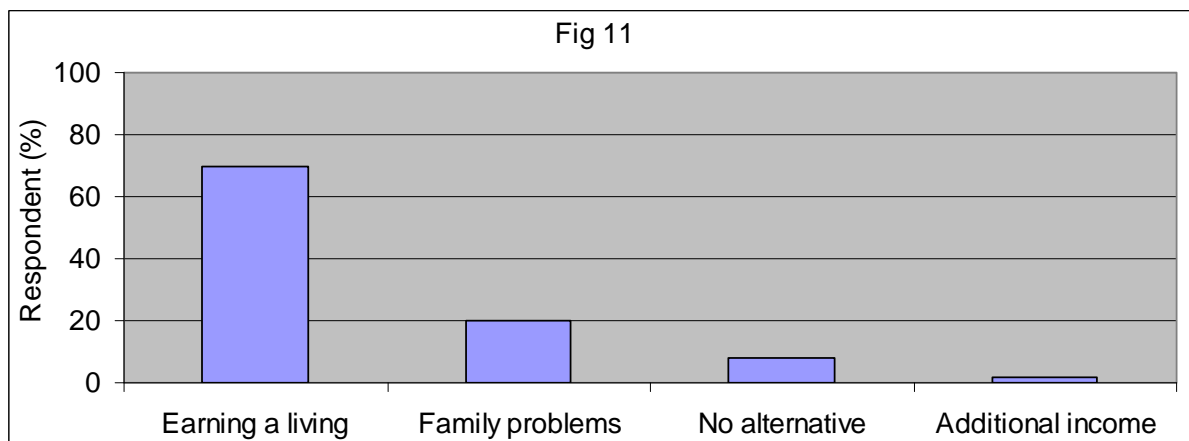


Figure 11: Driving factors to the informal trade of woodcraft curio (n=61)

4.2 Value chain analysis of the woodcraft trade around Cape Town area

Wooden crafts sold in the Western Cape Province of South Africa originate from many African regions, mainly SADC (DRC, Zimbabwe, Malawi, Tanzania, Zambia and South Africa), Central Africa (Cameroon) West (Mali, Ivory Coast) and East Africa (Kenya). The SADC region contributed to 78% (n=48) of the crafts while Central Africa, Western and Eastern Africa participated to a lesser extent in the trade (Figure12). Woodcraft products imported from Cameroon, Kenya, Ivory Coast and Mali represented less than 22% of the products on the marketplace. It worth noting that import of woodcarvings coming from Mali, Ivory Coast, Zambia and South Africa is very negligible.

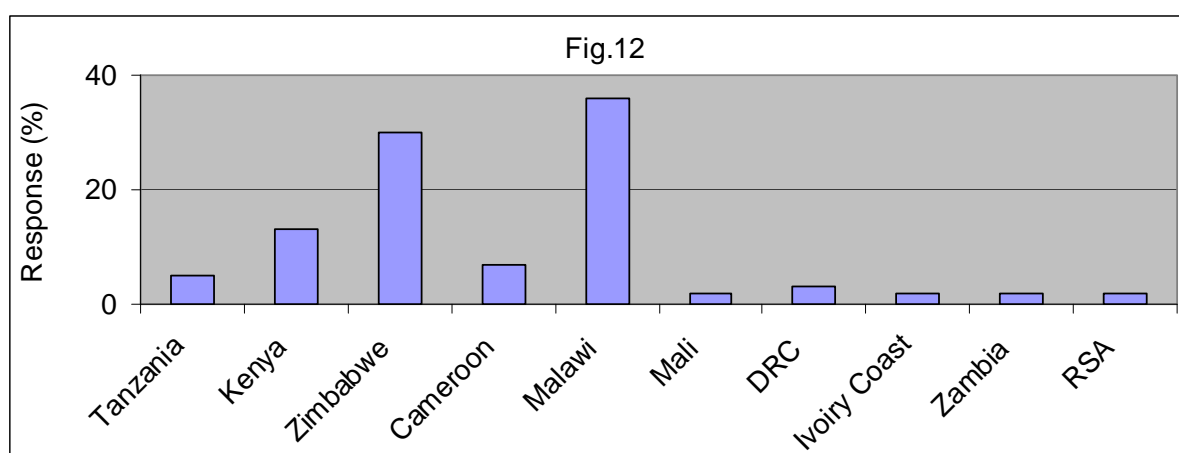


Figure 12: Country of origin of woodcraft products (n=61)

Each trader was asked to state the most traded wood species, on the basis of that the level of contribution of each traded wood specie was worked out. Hence, the most common wood species traded within the woodcraft market of the Western Cape are mainly ebony and mahogany according to 61% (n=37) and mahogany 28% (n=17) of the respondents. However, other species such as Ironwood and Mukwa are also traded, but to a lesser extent (Figure13). It is worth noting that “ebony wood” and “mahogany wood” originate from various African countries.

Literature assessed has helped researcher to match species traded with their country of origin. Hence, *Dalbergia melanoxylon* “ebony wood” originating from Zimbabwe 47% (n=9) and Malawi 16% (n=3) contributes more importantly to the trade than *Dalbergia melanoxylon* from Tanzania and South Africa representing 11% (n=2) each (see Table 4 and Table 5). On the other hand, *Brachylaena huillensis* “mahogany wood” originating from Kenya 47% (n=7) contributes more to the trade than *Azelia quanzensis* “Pod mahogany” from Zimbabwe 27% (n=4) (see Table 4)

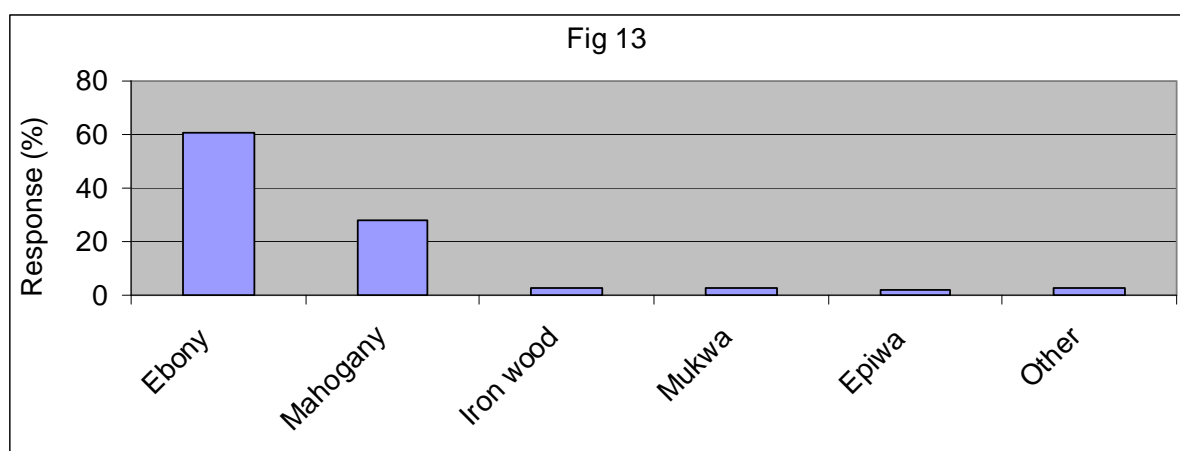


Figure 13: Wood species traded in the woodcraft industry (n=61)

Table 4: Contribution (%) of the most common wood species to the woodcarving trade

	Tanzania	Kenya	Zimbabwe	Cameroon	Malawi	Mali	DRC	Ivory Coast	Zambia	South Africa
Ebony (n=19)	11	5	47	5	16	0	5	0	0	11
Mahogany (n=15)	0	47	27	7	6	0	0	0	13	0

Key: DRC: Democratic Republic of Congo, n: Number of respondents

Table 5: Species identification and their country of origin

Wood species	Country of wood origin					
	Tanzania	Kenya	Zimbabwe	Malawi	Zambia	South Africa
Ebony	<i>Dalbergia</i>	Insignificant	<i>Dalbergia</i>	<i>Dalbergia</i>	Insignificant	<i>Dalbergia</i>
	<i>melanoxylon</i>	contribution	<i>melanoxylon</i>	<i>melanoxylon</i>	contribution	<i>melanoxylon</i>
Mahogany	Insignificant	<i>Brachylaena</i>	<i>Afzelia</i>	Insignificant	Not	Insignificant
	contribution	<i>huilensis</i>	<i>quanzensis</i>	contribution	identified	contribution

It has been verified that 93% (n=57) of shop owners (males and females) are engaged in woodcarving trade on a full-time basis. Thus, woodcarving represents the main livelihood activities of most of the people engaged in woodcarving commercialization in the Cape Town area. There was no significant difference between the number of people engaged in woodcarving activities on full-time and part-time basis across all trading sites.

Woodcrafts sold around Cape Town areas are purchased as finished and semi-finished products. The former represents the most purchased types, i.e. 75% (n=46), while the latter corresponds to the less purchased form 25% (n=15). Most woodcrafts sold around Cape Town areas are accessed through intermediate agents, i.e. 48% (n=29) and by going on site, i.e. 43% (n=26) (Figure 14). Some roadside traders of wooden carved curio also access carvings through mobile retailers or wholesalers. However, the use of retailers or wholesalers is less frequent compared to the first two (Figure 14). Most items in the woodcarving industry of the Western Cape are purchased in cash, i.e. 79% (n=48), while the rest are acquired on credit.



Figure 14: Sourcing of woodcraft products (n=61)

Polishing as a process, adds value to wood carved curios and represents the main activity 82% (n=50) carried out by roadside traders of curios. Painting and shining as well as fixing broken items are also important value-adding processes but they are less frequently used.

Cost based price (48%; n=29) and customer based price (33%; n=20) are the main pricing methods used by roadside traders of wooden carved items. Competition based price is less used (20%; n=12) as pricing method compared to the first two methods (Figure 15).

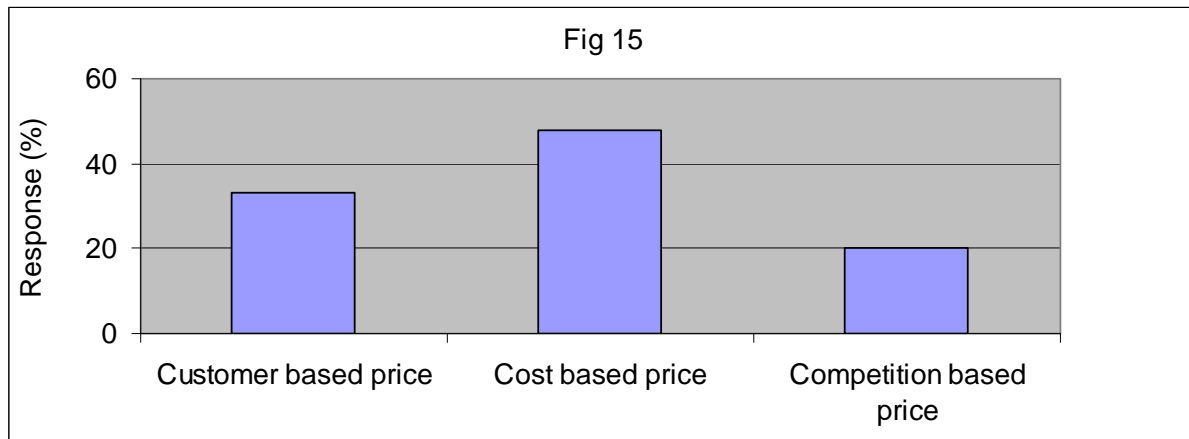


Figure 15: Pricing methods of woodcraft products (n=61)

It is worth noting that 38% (n=23) and 36% (n=22) of the respondents interviewed, used their personal cars and buses as means of wood transportation from the source to the marketplace. However, other means of wood transportation such as plane, boat, train, taxi and on foot are also used but to a lesser degree (Figure 16).

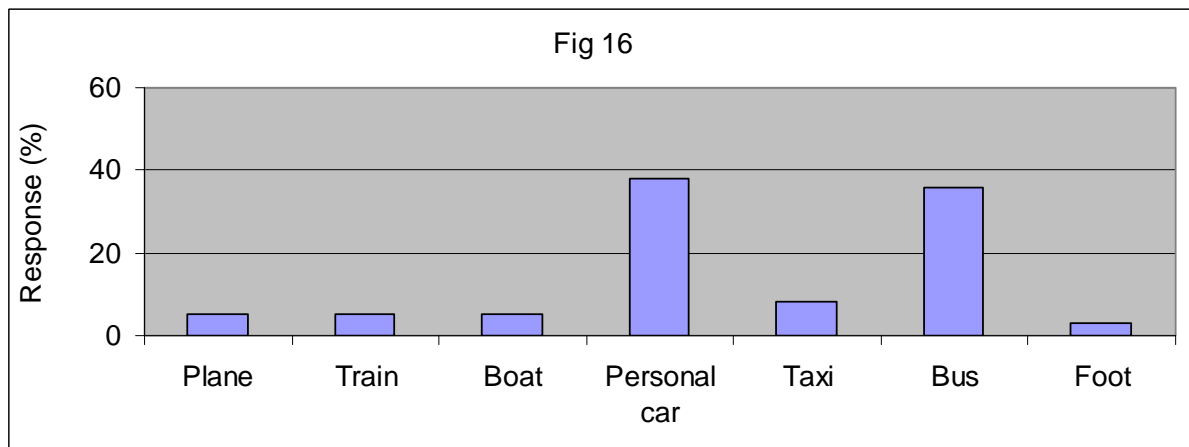


Figure 16: Transportation of goods (n=61)

The woodcarving industry in areas around Cape Town is segmented with different sellers controlling some stages of the market chain, for example the sale and importation of wooden curios may be managed by sellers originating from particular nationalities. With regard to the sale of wooden carved curios, sellers originating

from Angola, Mozambique and Senegal are present to some degree at the final stage of the market chain only (see Table 6). However, sellers originating from Ivory Coast and Mali are found at the source of the value chain only where their participation to the supply chain is negligible (see Table 6).

With regard to import, Malawi (36%), Zimbabwe (30%) and Kenya (13%) are the main exporters of woodcraft curios into the Western Cape while countries such as Cameroon, DRC, Zambia, and Tanzania are less involved in supplying carvings (see Table 6). Furthermore, the sale of wooden carved items around Cape Town areas is mainly dominated by people originating from Kenya (21%), DRC (15%), Zimbabwe (18%) and Malawi (11%) (see Table 6). Despite the low supply of wood from other provinces of South Africa (2%) besides the Western Cape, the presence of South African traders at the marketplace is not negligible (11%) compared to other nationalities such as Zambia (2%), Tanzania (7%) and Cameroon (5%) (see Table 6).

Table 6: Nationalities of importers and traders (%) of woodcraft curios in Cape Town

Country of traders origin	Traders (%)	Importers (%)
Angola	2	
Cameroon	5	
DRC	15	3
Ivory Coast		2
Kenya	21	13
Malawi	11	36
Mali		2
Mozambique	2	
Senegal	7	
South Africa	11	2
Tanzania	7	5
Zambia	2	2
Zimbabwe	18	30

4.3 Opportunities and vulnerability of woodcarving livelihoods

In total, the woodcarving trade provides employment to 171 people representing 61 informal shop owners (42 males and 19 females) and 110 helpers (37 females and 73 males) at the trading sites surveyed. However, gross income fluctuates across sites with largest income estimated at R 12,000 while the smallest income earned was R 3,000 in a good month. The former is earned by 16% (n=10) of respondents while the latter is earned by 13% (n=8) of people interviewed. Most of the traders 44% (n=27) earn gross income in the range of R 3, 000 - R 6,000 while 16% (n=10) and 10% (n=6) of the respondents earn income in the interval R 6,000 - R 9,000 and R 9,000 - R 12,000, respectively (Figure17).

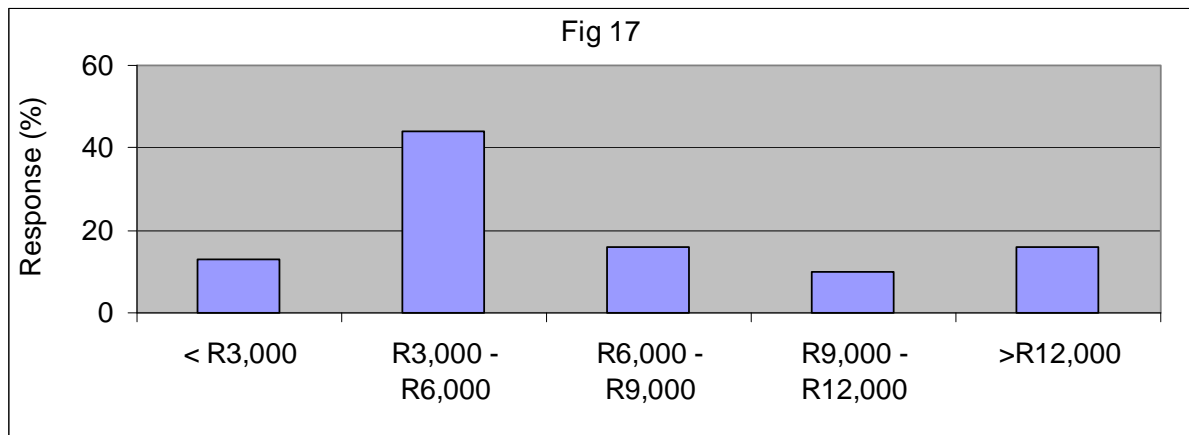


Figure 17: Income levels in a good month (n=61)

During the lean months, the gross income is also variable with largest returns from sales estimated at R 6,000 and smallest representing R 1, 500. In a low income month, few traders (7%; n=4) earned an income greater than R 6,000 while the majority of traders (36%; n=22 and 38% n=23) earned an income of less than R 1,500, and R 1,500 to R 3,000, respectively (Figure 18). No significant difference was found in the level of income earned by traders in good and bad months across all sites.

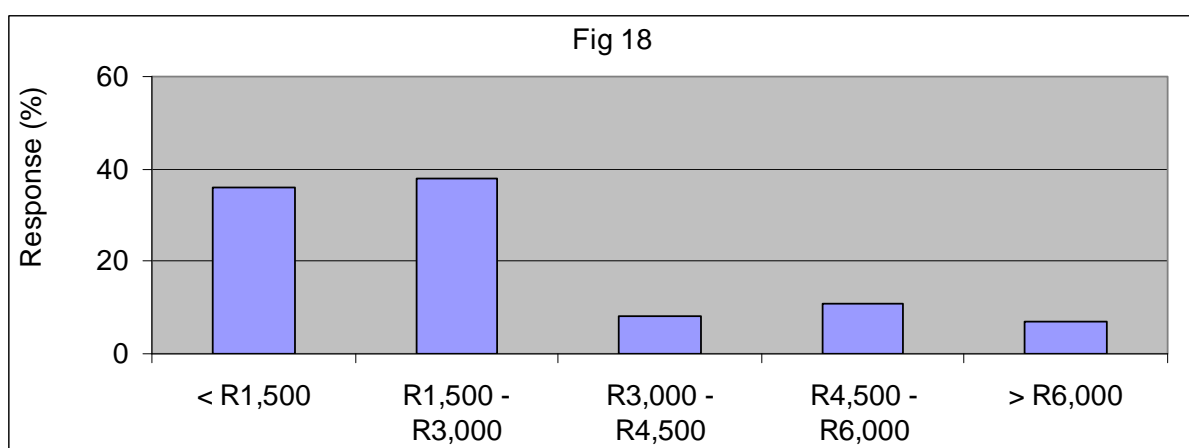


Figure 18: Income levels in a lean month (n=61)

Income varies according to season of the year. Summer is the best season for trade, while in autumn and spring sellers earn a better income than in winter (see Table 7). More than 87% (n=53) of the sellers acknowledged earning very high to high income in summer. In winter almost all the sellers earned medium to low income (see Table 9). In spring and autumn, the trends are almost similar with most of the respondents (79-82%) earning medium income.

Roadside traders of woodcrafts face difficulties accessing woodcrafts in winter as a result of the cold and in summer because of scarcity of woodcarvings supply. In June, 44% (n=27) and in July 21% (n=13) of respondents faced difficulties accessing wooden carved items (Figure 19). However, in December only 15% (n=9) of the respondents experienced wood access problems (Figure 19).

Table 7: Seasonal income ranking (%) during the year (n=61)

Seasons	Income ranking (%)			
	Very high	High	Medium	Low
Summer	30	57	13	0
Autumn	1	5	79	15
Winter	0	0	7	93
Spring	2	5	82	11

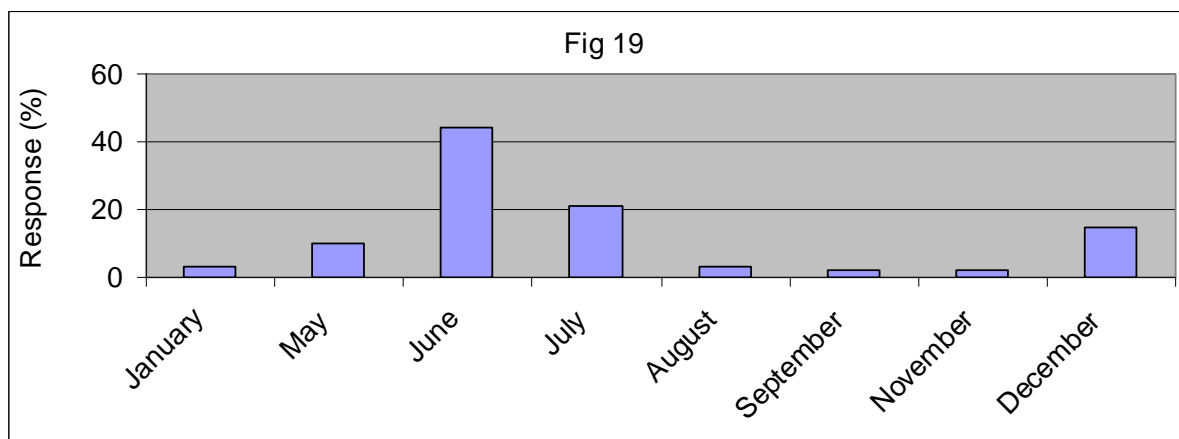


Figure 19: Problematic months with wood sourcing (n=61)

Most traders, i.e. 56% (n=34), regarded seasonality as the main problem threatening their livelihood and the level of the trade. However, other problems such as competition also impact on the development of the trade but to a lesser extent than the quality and scarcity of wood (Figure 20).

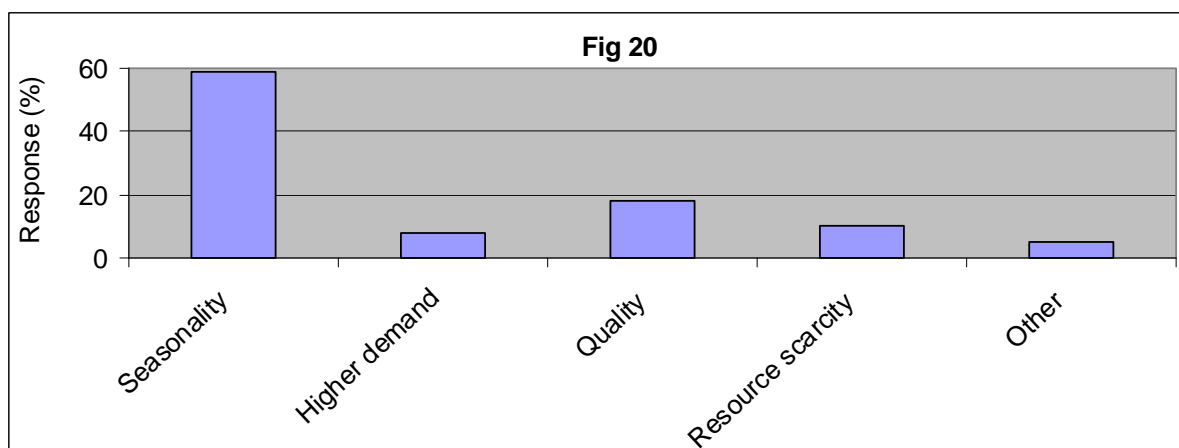


Figure 20: Factors affecting the trade and the livelihoods of traders (n=61)

The numbers of people working alone and those getting help from their companions on a daily basis are almost the same. The former corresponds to 51% (n=31) of respondents while the latter is estimated at 49% (n=30) of the respondents.

More than 79% (n=48) of the respondents sell more than one product besides woodcarving, compared to only 21% (n=13) who sell only woodcrafts. More than 60% (n=36) of the respondents earn a medium you need to define in some place, low, medium and high income from the trade of minor products (Figure 21). However, no significant difference was found with regard to the number of people selling other products besides wooden curios across all trading sites.

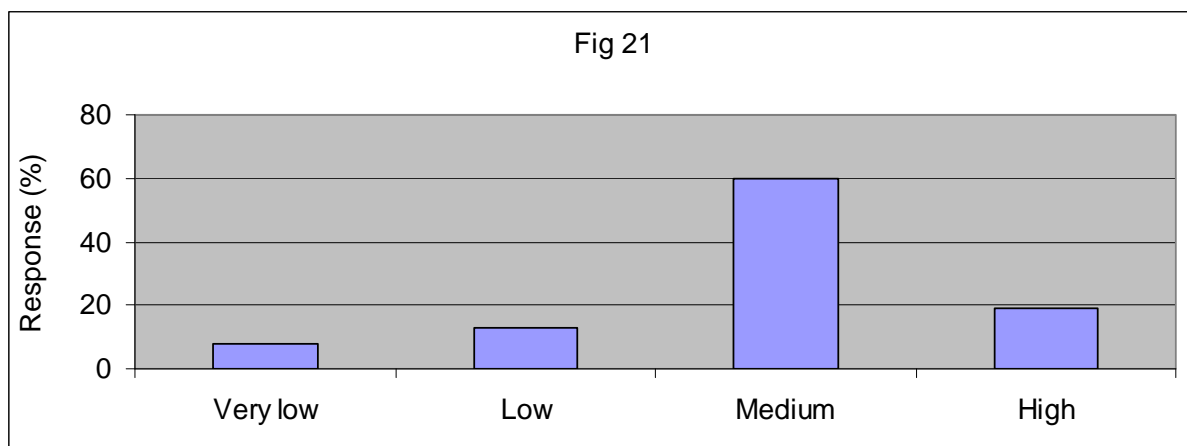


Figure 21: Level of contribution of alternative sources of income (n=61)

Sellers of wooden carved items were asked to forecast the future of their business in two year's time. From that question, it was found that 49% (n=30) of the respondents thought of largely improving their activity, while 39% (n=24) of them could not picture the future of their activity in two year's time (Figure 22). However, 5% (n=3) of respondents were convinced that they would be out of business, while 7% (n=4) thought they would not improve their business in the next two years (Figure 22).

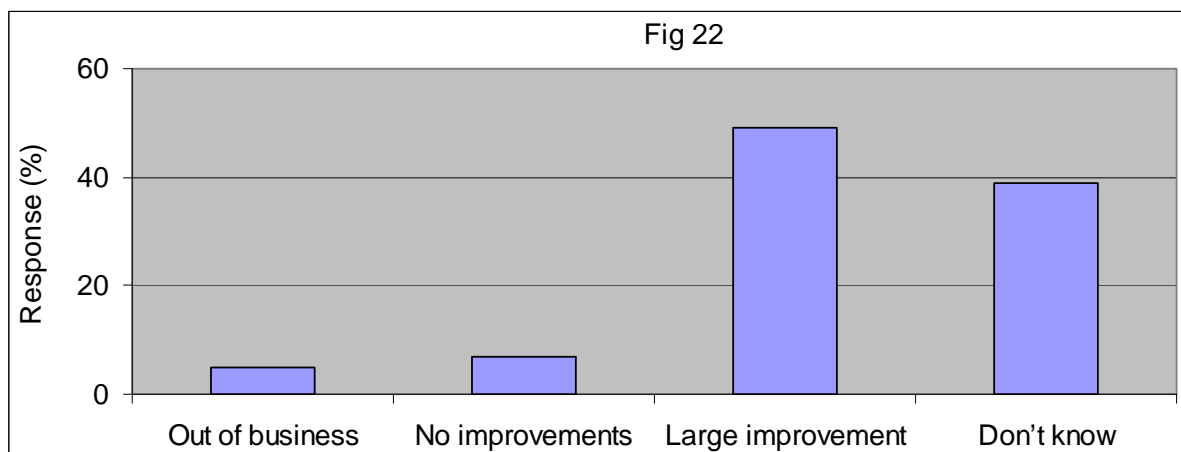


Figure 22: Future perspective in business by traders (n=61)

Most of the respondents, i.e. 82% (n=50), thought their business was running well, with only 8% (n=5) thinking that their activity was performing badly (Figure 23).

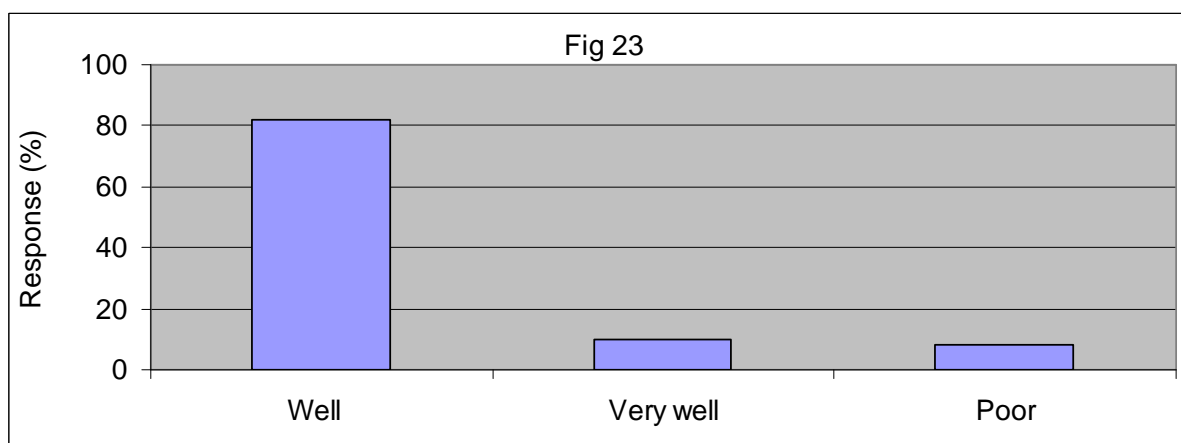


Figure 23: Performance level of traders in the business (n=61)

More than 44% (n=27) of the sellers involved in street sale of woodcarved items would like to stay in the business, while 56% (n=34) of the respondents would like to seek employment in the formal economy. The reasons brought forward by people who would like to seek employment in the formal economy are mainly stable source

of income and security of employment, as acknowledged by 74% (n=45) and 26% (n=17) of the respondents, respectively (Figure 24).

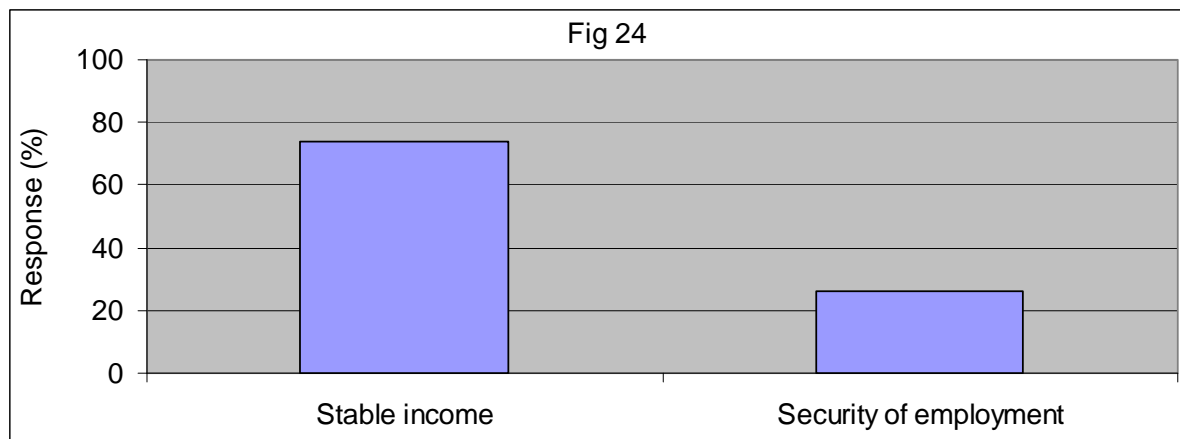


Figure 24: Factors pushing traders to seek for formal employment (n=61)

4.4 Constraints and challenges faced by the woodcraft industry

With regard to sellers' access to livelihoods assets (e.g. physical, social, financial, human and natural) it was found that more than 90% (n=58) of shop owners of woodcrafts work 6 to 7 days a week.

Access to physical capital such as proper shelter and storage facilities was considered as a major concern by 48% (n=29) and 38% (n=23) of the respondents, respectively (Figure 25). Thus, 41% (n=25) of the respondents pointed out that accessing proper shelter and storage facilities was difficult, while 46% (n=28) of respondents believed that it was slightly difficult accessing proper physical infrastructures (see Table 10). These two groups of respondents corresponded to traders who have been granted physical infrastructures by their municipalities and those who can afford putting up shelters on a daily basis (see Table 10). There was a significant difference ($p=0.03$) with regard to the number of people who have been granted physical infrastructures (e.g. shelter) across all trading sites (Figure 26).

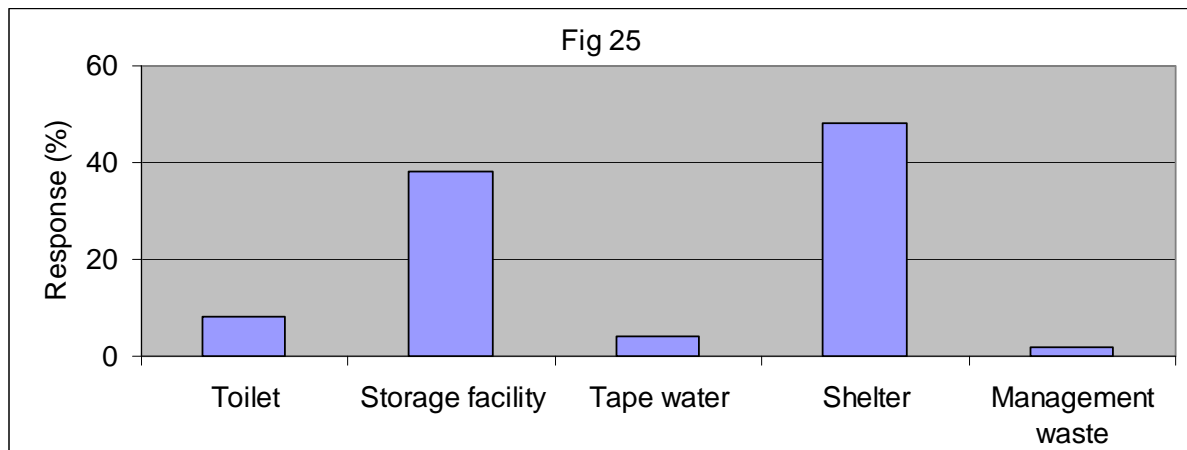


Figure 25: The status of physical infrastructures across trading sites (n=61)

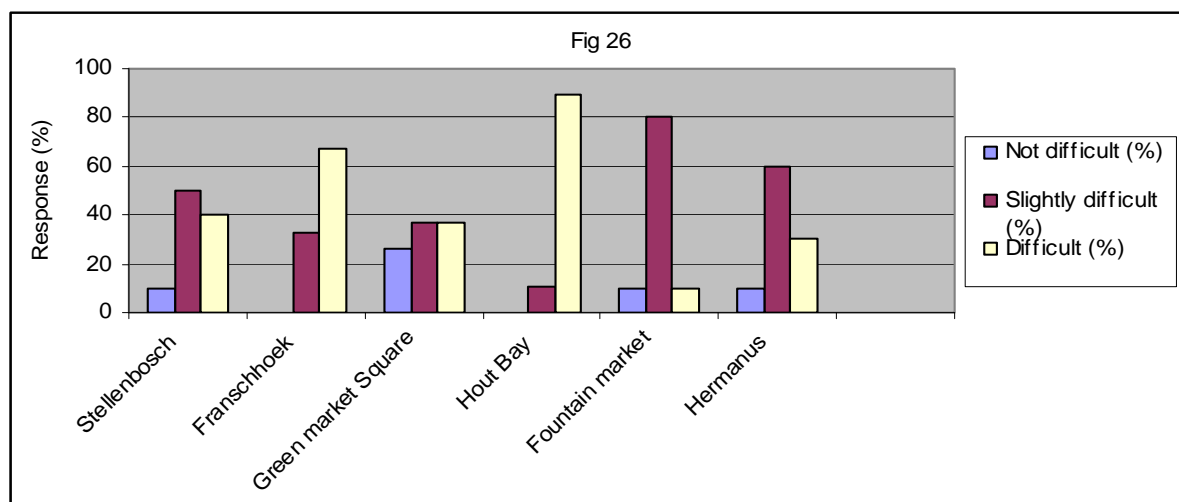


Figure 26: Access to physical assets across all trading sites ($p=0.03$)

Most respondents 69% (n=42) got into woodcarving by means of personal savings, followed by family loans 28% (n=17) (Figure 27). On the question assessing the level of sellers' difficulties with access to livelihoods assets, it was revealed that they face major problems with accessing starting capital, with 61% (n=37) of respondents stating that accessing capital for business "start up" is a difficult matter (see Table 10). Additionally, there was a significant difference ($p=0.002$) with regard to the

number of people who get access to financial capital across all trading sites (Figure 28).

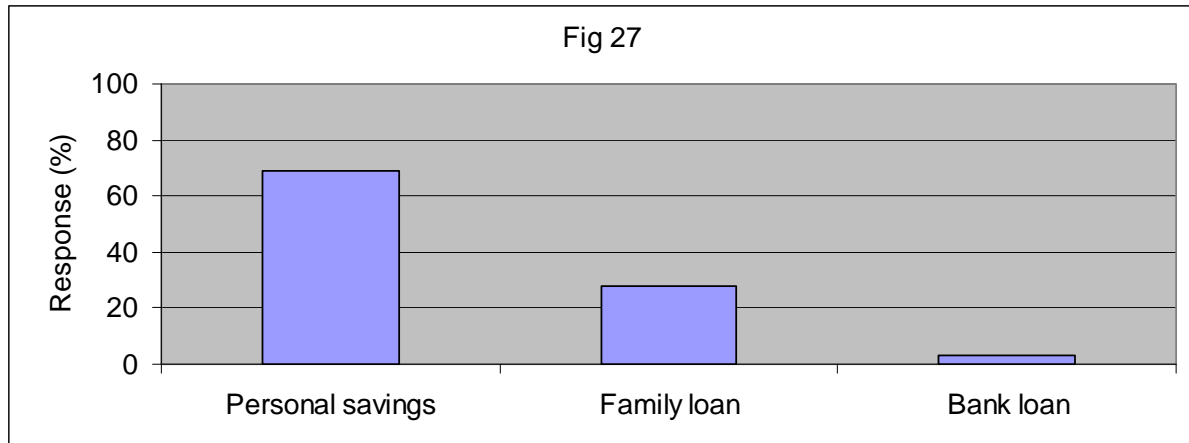


Figure 27: Source of starting up capital (n=61)

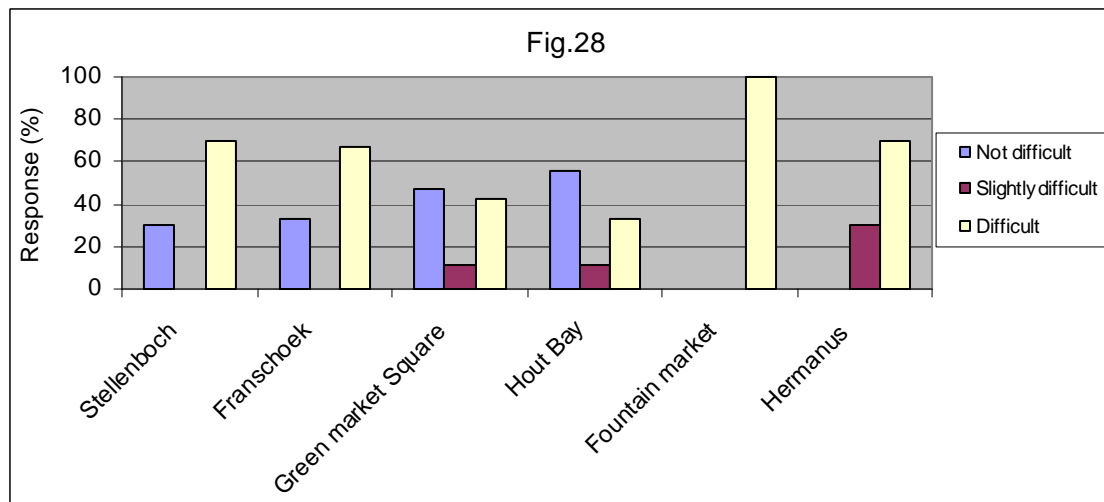


Figure 28: Access to financial assets across all trading sites (p=0.002)

Access to social assets (e.g. street committee) was another concern that roadside traders of woodcarved curios face. Half (50%, n=31) of the respondents pointed out that putting in place a trade organization was difficult (see Table 10). On the other hand, 44% (n=27) of respondents thought that it was not a difficult matter at all.

There was a significant difference ($p=0.002$) with regard to the number of people who have access to social assets across all trading sites (Figure 29).

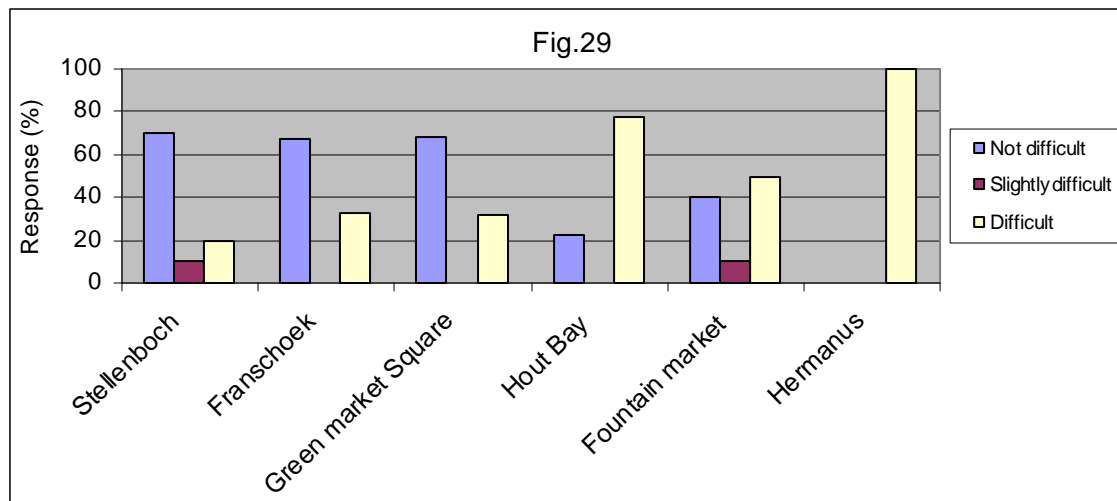


Figure 29: Access to social assets across all trading sites ($p=0.002$)

Another area of concern was inadequate access to quality human assets (e.g. skills development, training, technology, labour quality). As many as 74% ($n=45$) of respondents pointed out that they lack access to human assets (see Table 10). There was a significant difference ($p=0.004$) in the number of people who have access to human assets across all trading sites (Figure 30).

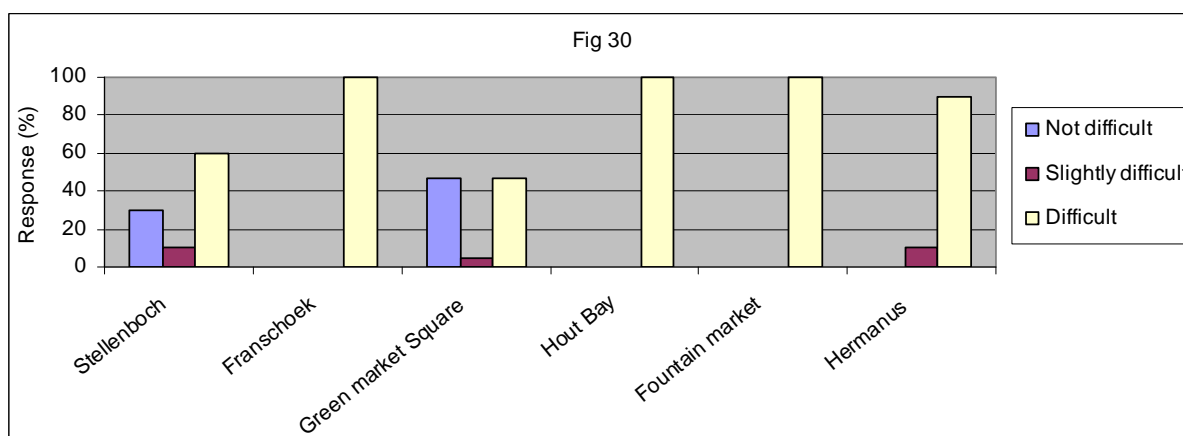


Figure 30: Access to human assets across all trading sites ($p=0.004$)

Accessing natural assets, such as woodcarvings, was another major issue as 31% (n=19) and 62% (n=38) of traders acknowledged that collecting woodcrafts was slightly difficult and difficult in that order (see Table 8). There was a significant difference ($p=0.02$) in the number of people who have access to natural assets across all trading sites (Figure 31).

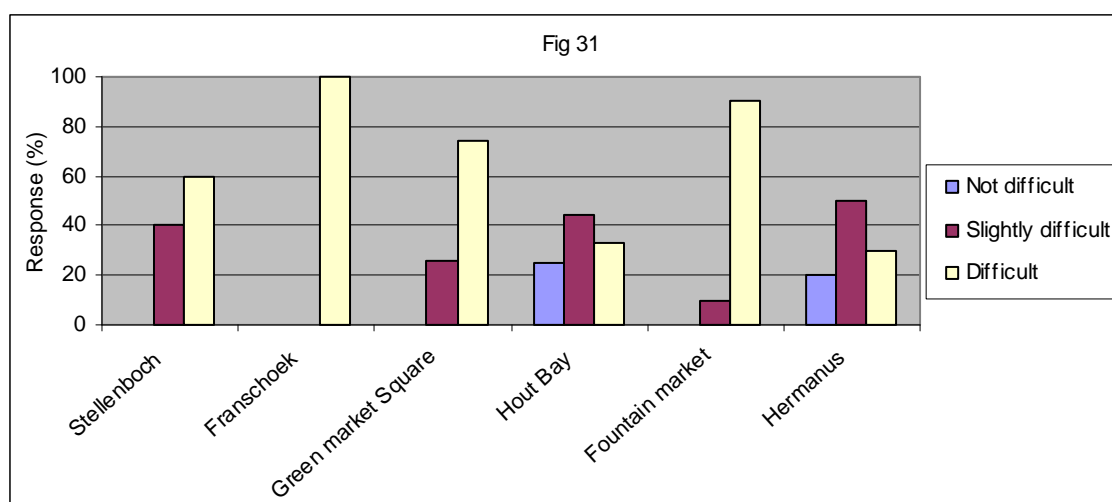


Figure 31: Access to natural assets across all trading sites ($p=0.02$)

Table 8: Factors influencing access to socio-economic and institutional assets (%)

Factors	Livelihood asset (%)				
	Financial asset (e.g. micro-credit)	Physical asset (e.g. shelter)	Social asset (e.g. committee)	Human asset (e.g. skills)	Natural asset (e.g. wood curio)
Not difficult	29	13	44	19	7
Slightly difficult	10	46	5	7	31
Difficult	61	41	51	74	62

4.5 Results of observations and in-depth interviews with key informants and municipal authorities

4.5.1 Means of wood transportation and wood sourcing strategy

In-depth discussions with traders revealed that transporting large quantities of goods through air-freight and shipping; necessitated that roadside traders organize themselves into groups. This process is particularly true for traders originating from West and Central Africa. Traders emphasized that there is a long waiting period acquiring woodcraft products by shipping. Placing orders in advance will lessen this long period of waiting.

For traders to travel back and forth to collect goods in their country of origin is costly. Keeping costs of wood transportation low necessitates traders to acquire a large amount of woodcarvings during the first trip. When stocks decrease, sellers access woodcarvings from retailers or wholesalers in markets around the city of Cape Town. However, when approaching the peak season (i.e. summer), some roadside sellers go back home to replenish the declining stock.

- Transportation costs of goods could not be accurately determined as it was correlated to many variables, mainly:
 - the number of trips undertaken,
 - quantity of wood transported,
 - mode of transportation,
 - capital available,
 - urgency of requiring woodcarvings (i.e. wood supply),
 - distance from which wood products have to be transported,
 - the ability of sellers to reduce transport costs through bargaining.

4.5.2 Income generated in a good and a lean month

In the context of this study, average income in a good and in a lean month have been estimated at R 6, 450 and R 2, 692, respectively. Income in good months represents more than twice the income in lean months. This represented therefore a sustainable source of living for people engaged in the trade.

4.5.3 Infrastructure constraints in the woodcarving industry

4.5.3.1 Issue of shelters and reasons for daily removal of shelters

Of all trading sites visited, only a section of the woodcrafts market of Hermanus has been provided with shelter by the local municipality. In most cases, sellers of wooden carved items do not have shelter to protect them against bad weather (e.g. rain, sun, wind), despite the fact that they pay small fees set by local municipal authorities. In order to protect themselves and their products, people engaged in the trade, daily construct shelters consisting of steel frames and plastic bags as roof, to protect them against bad weather conditions.

Shelters have to be removed at the end of the day as stipulated by local municipality regulations towards street trading. This daily construction of shelters is irritating and time consuming when one has to ally shelter construction and trading, especially under wet conditions. Thus, during the rainy season most sellers prefer staying home to avoid getting wet and wasting much time with shelter construction. This results in a loss of income for sellers of woodcarvings. In-depth interviews with municipal authorities revealed that the daily dismantling of the shelter was due to the fact that those areas were not initially designed for trading purposes. Thus, letting standing shelters in those areas will result in obstruction of pedestrians crossing roads, road blocking and obstruction of road signs, and other associated problems.

4.5.3.2 Issue of storage facility and approach in place

Another problem faced by the woodcraft traders was the lack of storage facilities and tables to display their commodities. Due to a lack of storage facilities at most trading sites, traders store their goods in buildings close to the trading sites, for which they have to pay monthly fees. Some traders choose to take their commodities home, where they have allocated a room for storage purposes, while others use their vehicles as storage space for their commodities and thus avoid paying extra money.

Where tables are not provided, less fortunate roadside traders display their products on the ground while those who can afford it, buy or rent tables. Products displayed on the ground can obstruct the people's pathways and expose products to a high risk of being broken.

4.5.3.3 Lack of street committee and reasons of its lethargy

The only site with a trade "committee" is Fountain market. However, it is not fully functional as all traders do not belong to the committee. In addition, its role is limited to fulfilling basic functions, such as conflict resolution between traders on site and role of mediator between municipal authorities and traders. The lack of committees at most of the trading sites has been attributed to poor leadership. However, the lack of street trade committees at these trading sites did not seem to influence the relationship between traders. The presence of a law enforcement unit at trading sites has created a secured working environment for sellers and therefore they do not feel the need to bring into being trade committees.

The lack of enthusiasm to establish a trade committee was also supported by the fact that the sale of woodcarvings is an individual rather than collective activity. Therefore, people prefer relying on their own capability rather than the competence of the group to solve their problems. Relying on the individuals' capability has certainly helped traders to take advantage of market information, and use their network of relationships. Additionally, most traders rely on their individual capability

because they have lost faith in the ability of institutions to improve their current situation. As a result, they prefer dealing with issues on their own rather than involving government or relevant institutions.

CHAPTER 5.0 DISCUSSION

5.1 Study of community profile in woodcraft industry

5.1.1 Nationality of sellers in the woodcraft trade

The high proportion of sellers from SADC countries (68%) (see Figure 4) involved in the woodcarving trade in comparison to other African regions may be as a result of the proximity of the countries to South Africa and therefore woodcarving markets of the Western Cape. This proximity keeps transport costs relatively low. However, this reason cannot alone explain the high level of involvement of sellers originating from the SADC region in the woodcarving trade. The study of Steenkamp (1999) on woodcarving trade in South Africa has highlighted the rationale behind the growth of the industry as mainly due to: (i) the entry of South Africa into the democratic arena since 1994, (ii) removal of trading barriers and (iii) the increase in number of tourists. All these factors have created an environment that has favoured free movement of goods and capital in the country including the import of wooden carved items, especially from the SADC region into South Africa.

The growth of the woodcarving sector linked to tourism development (CIFOR, 2002) has opened opportunities for both rural and urban populations to sustain their livelihood through commercialization of forest and related products. Growth of the woodcarving industry has resulted in increased tourist demands for finished products, resulting in increased cash income for those in the industry and opportunities for them to sustain their own needs and that of their families (Braedt and Campbell, 2001).

Matose (2006) argued that the growth of the woodcarving industry in Zimbabwe resulted from other factors, mainly the incapacity of the formal economy to provide employment to many people, following the drought in 1990s, as well as devaluation of the currency, and structural adjustments. In the Western Cape Province of South

Africa, the rationale behind the involvement of sellers from other regions than the SADC may be explained by the market profitability (cash income) and opportunities (self-employment) offered by the trade (Steenkamp, 1999, Nkuna, 2004). A 1995 estimate revealed that 19 African countries were exporting woodcarvings to South Africa (Steenkamp, 1999).

5.1.2 Gender distribution

Generally, the trade of NTPFs is a male dominated activity, for example, woodcarving, rattan furniture products and bark harvesting. The carving industry is for the most part gender segmented with large participation of men (ID21 NRH, 2006). The study by Faleyimu and Agbeja (2004) in Oyo (Nigeria) found that 90.6% of the woodcarvers were men. Shackleton and Shackleton (2003) pointed out that carving of either soft or hardwoods was a male dominated activity in the Bushbuckridge Lowveld of Limpopo Province, South Africa.

Despite the virtual absence of women in the production of carved items, they are very active in marketing and sales of natural products (Sunderland and Ndoye, 2004). For example, 85% of the people involved in the chewing stick industry in Ghana are women. Women also dominate some harvesting and sale of nut products, e.g. *Garcinia kola*. Thus, up to 80% of the work involved in harvesting and trading of Umemezi (*Cassipourea flanaganii*) trees are carried out by women while just few men are encountered in the activity (Sunderland and Ndoye, 2004). In the woodcraft industry, women play a more prominent role in the polishing and finishing (Steenkamp, 1999, Barrow *et al.*, 2002) than in the carving operations.

There is also a dichotomy regarding the types of activities carried out by males and females in the craft industry. According to CSG (1998), craft markets based on weaving is a women dominated industry, allowing them to stay within the vicinity of their homes and thus combine these activities with their household responsibilities (e.g. childcare and household tasks). Shackleton and Shackleton (2003) found that females dominate the brush industry (i.e. production and sale of brush) around King

Williams Town, in the Eastern Cape Province of South Africa. These authors found similar trends with regard to marketing of marula beer (*Sclerocarya birrea* subsp. *caffra*) in urban centres of the Bushbuckridge Lowveld, Limpopo Province in South Africa.

In the particular case of this study, the woodcarving trade is dominated by men (69%) compared to (31%) women (see table 1). The lower participation of women is explained by the fact that the activity takes place far from their homes (Barrow *et al.*, 2002) and the labour intensive nature of the activity (Nkuna, 2004). The intense nature of the work does not always allow women to combine these activities with their household duties, as it usually requires them to stay long hours on site (Nkuna, 2004). In addition, 64% of women interviewed have acknowledged having children at home.

5.1.3 Marital status

In this study 54% of the people engaged in commercialization of woodcarvings were married (see Table 2). The studies by (Shackleton, 2004, Makhado, 2004) in South Africa have found that married people dominated the trade of marula (*Sclerocarya birrea*) beer (43%) in Bushbuckridge and crafts (i.e. mats and baskets) (33%) in Khanyayo village compared to single people. The higher participation of married people compared to single was mainly driven by family responsibility rather than additional source of income according to the same authors. Thus, in the particular case of this research, being married presents an advantage, especially when one member of a couple has to outsource wooden products for long periods far away from the trading site and even in another country. The partner can thus keep the business running and bring money into the household.

5.1.4 Age group

Understanding the rationale behind greater involvement of young adults in comparison to old people has to be approached from two different angles: (i) the

incapacity of the formal economy to provide them with employment, and (ii) the risky nature of commercialization of woodcarvings.

The finding of the study showed that the average age was 33 and most of the traders (63%) were within age interval 21-35 represented the proportion of active population seeking for employment (see Figure 6). However, this age interval varies from country to country. In case of South Africa, economically active population falls within the age interval 16-65 (Statistic South Africa, 2007). The probability that these young people will find formal employment is most likely limited as unemployment rate has increased from 15,9% (March 2006) to 17,2% (March 2007) (Statistic South Africa, 2007).

It is worth noting that the study by Nkuna (2004) in Hazyview area in the Province of Mpumalanga has supported the previous findings. He argued that the high rate of unemployment and lack of job opportunities in the formal economy boosted the involvement of young adults in the trade of woodcarving. Thus, the failure of the formal economy to provide income and employment to what should be the most active age group of the population, has pushed them to rely on informal economy as an alternative means for their livelihood. Additionally, it is believed that some sectors of the informal economy favour the participation of young adults rather than old people. Therefore, Nkuna (2004) argued that if age and good health are both taken as criteria of determination of people's ability to take advantage of market opportunities, labour intensive activities (e.g. woodcarving trade) would mostly be dominated by young people.

Secondly, the high involvement of young people in the woodcraft trade in comparison to old people, may be as a result of the adventure and risk associated with small enterprise development. Matose (2006) was also of the view that the risky nature of the woodcarving industry tends to attract young people at the expense of women and older men. This is supported by the fact that most of the people engaged in the trade see woodcarving as a temporary activity while waiting for better opportunities to occur (Shackleton and Shackleton, 2003, 2004a).

The study showed that more than half of the respondents (56%) would prefer other employment in the formal economy. Evidence from literature (Shackleton and Shackleton, 2003) has stressed that people engaged in the woodcarving trade tend to move back and forth from formal to informal economy (e.g. woodcarving trade), as a result of economic constraints such as retrenchment, economic and structural adjustment. Similar trends were observed in the South African craft industry (CSG, 1998).

However, older people [age group 45-57 years] think that they are too old to shift career opportunities. They prefer staying in woodcarving commercialization rather than looking for employment in the formal economy. The study by Shackleton and Shackleton (2003) supports this by stressing that older producers of woodcarvings have made carving their primary source of livelihood, as they are too old to look for employment in the formal economy.

The study by Steenkamp (1999) in the Bushbuckridge Lowveld of Limpopo Province, pointed out that age distribution of people engaged in production of wooden carvings depended on the location of their production site. Home carvers are generally over 50 years old. In contrast, people carving and selling woodcarvings along roadside are generally younger than 35 years.

5.1.5 Education level

It is believed that people with low education levels are more likely to be involved in the informal economy (e.g. woodcarving trade) than people with high education levels. However, in this study it was found that over 90% of respondents selling wooden curios were fairly well educated (secondary and tertiary education) (see Figure 7). However, these statistics may be different for rural traders of woodcraft curios. Two interpretations can be drawn with regard to the above-mentioned finding: firstly, the lack of job opportunities in the formal economy rather than poor education level acted as a driving force for the involvement of reasonably educated people in

the trade. Shackleton and Shackleton (2003) pointed out that involvement of fairly educated women in the trade of NTFPs (e.g. marula cream and brush) has been triggered by the incapacity of the formal economy to provide them with employment opportunities rather than lack of education and poor level of skills.

Secondly, a good education level plays an important role in the ability of sellers to communicate and bargain to sell their products. All sellers interviewed in this study acknowledged that bargaining is a very important marketing technique used to sell their products to tourists. Thus, well educated people have a great advantage in comparison to less educated people, through their knowledge of information access and processing, especially in the global market where information is a key for better market access (Nkuna, 2004).

5.1.6 Experience

The years of experience ranging between 0 and 2 (55%) is particularly dynamic, as it is characterized by new entries of people who lack skills and experience (see Figure 8). The newcomers to the trade tend to view sale of woodcarvings as a temporary source of income while waiting for better opportunities to occur. The average number of years of experience of sellers shows that people engaged in the trade have a tendency to not stay longer than 4 years before moving on to another job. However, people who have been in the trade for longer periods of time, view sale of woodcarvings as their primary source of income (Shackleton and Shackleton, 2003). Additionally, experienced people have considerable advantage over less experienced people regarding marketing skills and their ability to take advantage of opportunities offered to them (Nkuna, 2004). He further emphasized that experience enables increased profits through better pricing techniques.

5.1.7 Wealth status

Poor people may possess various assets in the form of houses, other buildings, land and small businesses. The majority of poor people's assets are "dead" because they

cannot be turned into capital investment (De Soto, 2000). However, poor people's way out of poverty depends on the level of their assets (Caroline, 1998) as well as their ability to use and combine assets at their disposal (Meikle *et al.*, 2001).

The study by De Soto (2000) pointed out that property ownership has a potential to act as collateral for a loan and secure the livelihood of underprivileged people. However, the finding of this study revealed that 85% of traders did not own a property (see Figure 9). Income inequality in South Africa is among the highest in the world (Klasen, 1997) and the poverty level is more pronounced in rural than urban areas (DFID & URCT, 2004), but varies across the nine provinces of the country (Klasen, 1997). Hence, Coussin *et al.*, (2005) called for a reform on property rights that should take into account the "complexity of the legal and extra-legal systems" upon which the livelihood of the poor is based. A preliminary study by Urban Brief, (2002) stressed the need for an institutional framework capable of turning assets of the poor into capital investment.

5.1.8 Rationale behind the involvement of people in woodcraft trade

Gabriel (2005) concluded that the reasons why people around the world enter the informal economy included: (i) to avoid taxes, (ii) to undermine regulations, (iii) to develop illegal activities (e.g. trading in endangered species). On the other hand, Trebilock (2005) stated that most people enter the informal economy, not by choice, but as a result of external pressures (e.g. high unemployment and poverty) forcing them to enter "survivalist activities". Thus, "survivalist activities" such as woodcarving commercialization provide underprivileged people with opportunities to self-employment and more importantly to sustain the needs of their households.

Another factor driving people, especially the poor, into informal activities is the lack of an "enabling environment" capable of turning their assets, such as a house, into capital investment (De Soto, 2000, Urban Brief, 2002). Thus, as a means of survival, people in the informal economy tend to rely more importantly on informal lending institutions as a source of capital investment (De Soto, 2000).

In this study, the involvement of people in the informal economy based woodcarving commercialization was driven by economic reasons. The failure of the formal economy to provide employment to people has forced them to rely on the informal economy (e.g. sale of wooden crafts) as a source of their livelihood income. Shackleton and Shackleton (2003) pointed out that factors such as retrenchment, family problems and difficult economic conditions, stimulated people to enter into woodcarving production in Bushbuckridge in South Africa. Additionally, the death of the head of the household can also act as a trigger factor that will stimulate the participation of members of that household to informal activities as a means of survival (Shackleton and Shackleton, 2003). According to (Faleyimu and Agbeja, 2004), family responsibilities played a triggering factor to people's participation in the trade of timber products in Oyo (Nigeria).

5.2 Value chain analysis in woodcraft trade around Cape Town area and policy implications

5.2.1 Country of origin of woodcarvings and wood species traded

Woodcarvings originated from different regions around Africa with import dominated by SADC countries (78%) (see Figure 12). The relative proximity of SADC countries played an important role in boosting Western Cape's woodcarving market. The other reason is the entry of South Africa into democratic arena in 1994, which facilitated removal of trading barriers (Steenkamp, 1999) and thus improved the flow of goods between South Africa and other countries. Despite this good trend shown by the woodcarving industry, South Africa is a small producer of woodcarvings and most woodcarvings sold in the country are imported (Steenkamp, 1999). The extensive agriculture, the boom of the construction sector coupled with increasing extraction of woody resources for household needs such as cooking (Steenkamp, 1999), as well as the policy restricting policy utilisation and commercialization of wood for carving purposes (Nkuna, 2004), were among the reasons explaining the low production in carvings in South Africa.

Dalbergia melanoxylon from Zimbabwe and Malawi, *Brachylaena huillensis* from Kenya and *Afzelia quanzensis* from Zimbabwe are the most traded wood species within the woodcarving industry of the Western Cape. Other wood species are also traded, but to a lesser extent and play a role of “safety nets” in sustaining the livelihoods of people (Shackleton and Shackleton, 2003, 2004a).

5.2.2 Means of wood accessing and transportation

This study found that wood was purchased more in cash than on credit. With regard to wood accessing on credit, Makhado and Kepe (2006) pointed out that producers of goods wait very long before receiving payment for their products. They further argued that late payment of goods accessed on credit disturbed the ability of producers of carvings to plan effectively for household expenditure.

5.2.3. Value adding to wood

A positive correlation was drawn by CIFOR (2002) and Nkuna (2004) between experience and the ability of woodcarvers to shape the appropriate curios which will fetch price premium (CIFOR, 2002). In the particular case of this study, value adding to wood was mainly polishing, painting, repairing broken items as well as adding extra motives on wood. Poor final touch on end-products affect the returns of woodcarvers (Nkuna, 2004) as it considerably reduces chances of products being sold at high prices. The process of adding value to wood is particularly exhausting. Hence, in order to cope with the workload, roadside stall owners often get assistance from helpers, especially during busy seasons (Nkuna, 2004).

5.2.4 Pricing methods

Prices of woodcarvings fluctuate along the market chain (CIFOR, 2002) and varies according to origin (local or foreign tourists) (Nkuna, 2004), market transactions, and language spoken by buyers (Standa-Gunda and Braedt, 2005). Price fluctuation

along the value chain can be problematic as powerful stakeholders have the potential to both command the supply chain and dictate price of end- products, especially in times of shortage of wood supply (Samuelson and Nordhaus, 1989).

The finding of the study showed that cost based price was the most common pricing technique (48%) used across trading sites (see Figure 15). Cost based price is a particularly interesting method because it takes into account supply and demand relationship, labour force based capital investment, consumers' willingness to pay for goods and services (Powicke and May, 1964), quality of wood, complexity of wood processing stages, beauty and aesthetics of the end-product (Faleyimu and Agbeja, 2004), seller-buyer relationship, and the target market (Nkuna, 2004). Investigations in the Lowveld of South Africa, found that a kilogram of *Pterocarpus angolensis* in its raw form costs US\$ 1 while carved it fetches US\$ 7 (CIFOR, 2002). Hence, processed wood yields much greater returns compared to unprocessed woodcraft products.

Customer as a method of pricing of goods was also largely (33%) used compared to competition based price (20%) (see Figure 15). This pricing method is particularly "bias" as it consists on setting different prices for different customers (Demsetz, 1991). Thus, prices of woodcarvings are higher for foreign tourists compared to local tourists, as the former have "more" money (Nkuna, 2004). However, this pricing method presents some weakness as customers' behaviour can negatively affect the revenue of producers of carvings (Hailstones and Mastrianna, 1976).

Few traders priced their products according to their competitors (see Figure 15). However, this method has the potential to yield better economic returns to woodcraft traders, especially in times of resource shortage (Nkuna, 2004).

5.2.5 Marketing and sale of woodcraft products

Strategy of marketing of woodcarvings is particularly simple and road-side sale of woodcarvings was the main strategy adopted by all traders. The same strategy is

used for the trade of woodcarvings elsewhere in South Africa (Steenkamp, 1999, Shackleton and Shackleton 2003; 2004a) and Zimbabwe (Standa-Gunda and Braedt, 2005).

Vendors of woodcraft curios encountered in urban areas around Cape Town used bargaining or negotiation skills as a tool to sell their products. The same trends have also been found by Standa-Gunda and Braedt (2005) in the trade of woodcarvings in Chivi District in Zimbabwe. The efficiency of the sales relies more importantly on traders' communication skills and their ability to convince the buyers (Nkuna, 2004). Hence, more educated traders have an advantage over less educated people in that regard. There are no price tags on products sold at roadside stalls, as is the case in formal craft shops (Nkuna, 2004). However, roadside traders of woodcraft curios know exactly what the "price range" of their products is.

5.2.6 Description of the value chain and policy implications

In terms of description of the value chain framework, it can be stated that the value chain of the Western Cape's woodcarving industry (Figure 32) is segmented. Many players (e.g. sellers of hand made products, wholesalers and retailers, intermediates, producers of end-products, and "woodcarvers") intervene along the market chain. At the upper part of the market chain (marketplace), there are sellers of wooden carved curios who can directly acquire products through wholesalers and retailers or intermediates or middlemen as well as producers of end-products (e.g. woodcarvers). At the middle part of the value chain, wholesalers and retailers access woodcarvings by means of intermediates as well as producers of end-products (e.g. woodcarvers). In return, intermediates access end-products via producers (e.g. woodcarvers). In rural areas of South Africa, the same processes have been highlighted by Shackleton and Shackleton (2003; 2004a) in the case of NTFPs trade. At the lower part of the value chain, there are producers of carved products who harvest raw material in different areas of forest, and transform and process them into attractive carved items (Figure 32).

In order to improve the livelihood of traders engaged in commercialization of woodcraft items, policy change has the potential to intervene at both marketplace (upper part of the chain) and source of the trade (lower part of the chain). Relevant institutions (e.g. Government trade policy or Municipal authority) have the potential to put in place policy intervention 1 (Figure 32) which will aim at improving and strengthening access, and the way that traders use and combine assets available to them, especially at the marketplace. Policy intervention 2 (Figure 32) will aim at encouraging communities engaged in the trade of woodcarvings (especially at the lower part of the market chain) to participate in practices based on sustainable use and management of resources (e.g. domestication and cultivation). This strategy, based on sustainable use of forest resources, has been suggested by Choge *et al.*, (2002) and Cunningham (2002) for the woodcarving industry in Kenya. Thus, putting in place such policies (1 and 2) could improve the livelihood outcomes of sellers of wooden carvings in terms of increasing their well-being, income, as well as reducing their vulnerability to shocks, trends, and seasonality.

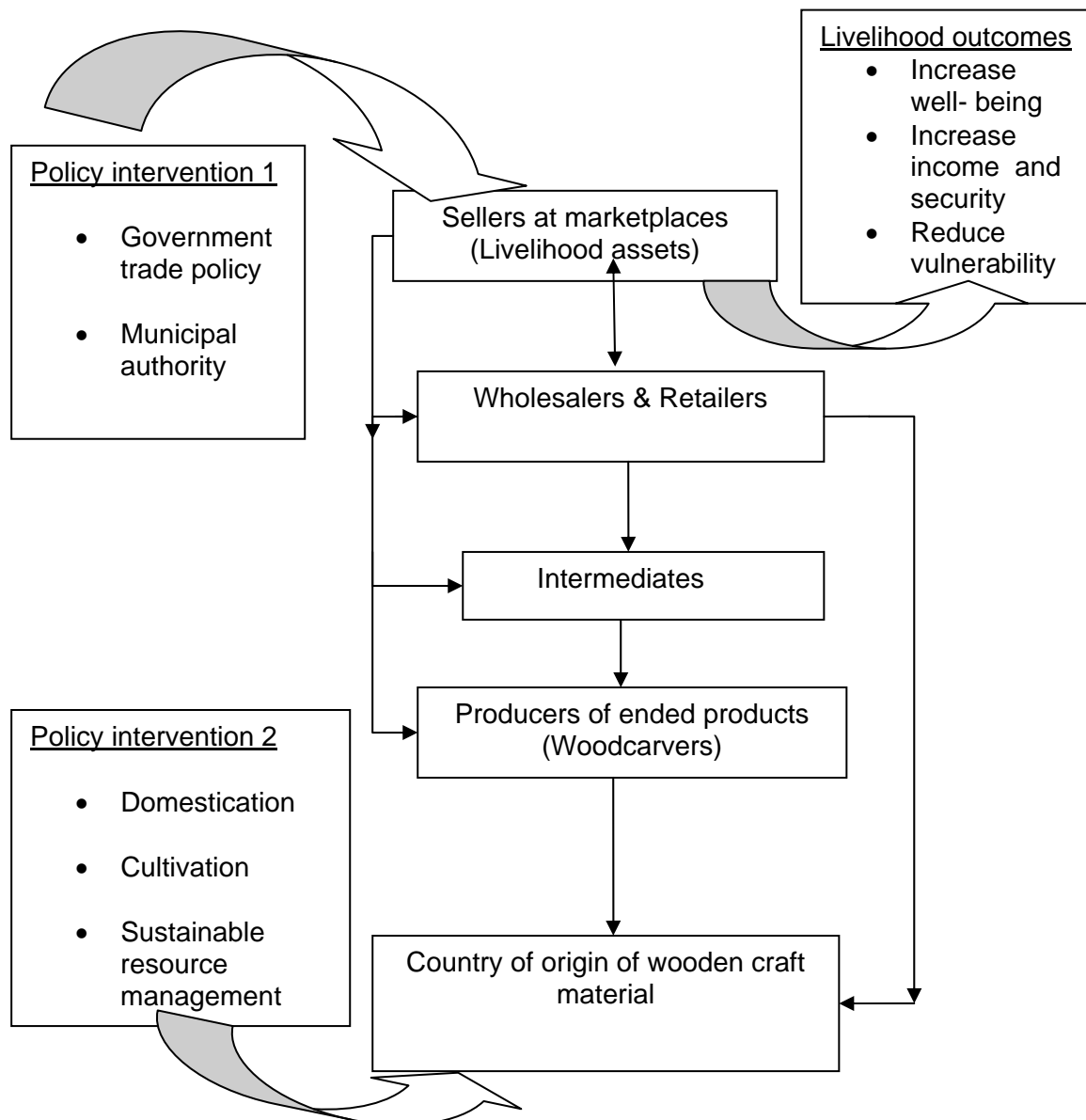


Figure 32: Mapping the value chain and policy implications adapted from (adapted from CIFOR, 2002, DFID, 1999, Choge *et al.*, 2002)

5.3 Economic value of woodcarving trade and vulnerability factors

5.3.1 Income based sale of woodcraft curios and seasonality

Many scholars have pointed out the seasonal character of income generation by the trade of NTFPs, especially commercialization of woodcarvings (Shackleton and Shackleton, 2003, 2004a, Matose, 2006). Income based sale of woodcarvings is particularly dependent on seasonal access of resources and flow of tourists (CIFOR, 2002; Shackleton and Shackleton, 2003). In addition, income depends on effort that individuals put into the activity. Additionally, full-time sellers are highly likely to earn more income than part-time sellers. In this study, few sellers earned a gross income greater than R 12,000 in a good month (see Figure 17). People earning such an amount of money represented only 16% of the respondents and owned more than one trading spot at the same marketplace (see Figure 17). This is an exceptional finding showing that the activity is particularly beneficial despite its seasonal character.

The finding of the study showed that woodcraft traders earned very high (30%) to high gross income (57%) in summer season (see Table 9). The studies by (Shackleton, 2003, 2004a, Matose, 2006) have shown that sellers of woodcarvings earned better income in peak seasons (i.e. Christmas) as a result of tourist arrivals in South Africa and Zimbabwe respectively. In this particular season of the year, coping with increasing demand requires that traders invest more time and physical strength to the trade (Nkuna, 2004).

The poor supply of resources in summer, especially December (15%) and January (3%) (to a lesser extent) could be the result of increasing market demand which is not followed by adequate supply of wooden curios (see Figure 19). However, in winter, the sellers experience shortage of revenue as a result of the harsh weather. The cold and wet season significantly restricts the ability of sellers to gather resources and market their products. Thus, this situation detrimentally affects people

engaged in the trade, especially if they lack any alternative source of income (Shackleton and Shackleton, 2003; 2004a).

Most of the traders earned medium income in both autumn (82%) and spring (79%) compared to winter where (93%) of traders earned low income (see Table 7). The study by Matose (2006) in Victoria Falls areas of Zimbabwe pointed out that woodcraft traders were better off in autumn (excluding Eastern holiday) and spring compared to winter season a result low tourist arrivals. As a livelihood strategy, sellers of wooden carvings should adapt and put in place strategies that will help them accessing wooden carved products in both winter and summer periods

5.3.2 Factors affecting woodcraft trade and their impact on the livelihoods

Sunderland and Ndoye (2004) have pointed out that commercialization of NTFPs follows the law of supply and demand. Thus, as demand increases, supply does too in order to balance demand. The latter situation can unfortunately lead to resource degradation in absence of sustainable management of resources. The problem of resource degradation has been observed in many countries such as Kenya (*Brachylaena huillensis*), Malawi (*Dalbergia melanoxylon*), Indonesia (*Diospyros celebica*, *Zanthoxylum rhetza*, *Bursera spp*), Mexico (*Bursera spp*), Central Australia (*Erythrina vespertilio*) and Ghana (*Holarrhena floribunda*) (Cunningham, 2002). The resulting problem of resource degradation has been restraining the livelihoods of people who depend on resources to meet their every day needs as well as worsening their state of poverty.

Quality of wood is another problem highlighted by 74% of the traders who stated that they lack of quality human assets such as appropriate tool for adding value to wood (see Table 8). It has been emphasized by traders that poor quality of woodcrafts reduces considerably the chances of the end-product being sold, thus representing a loss of profits. This point has been emphasized by the study of CIFOR (2002), which stated that low quality of tools that people use to manufacture carved products has the potential to yield end-products of poor quality and value. The study by Robinson

(1952) has drawn attention to the relationship between capital investment and quality of end-products. He argued that the incapacity of people engaged in the carving industry to afford quality equipment and labour force, as a result of lacking capital investment, impacts negatively on the quality of the final product obtained.

Sixty two percent of the traders have highlighted that they faced difficulty in accessing woodcarvings as a result of increasing demand and resource scarcity (see Table 8). The problem of scarcity of resources implies that there is an issue of sustainability that may threaten the livelihood of people who depend on resource to meet their every day needs. Other studies (Sangalakula, 1999, Choge, 2004a) have highlighted the problem of sustainability of resources due to increasing international, regional and local commercialisation of wood for carving. Thus, in most of the cases, the increasing commercialization of wood for carving is not based on sustainable use and management of resources. For example, a study by CIFOR (2002) pointed out that in southern Zimbabwe, the actual rate of wood extraction would lead to resource shortage in the future. The same study highlighted the shortage of the “wood mahogany” species *Brachylaena huillensis*, which it was said would be in short supply in less than 2-3 decades as a result of illegal, unsustainable extraction and low growth rate of the species.

5.3.3. Coping mechanisms in the woodcraft trade

According to CSG (1998), the craft industry provides an easy entry point for “poor” people, as it requires low capital investment. As a result, the number of people involved in this industry will tend to fluctuate with time and as new opportunities arise. The number of roadside traders tends to fluctuate with seasons in conjunction with increasing or declining tourist demand for woodcrafts. In order to cope with increasing consumer demand in peak seasons, the number of shop assistants (males and females) tends to increase. In contrast, during low season period, the opposite trend is likely to be observed. As a result of scarcity in demand, the number of shop assistants tends to decrease as a coping mechanism. Thus, the reduction of the number of shop assistants in time of low demand is likely to allow shop owners to

reduce costs related to labour. It has been argued by CSG (1998) that the increase of working force during the busy period does not usually reflect the present industry's working force but rather represents a coping mechanism.

Another coping mechanism put in place by roadside sellers of woodcraft curios is the sale of “minor products” besides the sale of woodcrafts. The sale of woodcrafts represents the main source of income of shop owners, as acknowledged by 79% of the respondents in this study. In this context, coping mechanism is characterized by increasing sale of “minor products” such as batiques, paintings and necklace beads, especially in time when the main woodcraft products are in short supply. This strategy is particularly important because it considerably alleviates the vulnerability of people engaged in the trade and provides households with a “non-negligible” source of income, especially when there are problems in supplying major woodcraft items. This latter point has been acknowledged by Shackleton (2006), who stated that livelihood diversification is an important coping mechanism, especially for the marginalized segment of the society.

Ellis and Allison (2004) have pointed out that livelihood diversification of households can be secured through people undertaking multiple activities of income generation. This strategy is particularly important because it diversifies and smoothes households' income, especially during off-peak season (i.e. winter) when shop owners experience low income. Thus, income generation by different members within households contributes to enhance household income and secure their vulnerability in time of shocks (see Figure 2).

5.3.4 Business performance and future perspective on the trade

Shop owners have clearly acknowledged that their business venture is running well and intend to grow their activities into a successful business. However, the fact that nearly 40% of the shop owners felt that their business venture would not progress in future, implies that most informal activities, such as roadside trading of woodcraft curios do not have to grow into a successful business. This is particularly driven by

the nature of the business, which typically has low economic returns that are used to meet daily livelihoods rather than being reinvested into new activities. This trend was highlighted in the studies of Shackleton and Shackleton (2003, 2004a), in which money gained by people engaged in the trade of NTFPs in rural areas was more importantly allocated to household consumption, to pay school fees of children rather than reinvested in new activities.

5.4. Constraints and challenges faced by the woodcarving industry

5.4.1 Woodcarving trade as a labour intensive activity

The trade in woodcarvings is an intensive activity requiring patience and dedicated people capable of trading every day and staying on site long hours. This demanding activity sometimes conflicts with household duties especially for women. In addition, most sellers of wooden carved items from Green Market Square, Fountain Market and Hout Bay work virtually every day with Sunday considered as common trading market day. The Sunday market taking place near Green Point Stadium gathers largely sellers from Green Market Square, Fountain Market and Hout Bay and to lesser extent sellers from Stellenbosch, Franschhoek and Hermanus. Sellers from Stellenbosch, Franschhoek and Hermanus prefer vacating to other occupations or spending Sundays with their families or friends. This Sunday market plays an important role in providing extra cash to people engaged in the trade. Shackleton and Shackleton (2003) highlighted the fact that the woodcarving trade is a challenging and labour intensive activity requiring woodcarvers to work 6 days out of 7 per week.

5.4.2 Livelihood assets constraints and sustainability of woodcraft industry

5.4.2.1 Physical assets

Accessing physical capital such as proper shelter and storage facilities was a concern by 48% (n=29) and 38% (n=23) of the respondents in that order (see Figure

25). The problem of lack of physical infrastructure for example shelters and tables is commonly encountered in the informal retailing sector (Ligthelm and Wyk, 2004) as well as in forest based enterprises such as trade of natural resources (Shackleton, 2006, Shackleton *et al.*, 2007). The woodcraft markets in Chivi District (Zimbabwe) are made of basic infrastructures in terms of shelter, toilet, and piped water (Standagunda and Braedt, 2005). Additionally, shelters are made of poles and mud or brick walls combined with thatched roofs or iron roofs. In the particular case of craft trading (i.e. mats and baskets) in Khanyayo village of the Bushbuckridge, the lack storage facilities at market place has pushed traders to hide their products in the forest (Makhado, 2004). Thus, to prevent their products from being stolen traders tend to spend night in the bush.

5.4.2.2 Human assets

Seventy four percent of traders have acknowledged lacking of proper human assets in terms of skills development, technology (see Table 8). However, the lack of human capital, for instance technology, is not only common in small scale forest enterprises (ID21 NRH, 2006) but it is also the burden of the woodcarving sector as early studies by Steenkamp (1999) and Shackleton and Shackleton (2004) pointed out that producers of carvings lack formal training, skills as well as know-how to search for new market opportunities.

Constraints faced by the woodcarving sector include lack of technology, poor levels of organization (Shackleton, 2006), poor marketing ability (Campbell *et al.*, 2005), lack of information on forthcoming market opportunities, unskilled labour force (CIFOR, 2002), and poor quality equipment (Steenkamp, 1999). With regard to the latter point, the end-product manufactured cannot be sold at a premium price as a result of its imperfection (CIFOR, 2002). Thus, there is a need to improve the quality of wood (ID21 NRH, 2006) through upgrading of equipment used for carving wood. Achieving this requires large capital investment by the traders. This is unlikely to happen as most forest based enterprises lack external financial support, especially from micro credit and micro finance schemes (Shackleton, 2006).

5.4.2.3 Natural assets

Accessing woodcarvings was a key concern for 62% of the respondents who stated that they experienced difficulty in accessing woodcarvings (see Table 8). Case studies carried in developing countries suggest that there is an increasing commercialization of woodcarvings (Cunningham, 2002, ID21 NRH, 2006, Steenkamp, 1999) locally as well as internationally. The increasing commercialization (CIFOR, 2002) and unsustainable use of resources (Choge *et al.*, 2002) have led to the decline of resources in many countries producing carvings (Cunningham, 2002). In a particular case of South Africa, factors such as growing imports and market opportunities as well as policy improvement have boosted the growth of the woodcarving industry (Steenkamp, 1999). He further argued that the growth of agriculture activities coupled with exploitation of woody resources for building materials and household energy have dwindled forested areas originally used for carving purposes and threatened the livelihood of people dependent on those resources. In Kenya, the depletion of resources coupled with declining tourist demand has yielded the same outcome. Thus, for these communities “no wood means no work” (Chonga, 1999). The sustainability of the industry calls for protection of natural assets (Cunningham, 2002).

5.4.2.4 Financial assets

The lack of financial support from relevant institutions has pushed people to rely mostly on their personal savings (69%) and family loans (28%) to enter the woodcarving trade (see Figure 27). However, the lack of capital as well as other assets to start and expand their investment is not the common burden of woodcarving trade but it is also encountered in most informal activities (De Soto, 2000). The studies by Shackleton and Shackleton (2003; 2004a) have pointed out that producers of carved items, beer brewers (e.g. marula cream) as well as brush sellers lack financial assistance to develop their activities. Similarly, Faleyimu and Agbeja (2004) criticized the absence of government support towards the growth and

development of woodcarving industry in Oyo, Nigeria as they pointed out that money needed by wood carvers to initiate the trade of woodcarving comes exclusively from their personal savings. Shackleton (2006) highlighted the lack of financial support in terms of micro-credit for most forest based enterprises. It was further shown that the current South African micro-credit policy directed towards supporting the poorest segment of the society is incompatible with meeting the need of socially marginalized people.

Most people involved in roadside sale of woodcrafts are foreign traders who do not earn fixed incomes. In addition to that, 85% of respondents lacked property ownership (see Figure 9). This latter point has certainly acted as a disincentive for banking institutions to grant them financial assistance (De Soto, 2000). The rationale behind the refusal of the retail-banking sector to offer micro-credit facilities to the marginalized segment of the society has to do with their lack of wage income (fixed income) making them “unbankable” according to Baumann (2001). As a means of survival, most traders prefer relying on informal lending institutions (family loans) rather than formal lending institutions, for example banks (De Soto, 2000).

5.4.2.5 Social assets

The culture of association is lacking among trading sites as 51% of traders have acknowledged that putting in place a trade organization is a difficult matter (see Table 8). This has to do with the lack of legal recognition by the government, despite the potential of woodcarving commercialization to improve the livelihood of people (CIFOR, 2002, López and Shanley, 2004, Campbell *et al.*, 2005). Additionally, inappropriate regulatory measures coupled with unsupportive authorities have restricted access to raw materials and marketing of forest products by producers of carvings (Shackleton, 2006). Furthermore, local producers of carvings lack institutional assistance (CIFOR, 2002, Campbell *et al.*, 2005) and bargaining power (Campbell *et al.*, 2005, Shackleton, 2006), which is important to negotiate and capitalise on market opportunities.

5.4.2.6 Sustainability of woodcraft industry

The increasing commercialization of woodcraft products has led to resource degradation (Braedt and Campbell 2001, Choge *et al.*, 2002, Choge, 2004a, CIFOR, 2002, Standa-Gunda, 2004) and weakened the sustainability of woodcarving trade in many developing countries where the activity sustains the livelihoods of many poor people (Cunningham, 2002). Evidence from a wide range of literature suggests that current resources are under threat and has led to biodiversity loss and environmental degradation (Choge *et al.*, 2002, CIFOR, 2002). For example, the preference of certain species for wood carving in countries such as Kenya, Malawi, Republic of South Africa has resulted in the slow extinction of these species (Braedt and Campbell, 2001). In most developing countries, the increasing trade of *Dalbergia melanoxylon*, one of the ebony species largely traded in the context of this research study, has been cited as an endangered species (CIFOR, 2002). Another species on the edge of depletion in Kenya is *Brachylaena huillensis* “mahogany wood” (Choge *et al.*, 2002).

In addition to that, the industry faces other challenges and constraints such as lack of financial, human, physical, and social assets which threaten the sustainable livelihood of traders (DFID, 2000) and the industry as a whole (Steenkamp, 1999, CIFOR, 2002). However, if the industry has to grow beyond its current level, external interventions from government and relevant institutions (e.g. tourism sector) are vitally needed in terms of micro finance and micro credit facilities, upgrading infrastructures and skills development (CIFOR, 2002, Shackleton, 2006)

CHAPTER 6.0. CONCLUSION AND RECOMMENDATIONS

The wood carving industry in Metropolitan areas of Cape Town is an informal cross border trade, involving mostly traders from the SADC region although there are also traders from West (Senegal, Mali, Ivory Coast) Central (Cameroon) and Eastern (Kenya) African Countries. The trade contributes significantly towards meeting the traders' basic needs. However, the trade may not be considered as a stable form of employment because of its seasonal nature (tourist arrivals) and the availability of raw materials. As such, the traders are mostly in the age group 21-35 years, who regard it as a transitory activity or business while looking for formal employment.

The current study has revealed that *Dalbergia melanoxylon*, *Brachylaena huillensis* and *Azelia quanzensis* are the most dominant species used in wood carving. These species are mainly found within the SADC region. However, other studies have shown that these species are on the verge of extinction. If the wood carving trade is to be sustained, there is a need for sustainable management of these species. The countries exporting the wood carving material should put in place mechanisms that will provide for sustainability in raw material supply. This may be through domestication of such species or propagation and or growing of alternative species.

The comparison of the wood carving trade against the sustainable livelihood framework (section 2.1) showed that the trade does not provide for viable community diversification. This is because of a lack of skill development among traders, social assets, financial assets and natural assets, which are important for strengthening and securing the livelihood of communities and the local industry.

Thus, there is a need to take advantage of local enterprise development initiatives so that programmes are recognized at the national policy level for poverty alleviation, which in turn should address the following with regard to producers and traders in the woodcarving industry:

- increased confidence and decision-making ability,

- improved marketing skills,
- provision of room for business expansion and growth through micro-finance and micro-credit facilities,
- building the capacity for organisation of local producers and traders and improvement of the quality of wood processed.

Furthermore, the integrated use of tree resources should be encouraged so that utilisation of the wood resources is maximised. For example, where tree trunks are sawn for timber, carvers should use branches of those trees for their carving.

Upgrading physical structures (e.g. seller getting proper shelters) may be problematic as it will require financial investment by local municipalities. Therefore an increase of trader's fees for bay allocation or any other alternative has to be formulated to the benefit off both traders and metropolitan municipal authorities,

Measures should be put in place to enhance the marketing ability of the traders. Government and the relevant institutions should help to develop business skills through training of the traders. This will increase the decision-making ability of traders and therefore improve their negotiation skills and confidence. Traders should then be granted loans to enable them to expand their business.

Furthermore, the culture of association and cooperation, which is currently lacking among traders, should be encouraged and strengthened to enable traders to fight for their rights. However, there should be a deliverable policy framework explaining the role and responsibility of individuals involved in the association.

As there is a direct relationship between tourism and the wood carving trade, there is a need for Governments and the relevant departments to ensure that collaborative mechanisms are put in place. Such mechanisms should involve representatives from the forest and the tourism sectors as well as the traders. This should ensure that the extensive nature of the industry is understood at both national and regional levels. Understanding the broad needs of the industry will help in putting in place:

- efficient regional policy on services trade liberalization involving SADC country members which export woodcraft products to South Africa,
- formalization of the industry in order to stimulate the productivity and the growth of the woodcarving sector within the SADC region.

Achieving the above will most likely meet most of the needs of the industry and set a platform for a more viable industry. However from this study, the immediate future research activities should address the following objectives:

- Assessment of the sustainability of the woodcarving trade (e.g. species regeneration rate and their geographical distribution),
- Analysis of the strengths and weaknesses of policies regulating the woodcarving industry currently in place within countries producing carvings.

CHAPTER 7.0. REFERENCE

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8.0. APPENDICES

8.1. Appendix: Shop owner's Questionnaire

1. Socio economic profile of communities

Test date.....2007		Response		Code
1	Name of the city			
2	Respondent gender	Male		M
		Female		F
3	Respondent country of origin			CO
4	What is your age? Please state the number of years			
5	What is your highest level of education? Please choose one	No formal education		NF
		Primary Cycle		1C
		Secondary cycle		2C
		Tertiary cycle (/university)		3C
6	What is your marital status? Please choose one	Single		S
		Married		M
		Divorced		D

7	Do you have children?	Yes		Y
		No		N
8	How many people live in your home? Please choose one box	1		
		2		
		3		
		Other (s)		
9	Do you rent the place where you live?	Yes		Y
		No		N
10	Do you own the place where you live?	Yes		Y
		No		N
11	Does it have electricity?	Yes		Y
		No		N
12	Do you have running water?	Yes		Y
		No		N
13	Do you have a cell-phone?	Yes		Y
		No		N

2. Value chain analysis (VCA)				
14	Which type of tree specie do you sell most? Please choose one			
	Tree species' name	Scientific name	Tick here	
1	Mahogany			MA
2	Ebony			EB
3	Epiwa			EP
4	Mukuwa			MU
5	Iron wood			IR
6	Other(s)			OT
15	From which country do you mostly obtain supplies of wood carved products? Please name one country			OW
16	In what form do you purchase your wood carved products? Please choose one	finished products		FS
		semi-finished products		SO
17	What is the most important improvement do you usually carry out on wood carved after being purchased? Please choose one	Repairing broken items		RB
		Polishing		PO
		Finishing		FI
		Painting and shining		PS
18	How do you obtain (purchase) wood carved products from your suppliers? Please choose one	Intermediate agents (middlemen)		IA
		(in site purchase)		PS
		Other(s)		OT

19	How many trips do you usually carry out a year? Please choose one	Less than 5		
		More than 5		
20	How do you most of the time pay your suppliers?	Cash		CA
		Credit		CR
21	How long have you been selling wood carved items as a: Please tick in the appropriate box and state the number of years	woodcarving Activity	Tick here	year
		full-time seller		FS
		part-time seller		PS
22	Do you have any license to operate as a seller of wood carved items?	Yes		Y
		No		N
23	How many people work with you as employees? Please state only the number			
24	Do you have prior experience in the sale of wood carved items?	Yes		Y
		No		N
25	Can you give the most important reason why you entered into the sale of wood carved items? Please choose one	No alternative		NA
		Earning a living		EL
		Additional income		AI
		Family problem		FP
		Other(s)		OT

26	Which type of wood carved products do you sell best? Please choose one from the question 14?			
27	What is the most appropriate method do you usually use to determine the price of your wood carved items? Please choose one	Cost based pricing		CO
		Competition based pricing		CO
		Customer based pricing		CU
28	How much do you spend as transport cost to bring back your goods from collection-site to the market place?			
29	What means of transport do you usually use to carry your goods from the collection-site to the market place? Please choose one	Personal car		PK
		Train		TR
		Boat		BO
		Plane		PL
		Other (s)		OT
30	How much do you usually pay as costs with regard to the following aspects? Please choose more than one answer	Types of costs	Tick here	Cost (Rand)
		Rental of premise		
		Costs of goods storage		
		Cost for tools repair		
		Every day tax		

3. Economic value of the woodcarving trade and vulnerability factors						
31	In what range of income do you (shop owner) earn in a “good” sale month as a full-time woodcarving seller? Please choose one	Less than 3 000 Rand				
		3 000 & 6 000 Rand				
		6 000 & 9 000 Rand				
		9 000 & 12 000 Rand				
		More than 12 000 Rand				
32	In what range of income do you (shop owner) earn in a “bad” sale month as a full-time woodcarving seller? Please choose one	Less than 1 500 Rand				
		1 500 & 3 000 Rand				
		3 000 & 4 500 Rand				
		4 500 & 6 000 Rand				
		More than 6 000 Rand				
33	Can you please rank the level of your income accordingly to the season of the year?					
	Season of the year	Level of income				
		Very high (4)	High (3)	Medium (2)	Low (1)	
	Summer					SU
	Winter					WI
	Autumn					AU
Spring					SO	

34	What is the most probable reason explaining income fluctuation accordingly to the season of the year? Please choose one answer	Availability of resources		AR
		Tourists arrival		TA
		favourable regulations		FR
		Other (s)		OT
35	Do you have another source of income besides the sale of wood carved items?	Yes		Y
		No		N
36	Do you bargain with clients to sale your product?	Yes		Y
		No		N
37	Do you ever reduce your price when a product is not selling well?	Yes		Y
		No		N
38	What is the factor affecting mostly the supply of carved products over a period of time? Please choose one	Seasonality		SE
		Higher demand		HD
		Quality		QA
		Resource scarcity		RS
		Other (s)		OT
39	Who are most of the time your clients? Please choose one	Tourists		TO
		Local residents		LR
		Other(s)		OT
40	If you run out of resource supply what do you usually do? Please choose one	Place orders		PO
		Go on site		GS
		Do nothing		DN

41	Which month of the year is the most problematic for resource supply? Please name one month of the year?.....			
42	What is the most probable reason explaining income fluctuation accordingly to the season of the year? Please choose one answer	Availability of resources		AR
		Tourists arrival		TA
		favourable regulations		FR
		Other (s)		OT
4 Constraints and challenges faced by sellers of woodcraft items				
43	How many days per week do you usually work? Please state the number of days			
44.1	Do you belong to any street traders' organizations?	Yes		Y
		No		N
44.2	If yes, Please, name street traders' organization that you belong to			
45	What among the following services, the most important one that you have ever received from the street trader's organization that you belong? Please choose one	Bank facilities		BF
		Training & Book keeping		TB
		Market information		MI
		Basic needs (shelter, water)		BN
		Conflict resolution		CR

46	Are you satisfied with services provided by the street traders' organization that you belong to? Please choose one answer	Not at all		NA
		Slightly		SL
		Satisfied		SA
		Very		VR
47	Where do you normally stock goods? Please choose one	On the premise		ON
		Off the premise		OF
48	What among the following livelihood asset (e.g. physical infrastructure), the most important one that you need to improve your working condition? Please choose one	Shelter		SH
		Storage facility		SF
		Water availability		WA
		Toilet		TO
		Management waste		MW
		Other(s)		OT
49	What among the following, the most important problem that you encounter every day of your work with police municipality? Please choose one	Confiscation of goods		CG
		Crime and insecurity		CI
		Street trading permits		SP
		Other (s)		OT
50.1	Are you interested to find a job in formal economy?	Yes		Y
		No		N
50.2	If yes, what will be the most important reason that will push you finding a job in formal economy? Please choose one	Stable income		SI
		Security of employment		SE
		Other (s)		OT

51	Who is the most important source of finance for your business? Please choose one	Personal savings	PS
		Family loan	FL
		Trading organizations' funding	TF
		Banks loans	BL
		Other(s)	OT
52	Where your business will be in 2 years times from now? Please choose one	No improvements	NI
		Large improvements	LA
		Out of business	OB
		I Don't know	DK
53	Do you keep records of your sales?	Yes	Y
		No	N
54	Do you think that your business is running: Please choose one	Poorly	PO
		Well	WE
		Very Well	VW

55	Can you Please rank the level of difficulty that you encounter in developing your activity with regard to policy based access to the following livelihood assets?				
	Livelihood Asset	Level of Difficulty			
		Not difficult (1)	Slightly difficult (2)	Difficult (3)	
	Finance (Banks & credit facilities, loans)				FI
	Physical (shelter, water, sanitation)				PH
	Social (Access to street traders' organization)				SO
	Human (Business skills, training, labour)				HU
Natural (Access to wood carved items)				NA	

8.2. Appendix: List of Abbreviations

CIFOR	Centre for International Forestry Research
CSG	Cultural Strategy Group
DFID	United Kingdom Department for International Development
DRC	Democratic Republic of Congo
ID21	Information for Development in the 21st Century
IFAD	International Fund for Agricultural Development
IUCN	World Conservation Union
NTFPs	Non Timber Forests Products
NWFPs	Non Wood Timber Forests Products
OEP	Oudtshoorn Economic Profile
PMEDP	Programme pour des Moyens d'Existence Durables dans la Pêche
RIQL	Research Institute for Quality of Life
RSA	Republic of South Africa
SADC	Southern African Development Community
SMMEs	Small Micro and Medium Enterprises
URCT	Urban and Rural Change Team
VCA	Value Chain Analysis
WCSEP	Western Cape socio-economic profile
WCDEAAT	Western Cape Department of Economic Affairs, Agriculture and Tourism