



## Sustainable Livelihood Consultants

# A rapid assessment of the potential socio-economic impact of the Western Cape Liquor Act



### Consultancy team

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### Assignment

Sections 76 (a) (b) and (d), 80 and 87 (1)-(3) of the Western Cape Liquor Act were promulgated in December 2008. All unlicensed liquor traders in the province (shebeens) would be considered illegal under the new Act. The implementation of this Act would necessitate police action to enforce the closure of businesses that had, in many cases, been operating for several years through the legal loopholes that preceded the Act.

In response to the concern that the new Act could affect the income and livelihoods of up to 150,000 persons, Sustainable Livelihood Consultants (SLC) was commissioned to undertake a rapid appraisal of the potential impact of the Act on livelihoods and micro-entrepreneurship amongst both traders (shebeeners) and affected communities. SLC was selected to undertake the research on the basis of our prior investigation of micro-entrepreneurship within the shebeen sector for the Western Cape Micro-Economic Development Strategy (MEDS), Round 4. In addition, SLC has significant experience of employment dynamics and supply chain structures within liquor retailing, both on national and provincial levels.

Specifically, the study was required to examine:

- I. direct employment loss through enterprise closure,
- II. the economic multipliers of shebeens on other micro-enterprises and possible withdrawal of capital from these businesses,
- III. the livelihoods impact on the affected households.

### Methodology

The study was engaged with more than 140 informants (shebeen traders) through in-depth interviews, site visits and participatory workshops representing a diversity of the community situations within the Western Cape metropolitan area. Research examined the impact of business closures in the following communities: Atlantis; Belhar; Blue Downs; Delft; Eerste River; Gugulethu; Khayelitsha; Masiphumelele; Mitchell's Plain; Retreat / Steenberg; and Vrygrond. The consultant was also required to engage with key stakeholders representing shebeen traders, representatives of liquor manufacturers, distributors and wholesalers; entrepreneurs in allied industries; and representatives of political and civic bodies.

### Findings

The study findings have not been publicly released; the report has been embargoed.