



# Developing Enterprising Cities in South Africa

Professor D. Das

Department of Civil Engineering

Central University of Technology, Free State

Bloemfontein, Free State, South Africa, 9300

Email: [ddas@cut.ac.za](mailto:ddas@cut.ac.za)

ORCID ID: <https://orcid.org/0000-0003-3071-6109>

## Abstract

Cities are considered as engines of economic growth. Enterprising activities in the cities have emerged as the backbone of the economy of cities across the globe. Efforts have been made in many countries to build or transform cities to reinforce entrepreneurship and in the process develop enterprising cities. In the wake of arguments for building enterprising cities in South Africa, this study examined the dimensions of enterprising cities, the status of cities in terms of entrepreneurial attributes and strategies essential for building enterprising cities in South Africa. A Delphi research method was adopted for the study. The study revealed that enterprising cities have distinct dimensions such as economic land scape (Industrial and service activities), entrepreneurial friendly policy, smart infrastructure (both transportation and communication), capacity to attract investment, international embeddedness, research and development and innovation, smart technology, enabled quality communication, and distinct economic image. The South African cities currently do not portray distinct images of entrepreneurial cities at both regional or global level. The paper argues that a combination of strategies for reinforcing economic and social and spatial related entrepreneurial attributes in addition to the strengthening of entrepreneurship policy for creating an entrepreneurial ecosystem will assist in creating enterprising cities in South Africa in which tourists as well as locals can find value.

**Keywords:** Cities; Entrepreneurship; Information Communication Technology; Innovation; Investment

## Introduction

Creation of economic opportunities is one of the major functions of the cities. It is argued that cities are the engines of development of countries. Currently, about 55% of the people live in urban areas, which is expected to grow up to 68% by 2050 and contribute up to 70% - 75% of the Gross Domestic Product (GDP) of the nation in some of the countries of the world (Dobbs, et al., 2011). According to an estimate by McKinsey Global Institute (2011), about 600 important cities of the world are expected to contribute to about 60% of the total global GDP (Dobbs, et al., 2011), thus signifying the economic and enterprising values of cities.

Industrial, trade and commerce, and service activities constitute the bulk of the economic activities in the cities. Consequently, enterprises or entrepreneurial activities become the backbone of industrial and service economy in the cities. However, according to scholars flourishing of such economic activities, in other words entrepreneurship in the cities demands an environment for entrepreneurship, investment, innovation, and distinct entrepreneurial city image (Biddulph, 2011; Hendrix, n.d; United States Chamber of Commerce Foundation, 2013). Although, cities in the Western developed world have made significant strides in this direction, evidences from China, India, South Korea, Thailand, Malaysia, Taiwan, Philippines, etc., in the last few decades suggest that developing countries are also making significant effort to make their cities suitable for encompassing entrepreneurial activities (<https://www.jillrealviews.com>). In this process, cities such as Guangzhou and Shanghai in China, Bengaluru in India, Seoul in Korea, Kuala Lumpur in Malaysia, etc., not to mention of Singapore have come to be known as enterprising cities. Consequently, similar arguments have emerged in South Africa to develop enterprising cities in the country or transform the major cities to enterprising cities (Langa, 2019). In this context, entrepreneurship development has been considered as vital for the economic development in the country and accordingly



different structures, policies and strategies have been put in place to strengthen entrepreneurship in the country. However, specific focus to develop or reinforce entrepreneurship in the cities of South Africa is not explicitly observed. For example, concentrated and direct efforts, structures, and policies or strategies, to develop enterprising cities in the country are apparently found to be relatively inadequate. Further, studies in this aspect particularly in the South African context is very scarce indicating a clear research gap. In the wake of such arguments to develop enterprising cities, the effort to transform South African economy and so do that of the cities and lack of appropriate investigation to examine how enterprising cities can be developed in South Africa, there is a need to explore how South African cities can be revitalised through large scale entrepreneurial activities in the cities. Therefore, this paper examines- what entails an enterprising city, what is the status of cities in terms of entrepreneurial attributes and how enterprising cities can be developed in South Africa. The paper contributes in terms of identifying the dimensions of an enterprising city, status of entrepreneurship, policy related challenges, and strategies to develop enterprising cities in South Africa.

### **Concept of enterprising cities and the theoretical framework**

Cities are found to be at the forefront of economic development, prosperity, research and innovation and culture. Historically they have specifically been the centres of commerce (Hendrix, n.d) and currently are significantly dominating the economy even at the global level. Enterprising cities offer an environment for development of free enterprises which in general create jobs and prosperity (United States Chamber of Commerce Foundation, 2013). However, there is no succinct definition of an enterprising city. According to various scholars such as Biddulph (2011) and Helsley and Strange (2011) and organisation such as United States Chamber of Commerce Foundation (2013), an enterprising city is that which uses policy inputs, well-designed community programs, and economic development best practices to create an environment where free enterprise creates jobs and prosperity. In other words, the policies and practices allow businesses to grow and thrive, and make the businesses free from excessive taxes, unnecessary regulations, and arduous local government processes. The focus of the governance system is on the critical tasks that are the foundation of economic opportunity, such as provision of infrastructure and protective services. Further, the strategy is to educate, cultivate, and equip the next generation of young entrepreneurs and the workforce of the future (Biddulph, 2011; United States Chamber of Commerce Foundation, 2013). In summary, enterprise-friendly leadership and policies at the city level can facilitate local economic growth by supporting entrepreneurs and mobilizing effective partnerships for improving the conditions for business and job growth. Although, every city encompasses certain economic activities in general, enterprising cities enable further economic prosperity, which in turn creates fiscally sustainable local governments capable of supporting the infrastructure and workforce that free enterprise needs (Biddulph, 2011; United States Chamber of Commerce Foundation, 2013).

While the development of enterprising cities is argued to need policy inputs for creating business environment, well designed community programmes and economic development best practices (United States Chamber of Commerce Foundation, 2013), some scholars and organisations (Hendrix, n.d; United States Chamber of Commerce Foundation, 2013) also argue that these cities are formed by two essential, interrelated ingredients- people and place. Place, implies to the power of density or the concentration of people and industries that bring knowledge and human resource, unique culture and amenities which form the quality of life, and the cost of living. People entails to the human resource or in other words the skill and competency that is necessary to build, operate and manage enterprises and the cities (Hendrix, n.d).

According to Michael Porter of Harvard Business School, firms (industries or enterprises) and people usually tend to combine into clusters of productive activity (cited in Hendrix, n.d; United



States Chamber of Commerce Foundation, 2013). It is evident that industries or firms often locate near other firms that have similar attributes and needs, as well as close to the suppliers and customers. These clusters arise because they increase the productivity with which companies can compete. However, only one kind of industry cluster does not make significant difference and thus a range of industry categories is critically important (Hendrix, n.d; McGahan & Porter, 1997; Porter, 1986; United States Chamber of Commerce Foundation, 2013).

According to the studies on regional innovation systems (RIS) (Asheim & Isaksen, 2002: 77-86; Cooke, 2001; Pino, & Ortega, 2018: 1-17), and 'emerging research area of entrepreneurial ecosystems' (Feld 2012; Isenberg 2010: 45-50; Mason & Brown 2014: 1; Neck, Meyer, Cohen, & Corbett, 2004) the role of structural and relational factors is significant to create a vibrant economic cluster. It is argued that industries or enterprises do not function in a vacuum and are in fact entrenched in the broader social, cultural and institutional context that shapes their growth and contribute to their chances of success, which consequently contribute to create enterprising cities (Jha, 2018). In this context, Isenberg, (2010) argued that there are six domains such as accessible markets, availability of finance, conducive culture, quality human capital, progressive policy framework, and a range of institutional support, which influence the development of ecosystems for developing enterprising cities (Jha, 2018). These domains are dependent on each other and interact in a complex and distinctive manner (Mason & Brown, 2014, Jha, 2018). One of the most important characteristics of such ecosystem include the existence of one or more large and established businesses in the region (Mason & Brown, 2014). The large successful industries or enterprises develop a critical mass of skilled personnel, including managerial talent and become a source of entrepreneurs (Neck, et al., 2004; Jha, 2018).

The second characteristic could be the "entrepreneurial recycling" (Mason, 2008; Mason & Harrison, 2006), in which successful entrepreneurs participate and invest their knowhow and resources back into the ecosystem; then come back to start another company, become investors, or provide guidance to fledgling industries by serving on their board of directors (Jha, 2018). A third feature could be that they should be information rich, means there is a dense network of formal and informal connexions that facilitates a free flow of information between the stakeholders of the ecosystem (Neck, et al., 2004; Napier & Hansen, 2011). At the city level, it is evident that for developing enterprising cities, the city authorities put emphasis on the initiatives for developing public infrastructure and services and offering facilities to entrepreneurs and firm owners the opportunity to solve their problems (Almirall, et al., 2016; Sarma & Sunny, 2017).

However, it is also argued that each city and enterprising ecosystem remains unique and depends on various local conditions (Jha, 2018; Isenberg, 2010). In this context, the development of enterprising ecosystem is fundamental for the development of enterprising cities. However, development of enterprising ecosystem is dependent on a combination of factors – economic, spatial, infrastructural, technological and people, and their interaction is highly complex and non- linear and location specific. So, perhaps, an understanding of the cities and enterprising ecosystem from the systems theory perspective and theories of social and organisational governance might also assist in developing appropriate policy and strategic options (Beck, et al., 2018; Thompson, 2008; Verweij & Thompson, 2006).

For example, the cultural theory, which maps the society into four fold social solidarities such as the individualist (business or market forces), hierarchist (governance or bureaucracy), egalitarian (the community organisations) and the fatalist (the common men) and argues for participative and constructive engagement process to arrive at concessions than consensus through trade-offs (Beck, et., 2011; Das, 2018) that could be mutually beneficial to all the social solidarities could perhaps assist in evolving appropriate policies and strategies for developing enterprising cities.



## Research methods and study context

The philosophical underpinnings that guide this study is epistemological positivism. It entails to generation of scientific knowledge through an application of logical reasoning and objective principles by various means such as observation, measuring, and quantifying (Saunders, Lewis, & Thornhill, 2016). In this context, a Delphi survey research method was used. The Delphi survey is closely aligned to positivism, mainly because of the intention and objectives of the study which are primarily to build consensus and require the use of quantifiable methods (Hanafin, 2004; Shariff, 2015). The Delphi research method involving interviews and discussions with urban planning professionals, businessmen and entrepreneurs, economists and personnel engaged in investment sector, branding and image building, academician and policy and decision makers was undertaken for this study (Liggett, et al., 2011). Also, evidences from literature and case studies from across the world were used as the precursor to the study to understand the concept of enterprising cities. The Delphi technique was resorted to because of the lack of adequate structured statistical data on the various aspects of enterprising cities at both national and provincial level of the country (South Africa) that would enable deduction of statistical significance and establish factors that would assist in developing enterprising cities in the country.

Essentially, Delphi technique is a process whereby a group of experts in the related fields of the study are used as study participants. It is used to conduct survey and collect the opinions and perceptions of experts on a particular subject (Yousuf, 2007). Delphi may be characterized as a method for structuring a group communication process so that the process is effective in allowing a group of individuals, as a whole, to deal with a complex problem (Hsu, & Sandford, 2007; Linstone & Turoff 1975: 3; Ludwig, 1997; Turoff & Hiltz, 1996). The technique collects qualitative or subjective information, though relatively accurate in a setting of imperfect information, by combining the knowledge and experience of experts in different fields. It necessitates gathering experts' views anonymously through questionnaire, analysing them and sending back to them a new questionnaire, which contains previous exploration of the results from the initial information obtained, and allowing them to change their opinion if they so wish (controlled feedback) in an iterative manner of two to three rounds (Pulido-Fernández, López-Sánchez, Pulido-Fernández, 2013). Further, in contrast to common surveys, which try to identify "what is," this technique addresses "what could/should be" (Hsu & Sandford, 2007), thus is more suitable for studies of explorative nature. As this study is basically of explorative and qualitative nature and looks for plausible strategies and policy options, this technique was deemed to be suitable.

At the outset, a total 25 experts including urban planners and designers (6), business men and entrepreneurs (5), economists (4), people belonging to advertising and branding industry (3), academicians (5) and people engaged in policy and strategy at city level (2) from different cities of South African were consulted and invited to provide their expert opinion on various aspects relevant to this study. The selection of these experts was conducted based on their expertise and experience in their relevant field of study and direct or indirect engagement with city development and entrepreneurship. These experts have at least five years of experience and belong to the middle to higher executive level and are well qualified (with at least a bachelor's degree). The discussions with experts were conducted in two rounds. However, after the first round only 21 experts participated and four (one urban planning professional, one academicians, one economist and one professional from advertising and branding industry) did not participate because of lack of time. Since, the number of panel members participated (21) is within the range of 15 to 35 and acceptance rate (84%) is more than the desired level of acceptance rate ranging between 35% to 75%, the sample size is found to be suitable (Dalkey & Helmer, 1963; Gordon, n.d.; Masser & Foley, 1987; Okoli, Pawlowski, 2004; Pulido-Fernández, López-Sánchez, Pulido-Fernández, 2013).) Based on the number, diversity in the expertise, experience and qualification, the sample and sample size are found



to be acceptable (Donohoe & Needham, 2009; Vera & Haiyan, 2014; Wright, 2001). Further, the diversity of expertise is also found to be acceptable (Donohoe & Needham, 2009; Garrod & Fyall, 2005; Sobaih, Ritchie & Jones, 2012; Vera & Haiyan, 2014; Wright, 2001). The questions asked (or discussed) comprise of relevant aspects related to the dimensions of enterprising cities, status of South African cities in terms of entrepreneurship and strategies for developing enterprising cities in South Africa. A Likert scale ranging between 1 and 6, where 1 is of the greatest importance and 6 is of the least importance (Dolnicar, Grun, Leisch & Rossiter, 2011, [www.infosurv.com](http://www.infosurv.com); [www.quantumworkplace.com](http://www.quantumworkplace.com)) was used to receive the perceptions and opinions in addition to their qualitative response. The six-point scale was adopted to avoid neutral answers from the experts ([www.infosurv.com](http://www.infosurv.com)). Also, qualitative discussions with the experts were made, and their opinions were collected and compiled (Lin, et al., 2014; Song, et al., 2013).

The whole data collection as mentioned earlier was conducted in two rounds. After the first round the results of the Delphi survey and opinions obtained from the stakeholder's survey were compiled and analysed and the findings were sent to the experts to review their opinions and confirm or change their opinions. During the whole process, anonymity of the experts and responses were kept to avoid the individual and mutual prejudices, bias and refraining one expert influencing another (Lin, et al., 2014; Song, et al., 2013). Moreover, descriptive analysis (Standard Deviation) of the scores provided by the experts on various aspects was made to check the consistency of the responses as a part of the validation process. Also, the reliability and validity of the responses and interpretations were checked by asking experts to validate the researcher's interpretation and categorization of the variables (Okoli & Pawlowski, 2004).

The qualitative responses gathered from the experts through Delphi survey were first compiled under the various parameters such as dimensions of enterprising cities, status of South African cities in terms of entrepreneurship and strategies for developing enterprising cities in South Africa and then evaluated by use of the mean value of the Likert scale responses (Likert index) and the median score (Miller, 2011). Besides, qualitative analysis of the opinions was conducted by use of narrative analysis (Catherine, 1993).

## **Results and Discussions**

Development of enterprising cities in South Africa was analysed on four critical aspects such as (1) dimensions of enterprising cities, (2) status of South African cities in terms of entrepreneurship (3) existing policies for promotion of entrepreneurship and challenges for cities, and (4) strategies to develop enterprising cities, and are discussed in the following subsections. However, before the results were analysed, the consistency of the responses were checked and the low standard deviation values for different attributes indicate that the responses are consistent, and the responses can be used for analysis.

### **Dimensions of enterprising cities in the South African context**

According to main stream literature (Feld, 2012; Isenberg, 2011; Mason & Brown, 2014; Neck, et al., 2004) there are several dimensions that are essential for a city to become enterprising, which include economic landscape (industrial and service activities), entrepreneurial friendly policy, smart infrastructure (both transportation and communication), capacity to attract investment, international embeddedness, research and development and innovation, smart technology enabled quality communication, distinct economic image and city brand, and competitive environment. While all the dimensions are integral parts of enterprising cities, it is inevitable that certain dimensions are of more relevance and should be considered on priority than the others particularly in the South African context because of the limitations of the cities

in terms of resources, infrastructure and governance system. The ranking of the dimensions in the context of South African cities is presented in Table 1. The Delphi survey suggested that economic landscape (industrial and service activities) (mean= 2.33 and median=2), entrepreneurial friendly policy (mean=2.57 and median=2) and smart infrastructure (both transportation and communication) (mean=2.81 and median=3) are the three most important dimensions that are highly essential to create entrepreneurship ecosystem in the cities. These are followed by distinct economic image and city brand (mean=2.90 and median=3), capacity to attract investment (mean=2.95 and median=3), research and development and innovation (mean=2.95 and median=3) as the next essential dimensions to develop enterprising cities. With a lower rating (higher scores mean lower rating), international embeddedness, smart technology enabled quality communication, and competitive environment, are the lowest ranked dimensions. They are however, essential (as the median range between 3 and 4) and should be considered for developing enterprising cities. The opinions of the experts as obtained from the qualitative discussions also corroborate these findings. According to one of the the experts:

... Entrepreneurship friendly policy and economic land scape in terms of availability or development of industrial activities are most important for creating an entrepreneurial ecosystem, which would attract young entrepreneurs and investors to a city.

Further, another experts opine that

...a city should have good quality infrastructure for transportation and communication for the transfer of products, people and information, which assist in strengthening industrial development. Besides, image of a city plays an important role in attracting people to invest and develop industries and service activities.

**Table 1. Dimensions of enterprising cities in the South African context**

Dimensions of Enterprising cities	Mean	Median	Standard Deviation	Scale of Importance						Rank
				1	2	3	4	5	6	
Economic land scape (Industrial and service activities)	2.33	2	1.83	6	7	4	3	1	0	1
Entrepreneurial friendly policy	2.57	2	1.91	6	6	4	2	2	1	2
Smart infrastructure both transportation and communication	2.81	3	1.50	3	6	6	4	2	0	3
Capacity to attract investment	2.95	3	0.82	5	4	6	5	1	1	5
International embeddedness	3.52	3	0.96	3	3	4	5	3	3	6
Research and Development and Innovation	2.95	3	0.96	4	4	5	6	1	1	5
Smart technology enabled quality communication	3.57	4	1.50	2	3	5	5	4	2	7
Distinct economic image and city brand	2.90	3	1.00	4	6	4	4	1	2	4
Competitive environment	3.95	4	2.38	1	2	5	6	3	4	8

### Status of South African cities in terms of entrepreneurship

An evaluation of the status of entrepreneurship in the South African cities (Table 2) suggested that certain facilities such as smart technology enabled quality communication facilities for fast and seamless engagement and liaison (mean=2.71 and median=3) are available. Also, in the country, policies and strategies in some forms for economic and entrepreneurship development are available (mean=2.76 and median=3). Besides, research development and innovation is a positive factor (mean=2.86 and median=3) for entrepreneurship in the cities. According to the experts, although there are some kind of entrepreneurial ecosystem (mean=3.19 and median=3) and competitiveness at regional level (mean=3.19 and median=3) available in the country, the status of international embeddedness, competitiveness at the

global level, and economic landscape is very poor. Moreover, the cities seem to lack capacity to attract investment (both from domestic and Foreign Direct investment (FDI) and economic and social image. Consequently, according to the Delphi survey and looking at the mean score ranging between 2.71 to 4.38 and median score ranging between 3 and 5, the cities of South Africa offer low to average level of opportunities for developing entrepreneurial activities.

**Table 2. Status of South African cities in terms of Entrepreneurship**

Status of South African cities in terms of Entrepreneurship	Mean	Median	Standard deviation	Scale of Importance						Rank
				1	2	3	4	5	6	
Economic landscape	3.95	5	1.72	2	2	4	3	7	3	7
Entrepreneurial ecosystem	3.19	3	0.82	4	4	5	3	2	3	4
Economic and social Image	4.38	5	1.26	1	1	3	5	6	5	9
Policy and strategies	3.05	3	1.29	5	6	4	3	1	2	3
Investment status FDI	4.10	4	1.73	1	2	3	6	6	3	8
Investment status Domestic	3.95	4	0.50	2	2	4	4	5	4	7
International embeddedness	3.67	4	0.49	2	1	6	7	3	2	5
Research and Development and Innovation	2.86	3	0.96	5	5	4	3	3	1	2
Smart technology enabled quality communication facilities for fast and seamless engagement and liaison	2.71	3	1.29	5	6	4	3	2	1	1
Competitiveness at Global level	3.71	4	1.05	2	2	4	8	2	3	6
Competitiveness at regional level	3.19	4	1.52	3	3	5	7	3	0	4

### Existing policies for promotion of entrepreneurship and challenges of cities

Since the birth of democracy, South Africa has recognised the importance of entrepreneurship development and to foster an enabling environment for development of small enterprises in particular in the country (Cassim, Soni, & Karodia, 2014). Consequently, a number of support measures and initiatives were launched based on the pronouncement in the South African National White Paper (1995) and implementation of the Growth, Employment and Redistribution (GEAR) strategy by the Department of Finance (Knight, 2001; Rogerson, 2004). Further, in the last decade the Department of Trade and Industry (DTI) created the integrated strategy on the “Promotion of Entrepreneurship and Small Enterprises” (Cassim, Soni, & Karodia, 2014; DTI, 2007). This integrated strategy is premised upon three important pillars i.e., (1) increasing the supply for financial and non-financial support, (2) creating demand for small enterprise products and services, and (3) reducing regulatory constraints (Cassim, Soni, & Karodia, 2014; DTI, 2007).

Further, as per the integrated strategy and policy for Small and Medium Enterprises (SME), agencies such as Small Enterprise Development Agency (SEDA) and the National Youth Development Agency (NYDA) were created with an aim of promoting small and medium enterprises through provision of both financial and non-financial support services (SEDA, 2011). In addition to the efforts by the Government, the private sector is also engaged in promoting the entrepreneurship (Oosthuizen, 2010). Furthermore, entrepreneurship education has been emphasized as an important policy instrument. Besides, the state of entrepreneurship in the country is evident from its standing in terms of ease of doing business (South Africa ranked 82<sup>nd</sup> among 190 countries) and starting a business (South Africa ranked 134<sup>th</sup>) in the world (World Bank, 2018a, b).

Although, there have been policy initiatives and strategies developed at the national level, no policy and strategic instruments have been created at the city or municipal level. Neither, the policy or strategic initiatives or supports have been infiltrated to the city level in an organised and systematic manner. Furthermore, the policies are attuned towards the small and medium enterprises, which might not provide significant leverage for the development of large enterprises and external investments at the city level. As one of the experts put it:

...there are no specific policies or strategies developed at the city level to promote entrepreneurship, neither the national strategies have been in reality focussed towards creating enterprising cities. For example, the current policies are not really focused for the promotion or setting up of enterprises in advanced technological industrial sector such as Information and Communication sector, which demands international embedding and as well Foreign Direct Investment.

Thus, it is argued that the current endeavours and policies are not adequate for developing enterprising cities in South Africa or transforming the existing cities to enterprising cities. This necessitated the need to explore specific strategies for the development of enterprising cities in the county.

### **Strategies for developing enterprising cities**

The assessment of various strategic options for enhancing entrepreneurship in the cities of South Africa is presented in Table 3. It is revealed that strengthening of entrepreneurship policy (mean=2.29 and median=2) for creating entrepreneurial ecosystem in the cities of South Africa is of foremost importance as it is observed to be the most undermined. This is followed by creation of skilled and competent personnel (mean=2.52 and median=2), encouragement to youth for entrepreneurial activities (mean=2.57 and median=2) and seed funds for start-ups (mean=2.76 and median=3), which should be considered on priority. Also, it is emanated from the responses from the experts that at the city level there is a need for creation of an open and cosmopolitan society (mean=2.90 and median=3) and creation of distinct image and branding based on the potentials and resources (mean=2.90 and median=3), which will enable enhancement of entrepreneurial activities in the cities leading to enterprising cities. Also, as evidenced from the assessment, although entrepreneurship education (mean=3.05 and median=3) and appropriate transportation, communication and built infrastructure (mean=3.67 and median=4) are the least prioritised strategic options (as evident from the relatively high mean scores and median values (low scores indicate higher importance)), these two strategies need to be considered as they form the backbone of transportation of people and products and transfer and communication of the information which are essential for the enhancement of entrepreneurial activities in cities of South Africa. These findings were also corroborated from the qualitative options of the experts. As one expert pointed out that

.... Although there are no particular policies available for developing entrepreneurial cities in the country or at the Provincial level, there are different policies available to engender entrepreneurship in the country. However, strengthening of the existing policies and developing an integrated policy for developing entrepreneurial cities should help.

Further according to another expert

*“.... creation of competent and skilled personnel, encouragement to youth for entrepreneurial activities and investment facilities are highly important for developing entrepreneurship in the cities of South Africa.”*

Also, urban planning professionals and image building and branding professionals stressed on an open society, appropriate infrastructure and creation of distinct images of cities. According to one of them

...image of a city, availability appropriate infrastructure particularly digital communication and efficient transportation infrastructure and open cosmopolitan atmosphere attracts people to explore to invest and develop business activities in a city...these parameters offer first impression for an entrepreneur or investor to think about investing or starting a new venture... and should not be undermined.

**Table 3 Status of strategies for enhancing entrepreneurship**

Strategies	Mean	Median	Standard deviation	Scale of Importance						Rank
				1	2	3	4	5	6	
Strengthening of the entrepreneurship friendly policy	2.29	2	1.77	7	6	4	3	1	0	1
Creation of an open and cosmopolitan society	2.90	3	0.54	5	5	4	3	2	2	5
Encouragement to youth for entrepreneurial activities	2.57	2	0.83	6	6	3	4	1	1	3
Seed fund for start ups	2.76	3	0.93	4	5	6	4	2	0	4
Creation of competent and skilled personnel	2.52	2	1.27	5	7	5	2	1	1	2
Entrepreneurship education	3.05	3	0.94	4	4	5	5	1	2	6
Distinct image and branding based on the potentials and resources	2.90	3	1.29	3	4	6	4	3	1	5
Appropriate transportation, communication and built infrastructure	3.67	4	1.42	2	4	3	5	4	3	7

## Discussion

Cities are known as engines of economic development. However, entrepreneurship is regarded as the backbone of economic development. It is observed that the South African cities remain at the forefront of- and contribute significantly to the economy of the country. Therefore, arguments have emerged to enhance and strengthen entrepreneurial activities in the cities of South Africa (Langa, 2019). In other words, there is a call for the development or transformation of the existing cities to enterprising cities. Across the world particularly in developed countries and developing countries such as China and India, conscious efforts have been made to develop enterprising cities (Chen, 2014; Lai 2006; Lu, de Jong, & Chen, 2017). As evidenced from the various cities of world, enterprising cities are those in which largescale entrepreneurial activities take place having both international and regional embedding. They have certain attributes and dimensions which include entrepreneurial ecosystem, smart infrastructure, economic landscape (industrial and service activities), and capacity to attract investment. Besides, international embeddedness, research and development and innovation activities, distinct economic image and city brand and competitive environment and more importantly an entrepreneurial friendly policy are the integral dimensions of enterprising cities (both at the country and city level), which are not available in other normal cities (Feld, 2012; Isenberg, 2011; Mason & Brown, 2014; Neck, et al., 2004).

As arguments have emerged for developing such cities in South Africa, the examination of the current status of the cities with regards to attributes for enhancing entrepreneurial activities revealed that some infrastructure and facilities are available and some policies and strategies are in place. However, the cities lack economic landscape, entrepreneurial ecosystem, and appropriate social and economic image that would attract investors and entrepreneurs to invest and set up industries or service oriented entrepreneurial activities in the cities, which are in fact essential for engendering entrepreneurial activities (Feld, 2012; Isenberg, 2011; Mason & Brown, 2014; Neck, et al., 2004). According to experts' opinions, the cities of South Africa do not offer significant opportunities for developing entrepreneurial activities. Furthermore, although, the policy measures are available, critics note that these policies have not delivered the desired results (Cassim, Soni, & Karodia, 2014). Moreover, the current policy instruments and strategies at the national level are not specifically focused to engender entrepreneurial activities at the city level or creating enterprising cities. However, the assessment of different strategic options revealed that the focus should be on the



strengthening of the entrepreneurship friendly policy, particularly at the city level, which includes provisions of incentives, rewards and tax benefits, and creating competent and skilled manpower, perhaps through entrepreneurship education and encouraging competency-based education system in the higher education. Also, opening of the society and acceptance of cosmopolitanism and receptive to people and ideas from outside the cities and countries will assist as entrepreneurs, investors and skilled personnel will feel more open and comfortable to come to the cities to work, invest or set up enterprises. Besides, the study also corroborated that the encouragement of the youths for entrepreneurial activities, and provision of seed fund for start-ups also will engender as well as reinforce entrepreneurial activities in the cities of South Africa (Neck et al., 2004; Jha, 2018). Moreover, although there are lesser challenges with regards to transportation and communication infrastructure provisions in the cities currently, there is a need for strengthening of these infrastructures to meet the challenges of future enterprising activities and to build specific infrastructure that are attuned for enterprising activities (Almirall et al., 2016; Sarma, & Sunny, 2017). Also, there is a need for combining the economic attributes as well as the social and spatial point of view to develop enterprising cities in South Africa.

## Conclusions

Cities across the world including some developing countries in the last few decades have made significant strides in reinforcing entrepreneurial activities to create enterprising cities. Arguments have also emerged to develop enterprising cities in South Africa. Therefore, the objective of the study was to identify the dimensions of enterprising cities, explore the status of entrepreneurship in the cities of South Africa and how enterprising cities can be developed in the country. A Delphi research method with the aid of experts from the relevant fields was used for the study.

Findings suggested that economic land scape (industrial and service activities), entrepreneurial friendly policy, capacity to attract investment, distinct economic image and city brand, smart infrastructure in terms of both transportation and communication, international embedding and research and development and innovation are the important dimensions of an entrepreneurial city in the context of South Africa. According to experts, opportunities for developing entrepreneurial activities, particularly essential aspects such as economic landscape, entrepreneurial ecosystem, and appropriate social and economic image that would attract investors and entrepreneurs to invest and set up industries or service oriented entrepreneurial activities in the cities are relatively less.

Further, it is found that integrated policies or strategies are not available either at the country or Provincial or city level, which would address the issues of entrepreneurship holistically at the city level. However, strategies such as strengthening of entrepreneurship policy for creating entrepreneurial ecosystem, creation of skilled and competent personnel, encouragement to youth for entrepreneurial activities and seed funds for start-ups are of foremost importance for developing entrepreneurial activities in the cities of South Africa. Besides, creation of an open and cosmopolitan society and creation of distinct image and branding will enable enhancement of entrepreneurial activities in the cities leading to enterprising cities. However, entrepreneurship education and appropriate transportation, and communication infrastructure should not be undermined. Although, the combined effect of these factors is envisaged to develop enterprising cities in South Africa, the interlinkage among these factors is highly complex and there is a necessity that these factors should work in an interrelated and coordinated manner. In order to understand these complex interactions, perhaps theories of social organisational governance or systems theory may be resorted to.



However, the examination of interrelatedness and complex interaction is not within the current scope of the paper and is the future scope of research.

Furthermore, the limitation of the study is that the investigation was conducted on an aggregate basis by considering the larger cities in general, although there is also a need for city specific investigation as every city is different and have different potentials and challenges. However, the outcomes of the study might assist the municipalities, city development authorities, policy and decision makers in identifying the potentials, opportunities, and challenges to engender and reinforce entrepreneurship in the cities and developing policies and strategies to build (or transform the cities) enterprising cities in South Africa.

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