



# **Wholesale & Retail**

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*“Collaboration opens the window  
to a world of opportunities.”*

**Project 2024/01**

**Evaluation of the impact of the W&RSETA's ITAMED  
programme in creating sustainable FORMAL small  
businesses**

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## ABSTRACT

This study employs Pearson's R and Spearman's correlation analyses to examine the broader impact of the Informal Traders and Micro Enterprises Development (ITAMED) programme on South Africa's Wholesale and Retail (W&R) sector. Beyond evaluating the programme's direct influence on informal traders' transition to formal businesses, it explores its wider economic and social implications. The research assesses five key hypotheses related to job creation, economic growth, access to financial services, social empowerment, and the formalization of informal enterprises. By applying both qualitative and quantitative methods, the study provides a comprehensive understanding of ITAMED's contribution to sectoral development.

The findings demonstrate that ITAMED has significantly facilitated job creation, increased employment opportunities, and enhanced job stability within the W&R sector. Key financial indicators, including personal savings and reliance on social networks for funding, showed highly significant correlations ( $p < 0.001$ ), affirming the programme's positive economic impact. Participating businesses reported increased income and profitability, reflecting broader economic growth. Improved access to financial services, such as banking, loans, and grants, also supported the formalization process, contributing to a more resilient and inclusive financial ecosystem.

Socially, ITAMED has enhanced community well-being by enabling better access to healthcare, education, and other essential services. These outcomes underscore the programme's role in promoting social empowerment and inclusive economic participation. However, challenges related to programme monitoring, evaluation, and adaptability remain. The study emphasizes the need for tailored support mechanisms, strong public-private partnerships, and continuous programme assessment to maximize the impact of future initiatives.

By presenting evidence-based recommendations, this research advocates for enhanced business support programmes that foster entrepreneurship, reduce informality and drive sustainable development within South Africa's W&R sector. The insights gained provide valuable guidance for policymakers and stakeholders seeking to strengthen economic resilience and inclusive growth across the sector.

**Keywords:** W&RSETA's, ITAMED, programme, sustainable, small businesses, SA.

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## ACRONYMOUS WORDS

BGF	Business Growth Fund
BBSDP	Black Business Supplier Development Programme
BER	Bureau for Economic Research
CIS	Co-operative Incentive Scheme
DSBD	Department of Small Business Development
EFG	Enterprise Finance Guarantee
ISBs	Independent Small Businesses
ITAMED	Informal Traders and Micro Enterprises Development
IWI	Interval When Interval
KNCCI	Kenya National Chamber of Commerce and Industry
NBIC	Namibia Business Innovation Center
NDP	National Development Plan
NEF	National Empowerment Fund
NSBA	National Small Business Act
NSDA	National Skills Development Act
NSDP	National Skills Development Plan
OECD	Organisation for Economic Co-operation
ODO	Ordinal When Ordinal
ILO	International Labour Organisation
SBA	Small Business Administration
SBDCs	Small Business Development Centers
SDGs	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Development Agency
SETA	Sector Education and Training Authorities
SMMEs.	Small, Medium, and Micro Enterprises
SROI	Social Return on Investment
SPSS	Statistical Package for Social Sciences



W&R	Wholesale and Retail
W&RSETA's,	Wholesale and Retail Sector Education and Training Authority

## DEFINITIONS AND CONCEPTS

- Small Business:** A small business is a distinct entity, including cooperatives and NGOs, managed by one or more owners and operating in any economic sector, classified as micro, very small, small, or medium enterprise (National Small Business Act 102 of 1996).
- Micro Enterprises:** Micro-enterprises are small businesses with up to five employees and an annual turnover of about R300,000, often operating informally due to a lack of formal business skills and licenses, but they have strong potential to evolve into sustainable Independent Small Businesses (Bvuma & Marnewick, 2020).
- Medium-sized Enterprises:** Medium enterprises are owner-managed, legally compliant businesses with up to 200 employees, operating from fixed premises and featuring a decentralized management structure (Kiaga & Leung, 2020).
- Survivalist:** Survivalist enterprises operate within the informal economy, typically run by unemployed individuals seeking economic survival, generating income below the poverty line, and employing fewer than 20 individuals (W&RSETA, 2022; Scholtz et al., 2023; Wiid & Cant, 2021).
- Very Small Enterprises:** Very small enterprises are part of the formal economy, employing fewer than ten employees, or up to 20 in sectors like mining, electricity, informal trading within townships, and construction (Bvuma & Marnewick, 2020).
- Independent Small Businesses (ISBs):** ISBs are individuals in the working-age population who seek to create value by starting or expanding economic activities and identifying new products, processes, and market opportunities (SEDA, 2020).
- Entrepreneurship:** Entrepreneurship is the process of discovering, evaluating, and exploiting opportunities by ISBs, often without regard to available resources (SEDA, 2020).
- Cooperatives:** A cooperative is an independent association of individuals working together to meet their economic, social, and cultural needs through a jointly owned and democratically controlled enterprise based on cooperative principles (Akinbinu & Chiloane-Phetla, 2022).

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# CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

## 1.1 Introduction

The ITAMED (Informal Traders and Micro Enterprises Development) programme has encountered notable challenges, leading to perceived failures in its implementation (Koroma et al., 2017). Primarily, this W&RSETA-funded programme aims to address the challenges local informal traders and micro enterprises face through skills development. In this context, informal traders refer to individuals or small groups operating unregistered businesses in local markets, while micro-enterprises are small-scale businesses typically employing fewer than ten people. Collectively, these groups fall under the category of Small, Medium, and Micro Enterprises (SMMEs), which play a critical role in the township economy. The ITAMED programme assists informal traders and micro enterprises to position their businesses to compete with big retailers and foreign traders entering the township market.

Every year, the W&RSETA supports 2400 informal traders on capacitation programmes that focus on marketing, financial management, customer service, and entrepreneurship. In addition, the W&RSETA (2022) provides the participants with a small grant to invest in their businesses. Insufficient support structures within confined zones contributed to a lack of effective training and capacity-building programmes, resulting in a gap between Small, Medium, and Micro Enterprises (SMMEs) aspirations and practical skills. The programme's focus on economic outcomes overlooked the socio-cultural context of the informal sector thereby impacting its alignment with the needs and expectations of the target participants.

Additionally, bureaucratic complexities and a lack of streamlined processes impeded the smooth execution of the ITAMED initiatives (Ramasimu et al., 2023). The absence of tailored financial mechanisms and limited access to capital thwarted the economic empowerment goals aligned with the National Skills Development Plan (NSDP) during and after the pandemic. These challenges collectively compromised the programme's efficacy, emphasising the need for a comprehensive reassessment of strategies, increased stakeholder collaboration, and a more nuanced understanding of the intricacies within the informal trading landscape.

The Wholesale and Retail sector is made up of predominantly SMMEs (which employ less than 50 traders), accounting for approximately 90% of the sector. Formal development is a key priority for the government with many interventions being implemented to grow the sector; however, the majority of SMMEs in the wholesale and retail sector, especially the informal ones, continue to

exist outside the mainstream economy. These enterprises often fail to grow and close. Failure of SMMEs has been attributed to the shortage and inadequacy of skills that are required to grow businesses to the next level, amongst others in the sector. The W&RSETA has the responsibility to ensure that the skills development gaps are addressed in line with the NSDP and other government priorities. In line with the NSDP, SETAs are expected to support the growth and development of formal small businesses SMMEs, and cooperatives through various skills development initiatives.

In many regions across the globe, SMMEs are the main drivers of job creation, with them often contributing to the identity and social cohesion of local communities. As a predominant form of business and employment, SMMEs are also key role players in the promotion of more inclusive and sustainable growth, economic resilience, and social cohesion (Ufua et al., 2022). However, the success of SMMEs activity is highly dependent on the context within which it occurs. Ecosystem factors such as government policy frameworks and legislation, economic development and performance, education, and a host of social dynamics directly influence and uniquely shape SMMEs activity and development at a country level (Herrington, 2019).

Although estimates indicated by W&RSETA, (2022:5) vary, it was found that the number of SMMEs in South Africa rose by 3%, from 2.18 million in the first quarter of 2008 to 2.25 million in the second quarter of 2015 in the Bureau for Economic Research (BER) in 2016 findings. Of the 2.25 million SMMEs, 1.5 million were informal and were concentrated in the trade (wholesale and retail) and accommodation sectors (OECD, 2020). Currently, the W&R SETA provides Discretionary Grants for SMEs to implement skills programmes, such as single unit standards and non-credit bearing programmes. Grant traders provisions for informal traders and micro enterprises were also provided to enable them to attend the W&RSETA-sponsored training under the Informal Traders and Micro Enterprises Development (ITAMED) programme (Koroma et al., 2017). The W&RSETA also facilitates mentorship and coaching to ensure that these enterprises grow and become sustainable through partnerships with relevant organisations.

The SMMEs and SMMEs Support Strategy outlines the focus and strategic interventions that are key to the mandate of the W&RSETA as it relates to the provision of skills development and support for SMMEs Informal Traders and IBSs. The Strategy is therefore a key enabler for the proper implementation of Formal Traders, Informal Traders, and SMMEs initiatives. The main aim of the strategy is to create an enabling environment for the sustainable growth of SMMEs within the sector. This strategy sets a framework and outlines the principles underlying future support to be provided by the W&RSETA within the resource constraints facing the SETA.



Moreover, a failure to address contextual variations and regional disparities further undermined the programme's universal applicability. The absence of a feedback mechanism and continuous evaluation mechanisms obscured the identification and rectification of emerging geopolitical challenges during the implementation phase (WEF, 2020). The programme's inability to foster a sense of community and mutual support among participants limited its long-term sustainability. A lack of flexibility and adaptability to evolving economic landscapes and external factors, such as the global pandemic, exposed inherent vulnerabilities in the ITAMED programme (Koroma et al., 2017).

Additionally, the absence of a clear pathway for integration into formal sectors and industries hindered the realisation of tangible economic and employment outcomes. In essence, the ITAMED programme's failures stem from a combination of structural shortcomings, insufficient stakeholder engagement, and an inadequate understanding of the dynamic nature of informal trading environments, emphasising the necessity for a holistic reevaluation and strategic overhaul to enhance its overall effectiveness. According to the National Small Business Act 102 of 1996, a Small Business refers to a separate and distinct business entity, including cooperatives and NGOs, managed by one or more owners. It operates predominantly in specific economic sectors, classified as micro, very small, and medium enterprises (Ufua et al., 2022). Micro enterprises, characterised by informal operation, lack business skills, remain unlicensed, and exhibit non-compliance with legislation. Medium-sized enterprises were owner-managed, legal, and structured with up to 200 employees. Survivalist enterprises, found in the informal economy, were pursued by the unemployed for economic survival. Very Small Enterprises, formal in nature, employ fewer than ten employees (except in specific sectors). IBSs individuals seeking to create or expand economic activity, while SMMEs involve identifying and exploiting opportunities.

Cooperatives are associations of individuals jointly owning and democratically controlling enterprises to meet economic, social, and cultural needs. According to the National Small Business Act 102 of 1996, a small business refers to a separate and distinct business entity, including cooperatives and NGOs, managed by one or more owners. It operates predominantly in specific economic sectors, classified as micro, very small, small, or medium enterprises.

## **1.2 Background to the Research Study**

### **1.2.1 National Development Plan**

The National Development Plan (NDP) envisions a South Africa where SMMEs are at the epicentre of economic development (Bvuma & Marnewick, 2020), and not at the periphery. The NDP as noted by Bvuma and Marnewick, (2020) states that “retail and business services together

are the biggest employers in most middle- and high-income economies. In South Africa, the formal retail sector accounts for almost 2 million jobs, and another 3 million jobs exist in informal activities. Business services account for about 20 percent to 30 percent of gross value added and over 1 million jobs". One of the policy options of the NDP for the retail sector is to conduct further investigation on opportunities to stimulate sustainable small-scale retail and cooperative buying methods (Kiaga & Leung, 2020), to reduce costs in townships and stimulate related employment. According to Ramasimu et al., (2023) indicate that informal businesses contribute significantly to the country's growth and development as these enterprises are important contributors to job creation and thus contribute to improving the quality of lives for traders and communities under risk in the country (WEF, 2020).

### **1.2.2 The National Skills Development Act (NSDA)**

The Skills Development Act No. 97 of 1998, in South Africa is pivotal in regulating and guiding programmes like the Informal Traders and Micro Enterprises Development (ITAMED) (Ramasimu et al., 2023). It mandates active participation in skills development across sectors, aligning with ITAMED's goal of enhancing skills for informal traders transitioning to formal businesses (Maduku & Zerihun, 2022). The act established Sector Education and Training Authorities (SETAs), with the Wholesale and Retail SETA being involved in ITAMED, facilitating targeted skills development. Funding mechanisms, enabled by the act's skills development levies, support ITAMED in training, mentorship, and capacity building (Mukwarami et al., 2017).

Emphasising high standards, the act ensures ITAMED's interventions meet industry benchmarks. Promoting learnerships and recognising prior learning, the act contributes to structured learning experiences for successful transitions. Addressing employment equity, ITAMED aligns with the act's principles, fostering inclusivity and diverse opportunities. In essence, the Skills Development Act provides the regulatory framework crucial for ITAMED's structured, industry-aligned, and socio-economically impactful skills development in South Africa's wholesale and retail sector (Kiaga & Leung, 2020).

### **1.3 Significance of the Study**

The study represents a pioneering effort to comprehensively evaluate the ITAMED programme by addressing a crucial knowledge gap in the wholesale and retail sector regarding the programme's efficacy and impact (Ufua et al., 2022). Through an in-depth examination of transition rates, economic impact, job creation, financial access, and social empowerment, the research provides invaluable insights for policymakers, stakeholders, and the Wholesale and Retail SETA. According to Enaifoghe & Vezi-Magigaba (2023), the anticipated findings are

expected to offer actionable evidence to design and refine skills development initiatives, particularly in supporting informal traders transitioning to formal businesses. This may include the development of tailored financial literacy programs, mentorship schemes, and capacity-building workshops. Additionally, insights into job creation patterns can help policymakers craft targeted employment policies to stimulate economic growth. The findings will also inform the design of inclusive financial products and services, enhancing financial access for underserved entrepreneurs. Furthermore, the study will contribute significantly to discussions around the formalisation of informal sectors by providing evidence-based recommendations on regulatory frameworks and business support mechanisms. In essence, the study aims to instigate positive transformations, fostering economic development, skill enhancement, and both economic and social empowerment within South Africa's informal trading townships.

#### **1.4 The Research Problem**

The W&RSETA, established in 2000 under the Skills Development Act, (W&RSETA, 2022), plays a crucial role in addressing the skills development needs of the Wholesale and Retail (W&R) sector in South Africa. With most businesses in this sector being small, medium, and micro enterprises and SMMEs, particularly those in the informal segment, the W&RSETA recognises the significance of formal business development for economic growth. Despite government interventions, many SMMEs in the wholesale and retail sectors, especially informal ones, struggle to integrate into the mainstream economy, often due to skill shortages.

The W&RSETA, aligning with the NSDP, is tasked with bridging these skill gaps. In response, the W&RSETA introduced the ITAMED programme in 2019/2020 & 2020/2021 as alluded to by Anon (2022). This initiative focuses on addressing challenges local informal traders and micro enterprises face through targeted skills development. Specifically, the ITAMED programme empowers informal traders and micro enterprises to enhance their competitiveness against larger retailers and foreign traders (Maduku & Zerihun, 2022). Capacitation programmes covering marketing, financial management, customer service, and SMMEs are offered annually, benefitting 2400 informal traders. Moreover, participants receive small grants to invest in their businesses, reinforcing the W&RSETA's commitment to fostering sustainable growth within the sector.

Furthermore, the W&RSETA recognises the evolving landscape of the wholesale and retail sector (W&RSETA, 2022), marked by the entry of large retailers into township markets and the presence of foreign traders. The ITAMED programme is strategically designed to position informal traders and micro-enterprises to effectively navigate these challenges and compete on a level playing field. The capacitation programmes offered under ITAMED address key aspects crucial for

business success such as marketing strategies to enhance visibility, financial management skills for sustainable operations, customer service excellence to build lasting relationships, and SMMEs training to foster innovation and adaptability. The annual support provided to 2400 informal traders through the ITAMED programme not only focuses on skills development but also includes a practical element through the provision of small grants (Wiid & Cant, 2021). These grants serve as a direct investment in the businesses of the participants, empowering them to implement the acquired skills and improve their operations.

This dual approach of knowledge transfer and financial support enhances the likelihood of tangible and sustainable improvements in the performance of informal traders and micro-enterprises. In the broader context, the W&RSETA's commitment to formal development aligns with national priorities, as supporting the growth and sustainability of these enterprises contributes significantly to economic development, job creation, and poverty alleviation. The ITAMED programme, as a targeted initiative within the W&RSETA's broader mandate (W&RSETA, 2022), exemplifies a strategic response to the unique challenges faced by informal traders and micro-enterprises in the wholesale and retail sector, aiming to integrate them into the formal economy and facilitate their competitiveness in a dynamic market environment.

### **1.5 Purpose of the Research Project**

The purpose of this mixed-methods research study was to evaluate the impact of the ITAMED programme on the participating businesses. Primarily, the research study aimed to establish if those informal traders that were supported through the ITAMED programme have graduated into formal businesses and whether they remain informal (Mupa et al., 2024). The study also aimed to establish the positive changes, if any, that have accrued to the participants as a result of their participation in the ITAMED programme. Furthermore, the proposed study aimed to provide evidence-based recommendations on how the ITAMED programme could be improved in the future.

#### **1.5.1 Research Objectives:**

The study sought to comprehensively fulfill the following objectives:

- ✚ To assess the effectiveness of the ITAMED programme in facilitating the transition of informal traders into formal businesses by analysing the percentage of participants who successfully transitioned within a specific timeframe.
- ✚ To measure the economic impact of the ITAMED programme by examining the growth in income, profitability, and sustainability of the formalised businesses compared to their previous informal trading status.

- ✚ To evaluate the impact of the ITAMED programme on job creation by analysing the number of employees hired by the formalised businesses supported by the programme, as well as the quality and stability of those jobs.
- ✚ To examine the extent to which the ITAMED programme has contributed to increased access to financial services and resources for informal traders-turned-formal businesses, including banking services, loans, and grants.
- ✚ To investigate the ITAMED programme's impact on the overall well-being and social empowerment of the individuals and communities involved in the transition, considering factors such as improved social security, access to healthcare, education, and other social benefits.

### **1.5.2 Research Hypothesis**

The study aimed to comprehensively address the following research hypotheses:

- ✚ (H1): The ITAMED programme significantly facilitates the transition of informal traders into formal businesses, as evidenced by the percentage of successful transitions within a specified timeframe.
- ✚ (H2): The ITAMED programme significantly contributes to the economic growth of formalised businesses, as indicated by improvements in income, profitability, and sustainability.
- ✚ (H3): The ITAMED programme significantly contributes to job creation, with a measurable increase in the number of employees, as well as improvements in job quality and stability.
- ✚ (H4): The ITAMED programme significantly enhances access to financial services, including banking services, loans, and grants, for businesses in transition.
- ✚ (H5): The ITAMED programme significantly contributes to improved well-being and social empowerment, evidenced by enhanced social security, healthcare, education, and other social benefits within the transitioning communities.

### **1.6 Structure of the Research Study**

This research study is structured into six chapters. Chapter One introduces the research by providing background information and framing the context. It outlines the research topic, reviews relevant literature, and articulates the problem statement, research question, and methodologies to be employed. Chapter Two conducts an extensive literature review on business development concepts and practices. Chapter Three details the research methodology and design that was adopted for this study. Chapter Four and Chapter 5 engage in the thorough analysis and interpretation of gathered data, presenting findings and insights from key stakeholders in South Africa. Finally, Chapter Six concludes the study by summarising key findings, offering

recommendations for future research, and providing practical implications based on the input of stakeholders, thus encapsulating the essence of the research study.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

Over the past few decades, sustainable business practices have become increasingly important for long-term economic, social, and environmental viability. Small businesses, both formal and informal, play a crucial role in driving economic growth and development, especially in developing countries like South Africa. However, these businesses often face numerous challenges that hinder their sustainability and growth. This review explores how business support programmes contribute to the sustainability of small enterprises in South Africa, particularly within the informal sector. By examining existing literature, this review seeks to provide a comprehensive understanding of the theoretical frameworks, challenges, and opportunities associated with such programmes, as well as their impact on sustainable development.

The following sections provide contextual information on the significance of sustainable business practices and the role of small businesses in South Africa's economy. The objectives and rationale for conducting this literature review will be elucidated, outlining the need to explore the effectiveness of business support programmes in promoting sustainability among small enterprises. The specifics covered in the literature review will also be delineated, providing a roadmap for the subsequent discussions.

Furthermore, the literature review explores the theoretical frameworks underpinning sustainable business practices, the challenges faced by formal and informal small businesses in South Africa, the types of business support programmes available, methodologies for evaluating their impact, alignment with Sustainable Development Goals (SDGs), case studies, examples, and identified gaps in the existing literature. Through this comprehensive analysis, this review aims to contribute to the body of knowledge on sustainable business development and the role of business support programmes in facilitating it.

### **2.2 Background of the Study**

#### **2.3 Informal Small Businesses in South Africa**

Informal small businesses in South Africa represent a vital component of the economy, playing a significant role in job creation, poverty alleviation, and economic resilience (Mukwarami et al., 2017). These enterprises, often operating within the informal sector, encompass a diverse array of activities ranging from street vending and artisanal crafts to small-scale services and trading operations.

Despite their informal nature, these businesses contribute substantially to local economies (Ramsuraj, 2023), particularly in urban townships and rural areas where formal employment opportunities may be limited. However, informal small businesses face a myriad of challenges, including limited access to formal markets, financial services, and regulatory frameworks. Moreover, they often operate in precarious conditions, facing risks such as eviction, confiscation of goods, and lack of legal protection as entrepreneurs navigate regulatory requirements (Enaifoghe & Vezi-Magigaba, 2023).

Nevertheless, informal small businesses demonstrate remarkable resilience and adaptability, leveraging social networks, community support, and entrepreneurial ingenuity to overcome challenges and sustain livelihoods (Scholtz et al., 2023; Wiid & Cant, 2021). Efforts to support and formalise these enterprises are underway, with initiatives aimed at providing training, access to finance, and regulatory support to help them transition into the formal economy. Recognizing the significant role of informal small businesses in South Africa's economy, policymakers and stakeholders are increasingly focused on developing strategies to harness their potential for sustainable economic development and inclusive growth (Scholtz et al., 2023).

### **2.3.1 Overview of Informal Small Businesses**

The informal sector, also known as the shadow or grey economy, refers to economic activities that are carried out by individuals or economic units without any formal contractual arrangements (Etim & Daramola, 2020). According to Dell'Anno (2022), the informal sector consists of small businesses that engage in the production of goods or services with the primary aim of generating employment and income for the people involved. These businesses usually operate on a small scale with low levels of the organisation and little or no differentiation between labour and capital as factors of production. Informal small businesses operate outside the formal regulatory framework and are typically not registered or taxed by the government. Labour relations in the informal sector were often based on personal and social relationships rather than formal contracts (OECD/ILO, 2019).

The informal sector in South Africa encompasses a variety of business industries, such as commerce, agriculture, construction, mining, manufacturing, transportation, and services. Some common types of informal businesses in South Africa include Spaza shops, Hawkers, pavement sellers, street vendors, laundromats, and other small businesses that are run from a person's home. In the final quarter of 2022, the count of informal businesses surged to 1.75 million, surpassing a significant decline observed at the outset of the pandemic. This figure had escalated from 1.3 million to 1.6 million during the 2010s (Makgetla, 2023).



The informal small business sector constitutes a significant portion of the workforce in urban centres of developing countries, accounting for approximately 60% of the adult working labour force (Global Development Research Centre in Etim & Daramola, 2020). It is characterised by factors such as lower educational levels, limited skills, longer working hours, and lower literacy rates compared to formal employment (Burger & Fourie, 2018; Özgür, Elgin & Elveren, 2021).

Multiple factors lead to the growth of informal businesses, including economic challenges such as high taxation and economic downturns, business pressure such as market competition, socio-demographic constraints such as high unemployment and poverty, governance issues including regulatory burdens, and the impact of science and technology on employment patterns (OECD/ILO, 2019; Etim & Daramola, 2020).

The informal businesses' impact on economic growth and poverty reduction is significant, serving as a source of employment and providing products and services not offered by the formal economy (Aryeetey, 2015; Benjamin & Mbaye, 2014; Sakanko & Ewugi, 2017; Yelwa, & Adam, 2017; Burger & Fourie, 2018). However, challenges remain in measuring its exact contribution to national output due to data limitations. Policy recommendations include reducing barriers to entry for small firms, promoting formal-informal economy linkages, and providing social safety nets for informal sector workers (Aryeetey, 2015; Benjamin & Mbaye, 2014; Sakanko & Ewugi, 2017; Yelwa, & Adam, 2017; Burger, & Fourie, 2018).

Despite its massive size, the informal sector's potential for economic growth remains largely untapped due to a lack of proactive policies to integrate informal activities into formal regulations (Benjamin & Mbaye, 2014). Improved fiscal and employment policies were recommended to foster economic growth and development (Sakanko & Ewugi, 2017; Yelwa, & Adam, 2017; Burger, & Fourie, 2018). However, the informal sector's role in employment creation may be limited, as observed in South Africa's case (Burger, & Fourie, 2018). Overall, understanding the informal sector's dynamics and its relationship with economic growth is essential for formulating effective policies to harness its potential and address its challenges.

### **2.3.2 Challenges Faced by Informal Small Businesses**

According to the findings of Etim and Daramola (2020), informal small businesses encounter a range of challenges, including inadequate access to credit and low capitalization, slow adoption of modern technology, insufficient support infrastructure, unfavourable government policies, and a lack of social protection measures.

#### *2.3.2.1 Lack of Credit/Low Capitalisation:*

Informal small businesses face significant challenges in terms of growth and sustainability due to the lack of credit and low capitalization. These enterprises often encounter barriers when trying to access financing from traditional financial institutions. This is mainly because they are informal and lack collateral or credit history. As a result, they struggle to secure the necessary funds to initiate or expand their operations. (Nguyen & Canh, 2021).

Access to credit is limited for informal businesses, which in turn restricts their ability to invest in important assets and resources such as inventory, equipment, or marketing efforts. This lack of capital can make it difficult for these enterprises to take advantage of market opportunities, expand their product offerings, or improve their competitiveness (Moahid, & Maharjan, 2020; Hassan, 2013). Additionally, low capitalization creates operational challenges for informal businesses, making it hard for them to cover essential expenses such as rent, utilities, or employee wages. This financial strain can hamper their day-to-day operations and limit their capacity to invest in growth initiatives (Sparks & Barnett, 2010; Moahid, & Maharjan, 2020; Rungani, 2022).

In order to cope with these challenges, informal small businesses often resort to alternative sources of financing, such as borrowing from family members or informal moneylenders. However, such sources typically come with high interest rates or unfavourable terms, exacerbating the financial burden on the business owner and increasing their vulnerability (Willemse, 2011).

In summary, the lack of credit and low capitalization significantly constrain the growth potential and resilience of informal small businesses, highlighting the urgent need for targeted interventions and support mechanisms to address these critical challenges effectively.

#### *2.3.2.2 Poor Technology Adoption:*

Poor technology adoption represents a significant challenge for informal small businesses, impacting their efficiency, competitiveness, and growth prospects. Informal enterprises often lack

access to or are slow to adopt modern technology due to various constraints such as limited financial resources, inadequate infrastructure, and a lack of technical expertise (Shaikh, et al, 2021; Prasanna, et al 2019; Etim, & Daramola, 2023).

The inability to leverage technology effectively hampers the operational capabilities of informal businesses, leading to inefficiencies in production processes, inventory management, and customer service. Without access to modern tools and equipment, these enterprises may struggle to meet evolving consumer demands or compete with larger, more technologically advanced competitors (Prasanna, et al 2019; Achieng & Malatji, 2022).

Moreover, the absence of technology integration limits the ability of informal businesses to explore new markets, streamline operations, or innovate their products and services. As a result, they may find it challenging to adapt to changing market dynamics or capitalize on emerging opportunities and gain a competitive advantage over rival businesses (Radicic, & Petković, 2023).

Furthermore, limited access to technology and digital platforms can hinder informal businesses' ability to reach a broader customer base or engage in e-commerce activities. In today's digital age, online presence and digital marketing strategies are essential for business growth and visibility, yet many informal enterprises lack the resources or knowledge to establish and maintain an online presence (Achieng & Malatji, 2022; Etim, & Daramola, 2023).

Addressing the challenge of poor technology adoption requires targeted interventions and support mechanisms aimed at providing informal businesses with access to affordable technology solutions, training programmes, and technical assistance. By equipping these enterprises with the necessary tools and skills, they can enhance their operational efficiency, expand their market reach, and improve their overall competitiveness in the marketplace.

#### **2.3.2.3    *Poor Support Infrastructure:***

Insufficient infrastructure like roads, utilities, and communication networks pose a hindrance to the activities of informal businesses. The absence of proper support infrastructure is a significant obstacle for small informal businesses, which limits their operational efficiency, market access, and overall growth prospects. This issue includes a range of infrastructure-related challenges such as inadequate transportation networks, unreliable utilities, and limited access to essential services like communication networks and financial institutions.

In numerous regions, informal businesses were located in areas with poorly developed infrastructure, which is marked by inadequate roads, limited transportation access, and unreliable

public services such as water and electricity (Willemse, 2011). These shortcomings make it challenging for informal enterprises to transport goods, access suppliers and customers, and carry out daily operations efficiently.

In addition, informal businesses face challenges due to the absence of dependable communication networks and limited access to financial institutions. These factors create obstacles for them to engage in e-transactions, obtain credit, and participate in digital marketplaces (Senyo, et al., 2023).

Furthermore, informal businesses face even greater challenges when it comes to securing operational spaces and complying with regulatory requirements in the absence of supportive infrastructure. The lack of proper infrastructure can make it difficult for informal enterprises to meet regulatory standards or gain access to formal markets, thereby limiting their growth opportunities (Viljoen & Ledingoane, 2020).

The problem of inadequate support infrastructure demands a collaborative approach from government agencies, policymakers, and development organizations to invest in upgrading transportation networks, expanding access to vital services, and improving communication infrastructure in underserved regions. By enhancing infrastructure development, informal businesses can overcome logistical challenges, expand their market reach, and contribute more effectively to the economy.

#### *2.3.2.4 Poor Government Policy:*

Poor government policy represents a significant challenge for informal small businesses, creating barriers to their growth, sustainability, and formalization. This challenge arises from regulatory frameworks, licensing requirements, and administrative procedures that are often unfavourable or inaccessible to informal enterprises.

Stringent regulations and regulatory frameworks can act as growth constraints for informal businesses, particularly in terms of obtaining necessary permits, licenses, and approvals to operate legally (Viljoen & Ledingoane, 2020). In many cases, informal businesses operate in a legal grey area due to the complexity and rigidity of government regulations, which hinder their ability to access formal markets, secure financing, and expand their operations.

Moreover, the lack of supportive government policies tailored to the needs of the informal sector exacerbates the challenges faced by informal businesses. Inadequate policy frameworks may fail

to recognize the contributions of informal enterprises to the economy or provide adequate support and incentives for their formalization and growth (Nguyen & Canh, 2021).

Additionally, the absence of legitimate trading spaces and services for unregistered enterprises further hampers the operations of informal businesses (Viljoen & Ledingoane, 2020). Many informal businesses struggle to secure operational space or face eviction from their current locations due to zoning laws or land tenure issues.

Furthermore, challenges in accessing financial markets are prevalent due to the informal nature of many small businesses. Informal enterprises find it difficult to secure capital from formal financial institutions due to their lack of formal registration, property rights, or collateral (Mpofu, & Sibindi, 2022; Hassan, 2013). This forces them to rely on informal sources of finance, such as family members or moneylenders, which often charge exorbitant interest rates and exacerbate their financial vulnerability (Sparks & Barnett, 2010; Willemse, 2011).

Addressing the issue of poor government policy requires policymakers to adopt a more inclusive and supportive approach towards the informal sector. This includes simplifying regulatory processes, providing incentives for formalization, and investing in infrastructure and support services tailored to the needs of informal businesses. By creating an enabling environment for informal enterprises to thrive, governments can unlock their potential to contribute to economic growth, job creation, and poverty reduction.

#### *2.3.2.5 Weak Value Chain Linkages*

Moreover, weak value chain linkages and exclusion from formal markets hinder growth prospects for informal enterprises (Viljoen & Ledingoane, 2020; Chebelyon-Dalizu et al., 2010). Intimidation by foreign-owned enterprises and a lack of inter-enterprise cooperation further impede growth (Viljoen & Ledingoane, 2020). High crime rates in areas where informal businesses operate pose significant challenges, with the cash-based nature of these enterprises making them vulnerable targets, as highlighted by The South African Presidency (2008) and Chebelyon-Dalizu et al. (2010). Lack of infrastructure, including access to roads and public services, further inhibits operations, according to Willemse (2011).

Weak value chain linkages represent a significant challenge for informal small businesses, impeding their ability to access inputs, distribute products, and compete effectively in the market (Chebelyon-Dalizu et al, 2010). This challenge arises from fragmented and inefficient value chains,

which result in higher transaction costs, limited market access, and reduced profitability for informal enterprises.

In many cases, informal businesses struggle to establish consistent and reliable relationships with suppliers and distributors, leading to disruptions in their supply chain and production processes. This lack of coordination and integration within the value chain hampers their ability to source raw materials or inventory at competitive prices, resulting in higher production costs and reduced margins (Chebelyon-Dalizu et al., 2010).

Moreover, informal businesses often face challenges in accessing formal markets and distribution channels due to their informal status and limited resources (Koshy, 2019; Viljoen & Ledingoane, 2020). This limits their ability to reach a broader customer base and compete effectively with larger, more established businesses. As a result, informal enterprises may be relegated to serving niche or localized markets, limiting their growth potential and profitability (Woodward et al., 2011; Viljoen & Ledingoane, 2020).

Additionally, the lack of coordination and collaboration among stakeholders within the value chain further exacerbates the challenges faced by informal businesses (Viljoen & Ledingoane, 2020). Without effective partnerships and linkages with suppliers, distributors, and other actors, informal enterprises may struggle to optimize their operations, improve product quality, or expand their market reach (Chebelyon-Dalizu et al., 2010).

To address the issue of weak value chain linkages, policymakers, and stakeholders must work together to promote greater coordination, collaboration, and integration within the value chain. This may involve supporting initiatives aimed at strengthening linkages between informal businesses and formal suppliers or distributors, providing training and capacity-building programmes to enhance the business skills of informal entrepreneurs, and investing in infrastructure and technology to improve the efficiency of value chain operations.

By strengthening value chain linkages, informal businesses can improve their access to inputs, expand their market reach, and enhance their competitiveness, ultimately contributing to their long-term growth and sustainability.

#### 2.3.2.6 *Lack of Social Protection:*

Lack of social protection represents a significant challenge for informal small businesses and their workers, leaving them vulnerable to various economic risks and shocks without adequate support systems in place. Social protection encompasses a range of mechanisms such as healthcare, pensions, unemployment benefits, and maternity leave, which are essential for safeguarding the well-being and livelihoods of workers. One of the primary challenges faced by informal small businesses is the absence of formal employment contracts and legal recognition, which often results in their workers being excluded from social protection schemes. Unlike formal employees who may have access to benefits such as healthcare coverage or retirement savings plans, informal workers are typically not covered by such programmes, leaving them exposed to health emergencies, income loss, and other financial hardships (Hassan, 2013).

Moreover, informal workers often lack access to affordable healthcare services, making them particularly vulnerable to health-related risks and expenses. Without access to proper medical care insurance coverage, informal workers may face difficulties in accessing essential healthcare services, leading to adverse health outcomes and financial burdens (Chebelyon-Dalizu et al., 2010).

Additionally, informal workers may lack access to pension or retirement savings plans, leaving them without financial security in old age. The absence of formal retirement benefits means that many informal workers were forced to continue working well into old age, even when they may be physically or mentally unable to do so, further exacerbating their vulnerability (Hassan, 2013).

Furthermore, informal workers may lack access to unemployment benefits or other forms of income support during periods of economic downturn or job loss. Without a safety net to fall back on, informal workers may struggle to meet their basic needs or cope with financial emergencies, increasing their risk of poverty and destitution (Chebelyon-Dalizu et al., 2010).

To address the lack of social protection for informal small businesses and their workers, policymakers, and stakeholders must work together to develop and implement inclusive social protection policies and programmes tailored to the needs of the informal sector. This may involve expanding access to healthcare services, establishing voluntary pension schemes or savings programmes, and providing income support or unemployment benefits to informal workers during times of need. By ensuring that informal workers have access to social protection, policymakers can help mitigate the risks and vulnerabilities associated with informal employment, promote

social inclusion and equity, and enhance the overall well-being and resilience of informal small businesses and their workers.

### **2.3.3 Previous Studies on Business Support Programmes for Informal Businesses**

Previous studies on business support programmes targeting informal businesses have been instrumental in understanding the effectiveness, challenges, and best practices of such initiatives (Ramsuraj, 2023). These studies have delved into various aspects of business support programmes, shedding light on their impact on informal businesses and the broader economy (Bvuma & Marnewick, 2020). Firstly, many studies have focused on assessing the impact of these programmes on informal businesses and evaluating their effects on business growth, productivity, income generation, and employment creation (Ramsuraj, 2023).

Through rigorous analysis of data from programme participants and non-participants, researchers aim to quantify the benefits and outcomes of these initiatives. Access to finance is a critical challenge for informal businesses, and several studies have investigated the role of business support programmes in addressing this issue (Bvuma & Marnewick, 2020). These studies assess the effectiveness of various financial products and services, such as microloans, savings accounts, and insurance schemes, in meeting the diverse needs of informal entrepreneurs.

Additionally, they explore the impact of financial literacy training and other capacity-building initiatives on financial inclusion and business performance (Koroma et al., 2017). Capacity building is another crucial component of business support programmes for informal entrepreneurs. Previous studies have evaluated the effectiveness of training programmes, mentorship initiatives, and technical assistance in enhancing business management, marketing, and product development skills. According to (Mukwarami et al., 2017; Bvuma & Marnewick, 2020) these insights provide valuable information on the design, delivery, and outcomes of capacity-building interventions for informal businesses. Market access is a significant challenge for informal businesses, and studies have examined the role of business support programmes in facilitating market linkages, networking opportunities, and marketing support for informal entrepreneurs.

These initiatives aim to enhance the visibility, competitiveness, and profitability of informal businesses in local, regional, and international markets. Moreover, research on business support programmes for informal businesses has important policy implications. These studies assess the alignment of programmes with broader policy objectives, identify gaps or were for improvement in existing policies and interventions, and recommend policy changes or adjustments to better



support informal entrepreneurs. According to (Bvuma & Marnewick, 2020) informing policy decisions and investments, research contributes to the development of more effective and inclusive support mechanisms for informal businesses.

## **2.4 Purpose of the Literature Review**

The purpose of this literature review on the evaluation of the impact of the W&RSETA's ITAMED programme in creating sustainable formal small businesses is multifaceted:

1. **Assessing programme effectiveness:** The primary objective is to evaluate the effectiveness of the ITAMED programme in fostering sustainability among formal small businesses. When synthesizing existing literature, the review aims to ascertain the extent to which the programme has contributed to the establishment and maintenance of sustainable practices within this sector.
2. **Understanding sustainable business development:** Through a comprehensive review of relevant literature, the review seeks to deepen understanding of sustainable business development within the context of formal small enterprises. This includes examining theoretical frameworks, empirical studies, and best practices related to sustainable entrepreneurship, with a focus on the unique challenges and opportunities faced by formal small businesses.
3. **Identifying key success factors and challenges:** By analysing the literature, the review aims to identify the critical success factors and challenges associated with implementing business support programmes like ITAMED. This includes exploring factors such as access to finance, training and capacity building, market linkages, and regulatory support, as well as barriers such as bureaucratic hurdles, lack of awareness, and resource constraints.
4. **Informing policy and practice:** The review aims to provide evidence-based insights to inform the design and implementation of future policy initiatives and programme interventions aimed at supporting sustainable entrepreneurship among formal small businesses. By synthesizing key findings and recommendations from the literature, the review seeks to guide policymakers, practitioners, and other stakeholders in developing more effective strategies for promoting sustainability within this sector.

Overall, the purpose of this literature review is to contribute to the body of knowledge on sustainable business development and programme evaluation, with a specific focus on the impact of the ITAMED programme on creating sustainable formal small businesses. Through a rigorous analysis of existing literature, the review aims to provide valuable insights and recommendations for advancing sustainable entrepreneurship within this sector.

## **2.5 Definition of Sustainable Business**

The prevailing consensus posits that a sustainable business embodies economic viability, social responsibility, and environmental stewardship (Beal, Eccles, Hansell, Lesser, Unnikrishnan, Woods & Young, 2017; Daood & Menghwar, 2017; Bocken, Short, Rana & Evans., 2014). It maintains financial stability, and autonomy while actively pursuing social advancement, including championing equal opportunities, upholding human rights, and contributing positively to the community (Chungyalpa, 2019). Moreover, it ensures that its operations, from production to consumption, minimise adverse impacts on the environment.

A sustainable business operates in a manner that is sustained indefinitely without causing harm or degradation to the surrounding environment or larger system (Obermiller, Burke & Atwood, 2008). Notably, the integration of social and environmental dimensions serves as a pivotal distinguishing factor, setting sustainable businesses apart from traditional profit-driven enterprises (Chungyalpa, 2019).

Several studies defined a sustainable business as one that prioritises social, environmental, and economic dimensions, and yields benefit not only for companies but also contributes to the enhancement of both the environment and society (Hermundsdottir, Haneberg & Aspelund, 2021; Bansal & DesJardine, 2014; Harahap, Suherlan, Rijal, Ausat, 2023). According to Jacobs and Finney (2019), a sustainable business is typically defined considering five dimensions: environmental, employment, social, financial, and governance. However, variations in the definition arise based on whether all five dimensions are fully present, partial combinations of these dimensions were considered, or only one element of the five is emphasised.

Sanders and Wood (2024) advocate for the idea that a sustainable business within the private sector context effectively manages its success by considering and optimising its social, economic, and environmental performance dimensions. Dyllick and Muff (2015) described a sustainable business as one that effectively manages its success by considering and optimising its social, economic, and environmental performance dimensions. It involves integrating sustainability into company strategies and operations to address global challenges while also benefiting the environment, society, and the business itself.

Sustainable business encompasses environmentally and socially conscious strategies and operational practices that lead firms towards a cleaner, healthier world while simultaneously offering pathways to enhanced profitability (Long, 2020; Bhasin, 2020). Additionally, successful sustainable businesses achieve significant efficiency gains, product differentiation, and strategic

advantages through innovative practices, demonstrating that profitability and environmental responsibility are not mutually exclusive (Bhasin, 2020). Katz & Page (2013), agree that sustainable business operates to achieve financial sustainability, generating income to support its mission-related activities, while also ensuring mission sustainability by prioritising its nonpecuniary purpose over profit maximization.

A sustainable business refers to an organisation that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs (Mangal, 2022; Sanders & Wood, 2024). This involves conducting business activities in a manner that minimises negative environmental impacts, promotes social responsibility, and ensures long-term economic viability. Sustainable businesses prioritise practices that conserve natural resources, reduce pollution and waste, support ethical business practices, and contribute positively to local communities. They often integrate sustainability principles into their core business strategies, including product design, supply chain management, and stakeholder engagement (Madrid-Guijarro & Duréndez, 2024). Ultimately, sustainable businesses strive to achieve a balance between economic growth, environmental stewardship, and social equity to create lasting value for all stakeholders involved.

In this report, the following definition is adopted “A sustainable business maintains financial stability and self-sufficiency while actively seeking to enhance its social impact which includes advocating for equal opportunities, upholding human rights, and contributing to the well-being of the community. Additionally, a sustainable business ensures that its operations, from production to consumption of goods and services are conducted in a manner that minimises harm to the environment”.

## **2.6 Formal Small Businesses in South Africa**

Formal small businesses in South Africa play a significant role in the country's economy, contributing to job creation, economic growth, and poverty alleviation (Maduku & Zerihun, 2022). These businesses are legally registered entities that operate within the formal sector, adhering to regulatory requirements and contributing to tax revenues. Formalization offers several advantages, including access to financial services, government support programmes, and market opportunities (Ramsuraj, 2023). However, formal small businesses in South Africa face various challenges, including regulatory burdens, access to finance, skills shortages, and competition from larger enterprises. Despite these challenges, formalization is essential for promoting entrepreneurship, stimulating innovation, and driving sustainable development in South Africa. Government initiatives aimed at supporting formal small businesses include financial assistance,

business development services, and capacity-building programs. By addressing the barriers to formalization and providing targeted support (Kiaga & Leung, 2020), South Africa can harness the potential of formal small businesses to promote inclusive growth and reduce inequality (Bvuma & Marnewick, 2020b).

These businesses operate within clear organizational structures, comply with regulatory requirements, and enjoy legal protections under the law (Laing, van Stel & Storey, 2022). Formal entrepreneurs benefit from eligibility for government funding and support, financial discipline enforced through registration and compliance, and increased credibility with customers, suppliers, and creditors, reflecting confidence and willingness to take risks, potentially leading to subsequent success (Laing et al., 2022). Ranging from private enterprises to public corporations, formal small businesses play a crucial role in driving economic growth and development while ensuring compliance with relevant laws and regulations.

According to research conducted by Makgetla (2023), the count of small formal businesses in South Africa experienced significant growth over the years. By 2022, this count surged to 710,000, marking a notable increase from 590,000 in 2010 and 680,000 by 2019. Despite facing challenges during the COVID-19 pandemic, the resilience of these businesses was evident as they rebounded from the downturn. Importantly, small formal firms accounted for at least a quarter of total business assets in 2020, highlighting their substantial contribution to the economy (Makgetla, 2023).

Notably, small formal businesses exhibit characteristics such as higher labour intensity and profitability compared to their larger counterparts. They are significant employers, generating 30% of total employment and 32% of all waged employment, including informal and domestic work, as well as half of waged work in the formal private sector (Makgetla, 2023). In contrast to other upper-middle-income countries where small business owners make up over 20% of the working-age population, in South Africa, this figure is only 6%. However, small formal businesses directly contribute a third of the value added in the country, while informal enterprises add about 5%. These small formal businesses are both more labour-intensive and profitable than their larger counterparts. Demographically, close to half of formal business owners have post-matric qualifications, with black individuals owning about 95% of informal enterprises (Makgetla, 2023).

In essence, formal small businesses represent a cornerstone of South Africa's economic landscape, driving employment, innovation, and economic resilience. Their growth and success

are essential for fostering sustainable development and prosperity in the country (Makgetla, 2023).

### **2.6.1 Challenges Faced by Formal Small Businesses**

Formal small businesses in South Africa encounter a myriad of challenges that hinder their growth and sustainability (Wiid & Cant, 2021), despite their significant contributions to the economy. Addressing these challenges requires a coordinated effort from government, industry stakeholders, and the broader community to create an enabling environment for formal small businesses to thrive.

Policymakers can play a pivotal role in implementing supportive policies, providing targeted financial assistance, streamlining regulatory processes (Wiid & Cant, 2021), and investing in infrastructure and skills development initiatives to overcome these barriers and unlock the full potential of formal small businesses in South Africa. With the high risk involved, there is limited access to finance, in townships it remains a major obstacle for formal small businesses, particularly those owned by historically disadvantaged individuals.

Many small businesses struggle to secure funding from traditional financial institutions due to stringent lending criteria, collateral requirements, and high interest rates (Maduku & Zerihun, 2022). This lack of access to capital constrains their ability to invest in expansion, purchase equipment, and innovate. Compliance with regulatory requirements poses a significant challenge for many formal small businesses in townships, especially when navigating complex bureaucratic processes and red tape. Regulatory burdens, including licensing, permits, taxes, and labour laws, were time-consuming and costly to navigate, particularly for small businesses with limited resources and expertise. Small businesses often face stiff competition from larger corporations and multinational companies, which have greater financial resources, brand recognition, and market dominance (Wiid & Cant, 2021; Bvuma & Marnewick, 2020b).

Competing with established players is challenging for small businesses, particularly in saturated markets where differentiation is difficult. The skills gap in formal small businesses frequently struggles to attract and retain skilled employees due to skills shortages and mismatches in the labour market. Many small businesses operate in sectors facing skills shortages, such as technology, engineering, and specialised trades, making it challenging to find qualified workers.

Additionally, limited resources for training and development further exacerbate skills gaps. Inadequate infrastructure, including unreliable electricity supply, poor transport networks, and

insufficient access to telecommunications, hampers the operations of formal small businesses. These infrastructure constraints increase operating costs, disrupt production schedules, and hinder market access, particularly in rural and peri-urban were. There is limited access to markets, both domestic and international, poses a significant barrier to growth for formal small businesses. Many small businesses struggle to reach customers beyond their immediate geographic area due to limited distribution networks, marketing resources, and export capabilities.

Moreover, trade barriers and tariffs can restrict access to international markets, stifling growth opportunities. Local businesses must keep pace with rapid technological advancements presents a challenge for formal small businesses, particularly in adopting digital tools and e-commerce platforms. Many small businesses lack the resources and expertise to invest in technology upgrades and digital transformation initiatives, limiting their competitiveness and efficiency.

## **2.6.2 Previous Studies on Business Support Programs for Formal Businesses**

Several previous studies have delved into business support programs tailored for formal small businesses, providing crucial insights into their efficacy, obstacles, and optimal practices (Ramsuraj, 2023). These inquiries have yielded diverse findings across several dimensions. Firstly, a significant portion of research has been dedicated to assessing the impact of these programmes and analysing their influence on business growth, profitability, job creation, and other pertinent metrics. By employing methodologies such as before-and-after analyses or comparative studies between participants and non-participants, researchers have sought to quantify the tangible benefits and outcomes of these initiatives (Ramsuraj, 2023). Moreover, studies have scrutinised the effectiveness of various interventions within these programs, ranging from financial access to mentorship and market linkages, aiming to discern the most potent approaches in bolstering formal small businesses.

Additionally, research has illuminated the formidable barriers and challenges confronting these businesses in accessing and utilising support programs, including bureaucratic complexities, informational gaps, and resource constraints. Identifying these obstacles is paramount for crafting more inclusive and accessible support mechanisms. Furthermore, investigations have identified success factors and best practices associated with these programs, emphasising tailored outreach strategies, flexible financing options, and robust monitoring and evaluation mechanisms.

By distilling and disseminating these insights, studies contribute to the refinement of program design and implementation. Lastly, research has explored the policy implications of these programs, evaluating their alignment with broader policy objectives, identifying where for policy

enhancement, and recommending strategic adjustments to better accommodate the needs of formal small businesses (Ramsuraj, 2023; Western Cape Economic Development Partnership, 2019). Through a synthesis of these findings, stakeholders can refine support mechanisms to foster the growth and resilience of formal small businesses effectively.

## **2.7 Business Support Programmes in South Africa**

Business support programmes in South Africa play a crucial role in fostering economic development, particularly for small and medium-sized enterprises (SMEs) and entrepreneurs (Mazwai, 2020). These programs encompass a range of initiatives aimed at providing financial assistance, training, mentorship, market access, and regulatory support to businesses across various sectors. One significant program in South Africa is the Small Enterprise Development Agency (SEDA, 2024), which offers support services such as business development training, mentorship, and access to finance for SMEs.

Additionally, the Department of Small Business Development (DSBD, 2023) implements various programs and initiatives to support SMEs, including the Black Business Supplier Development Programme (BBSDP, 2024) and the Co-operative Incentive Scheme (CIS). These programs aim to address the specific needs and challenges faced by SMEs, including access to finance, skills development, and market opportunities. Furthermore, initiatives like the National Empowerment Fund (NEF, 2022) provide funding and support to black-owned businesses, promoting economic transformation and empowerment. Overall, business support programs in South Africa play a vital role in driving entrepreneurship, innovation, and economic growth, contributing to job creation, poverty alleviation, and sustainable development (Enaifoghe & Vezi-Magigaba, 2023)

### **2.7.1 Types of Business Support Programmes**

Business support programmes in South Africa offer a diverse range of assistance to entrepreneurs and small businesses, addressing various needs and challenges encountered in the business environment (Wiid & Cant, 2021). These programmes offer funding and financial assistance to entrepreneurs and small businesses to help them start, grow, and sustain their operations. This support may include grants, loans, equity financing, or venture capital to cover startup costs, expansion plans, working capital, or investment in new technologies and equipment.

Training and capacity-building support programmes often offer training workshops, seminars, and mentoring services to enhance the skills and capabilities of entrepreneurs and small business owners. These capacity-building initiatives cover areas such as business planning, financial

management, marketing, sales, operations, and compliance with regulatory requirements. Many programs facilitate market access and networking opportunities for entrepreneurs to connect with potential customers, suppliers, investors, and partners (Wiid & Cant, 2021; Plan, 2023; Sun et al., 2020). They may organise trade fairs, exhibitions, business matchmaking events, and networking platforms to promote collaboration, partnerships, and business opportunities.

Small business support programmes provide technical assistance and advisory services to help entrepreneurs address specific challenges or opportunities in their businesses. This may include assistance with product development, technology adoption, quality control, compliance with industry standards, and access to export markets. According to (Mwami & Hapompwe, 2024) programs offer guidance and support to help entrepreneurs navigate regulatory requirements, licensing procedures, tax obligations, and other legal compliance issues (Bailey et al., 2009). They may provide access to legal advice, regulatory information, and assistance with registration, permits, and certifications. Some programs provide access to shared infrastructure, facilities, and resources such as co-working spaces, incubators, accelerators, research labs, and technology hubs. These resources help entrepreneurs reduce costs, access specialised equipment, and collaborate with other businesses and experts.

### **2.7.2 The Importance of Business Support Programmes**

Business support programmes are integral to driving economic development, particularly for small and medium-sized enterprises (SMEs) and entrepreneurs (Experiment et al., 2020), offering vital resources and opportunities essential for growth. These programs provide access to a range of resources, including funding, mentorship, training, and networking opportunities, addressing common challenges like limited capital and market access barriers. Moreover, they facilitate capacity building through training initiatives, enhancing businesses' management skills and technical expertise, thereby improving competitiveness and resilience in dynamic markets (de Vos & Willemse, 2011). Encouraging innovation and entrepreneurship is another crucial role of business support programmes, which incentivise creativity and provide incubation services to startups and innovative ventures. When fostering a culture of innovation and supporting research and development efforts, these programs contribute to the creation of new products, services, and business models, driving economic growth and competitiveness (Dicuonzo et al., 2022). Additionally, they play a significant role in job creation, particularly in SMEs, by supporting their growth and expansion, thereby revitalizing local economies and reducing unemployment rates (Experiment et al., 2020).



SMEs are essential drivers of economic growth, stimulating investment, increasing productivity, and diversifying industries. Business support programs provide the infrastructure and support systems necessary for SMEs to thrive, contributing to overall economic prosperity. Moreover, these programs address market gaps by targeting underserved markets such as rural areas, women-owned businesses, and minority entrepreneurs, promoting inclusivity and reducing inequalities. During economic downturns or crises, SMEs face heightened challenges, making support programs crucial for their survival and resilience. These programmes offer assistance and guidance to help SMEs weather crises, adapt to changing market conditions, and build resilience for long-term sustainability (Gichobi, 2022). Overall, business support programs create an enabling environment for SMEs and entrepreneurs to thrive, innovate, and contribute to economic development and prosperity by providing essential resources, capacity-building initiatives, and strategic support.

### **2.7.3 Successes and Failures of Previous Programmes**

Evaluating the impact of business support programmes aligned with the Sustainable Development Goals (SDGs) is a multifaceted endeavour that demands careful consideration of various factors and methodologies (Plan, 2023). At its core, this evaluation process aims to assess the extent to which these programmes contribute to the achievement of specific SDGs and sustainable development outcomes (Viera Valencia & Garcia Giraldo, 2019; Mcleman, 2020). To achieve this, evaluators systematically collect and analyse data on various aspects of the program, including inputs, activities, outputs, outcomes, and impacts. This thorough examination allows stakeholders to not only measure program effectiveness but also understand its relevance in the broader context of sustainable development (Plan, 2023; Viera Valencia & Garcia Giraldo, 2019). In employing a combination of rigorous evaluation methodologies, business support programs can generate robust evidence of their impact, inform program improvement efforts, and contribute to evidence-based decision-making for sustainable development.

Rigorous evaluation methodologies are key to ensuring the credibility and reliability of the assessment process. Content analysis, for instance, involves measuring and analysing existing numerical data to gauge program effectiveness. These statistical data are often compared to the outcomes between program participants and non-participants, while surveys and administrative data sources provide valuable SROI insights into program performance (Zymelman, 1973).

Additionally, cost-benefit analysis offers a means to estimate the economic efficiency and value-for-money of program interventions, providing stakeholders with crucial information for decision-making. Qualitative analysis, on the other hand, delves into the underlying processes,

mechanisms, and contextual factors that influence program impact. Through such in-depth interviews, focus groups, case studies, and participant observation, evaluators can uncover the complexities of programme implementation, stakeholder perspectives, and unexpected outcomes. This qualitative data enriches the understanding of program impact and complements SROI findings (Zymelman, 1973; Helo & Hao, 2022; Jagannathan et al., 2020).

## **2.8 Evaluating the Impact of Business Support Programmes**

Evaluating the impact of business support programs aligned with the Sustainable Development Goals (SDGs) is a multifaceted process that requires careful consideration of various factors and methodologies (Kok et al., 2022; United Nations ECLAC, 2021). One crucial aspect of evaluating impact involves assessing the extent to which these programs contribute to the achievement of specific SDGs and sustainable development outcomes. This assessment often entails the systematic collection and analysis of data on program inputs, activities, outputs, outcomes, and impacts, allowing stakeholders to gauge the effectiveness and relevance of program interventions. According to (Wangenge-Ouma et al., 2020), employing rigorous evaluation methodologies, such as SROI analysis, qualitative research, mixed-methods approaches, theory-based evaluation, cost-benefit analysis, and social return on investment (SROI) analysis (Return, 2017; Methodology, 2015), evaluators can generate robust evidence of program impact and identify areas for improvement.

SROI analysis plays a significant role in evaluating the impact of business support programs by measuring and analysing numerical data to assess program effectiveness. This may involve employing statistical techniques to compare outcomes between program participants and non-participants, using surveys and administrative data sources to collect SROI data on program performance, and estimating the economic efficiency and value-for-money of program interventions through cost-benefit analysis. Meanwhile, qualitative analysis provides valuable insights into the underlying processes, mechanisms, and contextual factors influencing program impact. With this focus on conducting in-depth interviews, focus groups, case studies, and participant observation, evaluators can uncover the nuances and complexities of program implementation, stakeholder perspectives, and unexpected outcomes, enriching the understanding of program impact.

Moreover, a mixed-methods approach combines SROI (Chaidi et al., 2022) and qualitative methods to provide a comprehensive understanding of program impact. A triangulating data from multiple sources and using complementary analytical techniques, mixed-methods evaluations offer deeper insights into the complex dynamics and outcomes of business support programs.

Theory-based evaluation focuses on testing and refining the program theory or logic model underlying a business support program to understand how and why certain outcomes were achieved (Ghazzawi, 2019). By elucidating the causal pathways and mechanisms of change hypothesised to drive program impact, theory-based evaluations provide valuable insights into the processes underlying program effectiveness. Overall, by employing a combination of rigorous evaluation methodologies, business support programs can generate robust evidence of their impact, inform program improvement efforts, and contribute to evidence-based decision-making for sustainable development.

### **2.8.1 Methodologies for Evaluating Impact**

Qualitative analysis involves the in-depth examination and interpretation of non-numerical data to understand the underlying processes, mechanisms, and contextual factors influencing program impact. Qualitative methods such as interviews, focus groups, case studies, and participant observation are commonly used to gather rich, descriptive data on program implementation, stakeholder perspectives, and unexpected outcomes.

A mixed-methods approach combines both SROI and qualitative methods to provide a comprehensive understanding of program impact (Kheiri & Gholizadeh, 2021). By triangulating data from multiple sources and using complementary analytical techniques, mixed-methods evaluations can offer deeper insights into the complex dynamics and outcomes of business support programs. This approach allows researchers to corroborate findings, identify convergence or divergence between different data sources, and generate more robust conclusions.

Theory-based evaluation involves testing and refining the program theory or logic model underlying a business support program to understand how and why certain outcomes are achieved (Belcher et al., 2020). This approach focuses on elucidating the causal pathways and mechanisms of change hypothesized to drive program impact. Theory-based evaluations often employ techniques such as contribution analysis, process tracing, and realist evaluation to examine the links between program inputs, activities, outputs, outcomes, and impacts (Durayappah, 2011; Ghazzawi, 2019).

Cost-benefit analysis assesses the economic efficiency and value-for-money of a business support program by comparing the costs of program implementation with the monetary value of its benefits. This involves estimating both the costs incurred and the benefits accrued as a result of program interventions, including tangible and intangible outcomes (Anon, n.d.; Trehwella et al.,

2021). Cost-benefit analysis can inform decision-making by identifying programs with the highest return on investment and guiding resource allocation decisions.

Social Return on Investment (SROI) is a methodology for assessing the social, environmental, and economic value generated by a business support program relative to the resources invested (Guerola-Navarro et al., 2022). SROI involves identifying and valuing all relevant social, environmental, and economic impacts of the program, including both direct and indirect effects. By quantifying the social value created per unit of investment, SROI analysis helps stakeholders understand the broader societal benefits of business support programs beyond financial returns.

### **2.8.2 Key Performance Indicators**

Key Performance Indicators (KPIs) are fundamental tools for evaluating the effectiveness (Homolka et al., 2018) and progression of business support programs aligned with the Sustainable Development Goals (SDGs). Firstly, KPIs must directly correlate with the SDGs targeted by the business support program to ensure clarity and measurability of sustainable development outcomes. Secondly, KPIs should be tangible and quantifiable, allowing for objective assessment through clear and specific indicators that are tracked and monitored reliably.

Comprehensiveness and balance are crucial aspects, ensuring that KPIs encompass the full spectrum of social, economic, and environmental impacts associated with the program. Establishing baseline data and realistic targets for each KPI is essential for gauging progress and evaluating program impact over time (Waleed & Sultan, 2022). Furthermore, KPIs need to closely align with the program's objectives and activities, ensuring that monitoring and evaluation efforts focus on measuring outcomes directly attributable to program interventions. Regular and timely monitoring of KPIs facilitates ongoing performance tracking, enabling program managers to identify trends, address challenges, and make informed adjustments as needed.

Engagement with stakeholders, including beneficiaries, partners, and funders, is vital for selecting and reviewing KPIs. Stakeholder input ensures transparency, accountability, and ownership of program outcomes, validating measurement methodologies and interpreting evaluation findings within the program's context (Onyali, 2014). Adhering to these principles in selecting and monitoring KPIs, business support programs can effectively track progress, demonstrate impact, and contribute significantly to the achievement of the Sustainable Development Goals.

### **2.8.3 Challenges in Evaluation**

Evaluating the effectiveness of business support programmes, particularly concerning their alignment with the Sustainable Development Goals (SDGs) (Training & South Africa: Department of Higher Education and Training, 2013; House 'b', 2020), poses several challenges. Assessing the impact of business support programs on sustainable development goals is inherently complex due to the multifaceted nature of sustainable developments. These programs often aim to address social, economic, and environmental objectives simultaneously, making it challenging to isolate and measure their contributions to each SDG.

Sustainable development has a long-term effect, and the full impact on business support programs may only become evident over time. Evaluating long-term effects requires sustained monitoring and data collection efforts, which were resource-intensive and challenging to implement consistently (Kok et al., 2022). Attribution and causality have determined the extent to which business support programs directly contribute to achieving specific SDGs was difficult due to the presence of confounding factors and external influences.

Establishing clear causal relationships between program interventions and observed outcomes is often challenging, particularly in complex socioeconomic environments. Data availability and quality in business enhance access to reliable and comprehensive data is essential for conducting meaningful evaluations of business support programs. However, data availability and quality can vary significantly across different contexts, making it challenging to obtain accurate and up-to-date information for analysis. In addition to data collection, methodologies may not always capture the full range of program impacts, leading to potential biases or gaps in evaluation results (Gausman & Langer, 2023).

When defining appropriate indicators and measurement frameworks for assessing progress towards the SDGs is crucial but challenging. Identifying relevant indicators that capture the diverse dimensions of sustainable development and align with program objectives requires careful consideration and stakeholder engagement. Moreover, standardizing measurement approaches across different programs and contexts is difficult due to variations in program design, implementation, and outcomes of the National Planning Commission in 2020.

The evaluation of results may be influenced by contextual factors such as political, social, and economic conditions, which can vary widely across regions and countries. Understanding and accounting for these contextual factors is essential for interpreting evaluation findings accurately and making informed decisions about program design and implementation (Andrianda et al., 2021).

Participation and stakeholder engagement, including program beneficiaries, local communities, and government agencies, is critical for ensuring the relevance and validity of evaluation efforts. However, achieving meaningful stakeholder participation was challenging, particularly in settings where trust, communication, and power dynamics are complex and strained. Addressing these challenges requires a comprehensive and iterative approach to evaluation that integrates robust methodologies, data-driven analysis, stakeholder engagement, and adaptive management practices. Arguing on acknowledging and actively mitigating these challenges, evaluators can enhance the rigour, relevance, and utility of evaluation findings, ultimately supporting more effective and accountable business support programs aligned with the SDGs (Andrianda et al., 2021; Paradza & Daramola, 2021; Jagannathan et al., 2020).

## **2.9 Sustainable Development Goals and Business Support Programmes**

Business support programs play a crucial role in advancing the Sustainable Development Goals (SDGs) by helping businesses align their operations with sustainable practices (Boswell, 2002; Mangal, 2022) and contributing to broader societal and environmental objectives. The model provides step by step on how business support programs were aligned with the SDGs. Firstly, Capacity Building and Training (SDG 4, 8, 9) has business support programmes that can offer capacity building and training initiatives aimed at enhancing the skills and knowledge of entrepreneurs and business owners. When providing training on sustainable business practices, innovation, and entrepreneurship, these programs can contribute to SDG 4 (Quality Education) by promoting lifelong learning opportunities. Additionally, by focusing on job creation and economic growth (SDG 8) and fostering innovation and sustainable infrastructure (SDG 9), these programs help businesses become more competitive, resilient, and environmentally conscious. Secondly, Access to Finance and Resources (SDG 1, 8, 9, 11) speaks to many businesses, especially small and medium-sized enterprises (SMEs), facing challenges in accessing finance and resources necessary for growth and sustainability. Business support programs can address this gap by providing access to financing options, grants, and resources tailored to support sustainable business practices (Enaifoghe & Vezi-Magigaba, 2023). The promoting of inclusive and sustainable economic growth (SDG 8) and reducing poverty (SDG 1) through entrepreneurship and job creation, these programs contribute to broader societal development. Moreover, by supporting investments in sustainable infrastructure and promoting inclusive and sustainable industrialization (SDG 9), they help build resilient and sustainable communities (SDG 11).

Thirdly, Open Market Access and Networking (SDG 8, 9, 17) provide business support programmes that facilitate market access and networking opportunities for entrepreneurs and SMEs, enabling them to expand their customer base, access new markets, and establish partnerships. When promoting economic growth and decent work (SDG 8) through increased market opportunities and job creation, these programs contribute to poverty reduction and social inclusion. Furthermore, when fostering collaboration and partnerships (SDG 17) among businesses, government agencies, and civil society organisations, they enhance the effectiveness and impact of sustainable development initiatives (Enaifoghe & Vezi-Magigaba, 2023; WHO, 2019).

Technology Adoption and Innovation (SDG 9, 12, 13), impact small business support programs that can encourage the adoption of sustainable technologies and practices that promote resource efficiency, reduce environmental impact, and mitigate climate change. By supporting investments in clean energy, sustainable production processes, and eco-friendly technologies, these programs contribute to SDG 9 (Industry, Innovation, and Infrastructure) and SDG 12 (Responsible Consumption and Production). Moreover, by addressing climate-related risks and promoting climate resilience (SDG 13) within business operations and supply chains, they help advance climate action and environmental sustainability (Brown et al., 2019; Maria et al., 2021).

Lastly, Monitoring and Evaluation (SDG 17) has mechanisms that are essential for assessing the impact and effectiveness of business support programs in achieving the SDGs. By implementing robust monitoring, evaluation, and reporting frameworks, these programs can track progress, measure outcomes, and identify where for improvement. Moreover, by promoting transparency, accountability, and data-driven decision-making, they contribute to SDG 17 (Partnerships for the Goals) by fostering collaboration and knowledge sharing among stakeholders (Alipour & Rahimpour, 2020; Zackery et al., 2022). In noting, business support programs play a critical role in advancing the Sustainable Development Goals by offering capacity building, access to finance and resources, market access and networking opportunities, technology adoption and innovation support, and effective monitoring and evaluation mechanisms. The aligning their activities with the SDGs, these programs can contribute to sustainable economic growth, social inclusion, environmental protection, and climate resilience, ultimately fostering a more sustainable and prosperous future for all.

### **2.9.1 Alignment with Sustainable Development Goals**

Aligning business practices with the Sustainable Development Goals (SDGs) presents a significant opportunity for South African businesses to contribute to both national and global

sustainability efforts while also ensuring their long-term success (Conference, 2022). In order to effectively align with the SDGs, South African businesses can undertake several key initiatives across various goals. Firstly, in support of SDG 8, businesses can promote economic growth by focusing on job creation, skills development, and entrepreneurship support. This includes investing in training programs for their workforce, fostering innovation, and providing fair wages and decent working conditions. Moreover, supporting Small, Medium, and Micro Enterprises (SMMEs) and informal traders can further stimulate economic activity and foster sustainable livelihoods (Enaifoghe & Vezi-Magigaba, 2023; Mashizha et al., 2019).

Additionally, businesses can contribute to SDG 9 when investing in innovation and sustainable infrastructure development, such as adopting new technologies to enhance operational efficiency and investing in renewable energy sources. Furthermore, promoting sustainable urbanisation and community development, as outlined in SDG 11, was achieved through participation in urban renewal projects, supporting affordable housing initiatives, and investing in infrastructure that enhances the quality of life and resilience in cities. When embracing sustainable production and consumption practices (SDG 12), businesses can reduce waste generation, increase energy efficiency, and promote recycling and circular economy principles (Investment, 2023).

Similarly, in support of SDG 13, businesses can take action to mitigate climate change by setting emission reduction targets, investing in renewable energy, and enhancing climate resilience in operations and supply chains. Finally, collaboration and partnerships (SDG 17) were crucial for achieving the SDGs, and South African businesses can contribute by collaborating with various stakeholders to address sustainability challenges collectively. By aligning with the SDGs, South African businesses can demonstrate their commitment to sustainability, improve their reputation and competitiveness, and contribute to building a more equitable, resilient, and prosperous society for current and future generations.

### **2.9.2 Contribution of Business Support Programmes to Sustainable Development**

Business support programs have the potential to significantly contribute to sustainable development through various mechanisms that promote economic growth, social inclusion, and environmental stewardship. Firstly, these programs stimulate economic activity by providing entrepreneurs and small businesses with access to funding, training, and market opportunities, leading to GDP growth and job creation (Clemens & Postel, 2020; Sciences & Bloemfontein, 2020).



Moreover, when targeting marginalised groups such as women, youth, and individuals from low-income communities, these programmes empower them to participate in economic activities, thereby promoting social inclusion and reducing disparities. Additionally, business support programs nurture entrepreneurial talent through training, mentorship, and networking opportunities, fostering innovation and problem-solving skills crucial for addressing social and economic challenges. Many of these programmes also incorporate sustainability principles by promoting eco-friendly practices, green technologies, and circular business models, contributing to environmental sustainability by reducing environmental degradation and mitigating climate change (Biswas, 2021; Wangenge-Ouma et al., 2020).

Furthermore, business support programmes positively impact local communities by fostering the growth of small businesses and cooperatives, which create jobs, generate income, and invest in community development initiatives. Lastly, successful programs can influence policy development and advocacy efforts by advocating for supportive policies and regulatory frameworks that create an enabling environment for business growth and innovation (Teece et al., 2020; Wiid & Cant, 2021). Overall, when investing in entrepreneurship and small business development, business support programs play a pivotal role in promoting sustainable development and creating a more equitable and resilient future.

### **2.9.3 Models of Sustainable Business Development**

The Strategic Delivery Model for SMMEs (Mazwai, 2020), derived from the implementation strategy for SMME support in the Wholesale and Retail Sector (W&RSETA, 2022), provides a structured approach crucial for successful skills development initiatives tailored to small and medium-sized enterprises (SMMEs). Informed by insights from Nzamat (2020) and Costa Climent & Haftor (2021), this model ensures the efficient delivery of support programs while aligning with broader strategic objectives. By integrating best practices and lessons learned, it acts as a guiding blueprint, optimizing the impact of skills development initiatives for sustainable growth and economic empowerment.

Models of sustainable business development encompass various frameworks and approaches aimed at integrating sustainability principles into business operations. The Triple Bottom Line (TBL) model evaluates performance based on economic, social, and environmental dimensions (Onyali, 2014), emphasising the balance between profit generation, social equity, and environmental responsibility (Mazwai, 2020). The Circular Economy model minimises waste and maximises resource efficiency by prioritising product reuse, repair, and recycling.

Natural Capitalism emphasises investments in natural and human capital alongside financial capital, valuing ecosystem services, and promoting sustainable resource management. The shared value model focuses on creating business opportunities that address social and environmental challenges while generating economic value, and fostering innovation and sustainable growth (Takacs et al., 2022). These models offer valuable frameworks for businesses seeking to integrate sustainability into their core strategies and operations, mitigating risks, unlocking opportunities, and driving long-term success.

## **2.10 Case Studies and Examples**

In South Africa, the Small Enterprise Development Agency (SEDA) stands as a prominent example of a government-driven initiative aimed at bolstering small business growth and development (Mazwai, 2020; Small Enterprise Development Agency (SEDA), 2016). SEDA offers an array of services tailored to the needs of small businesses, ranging from business development support to access to finance and market linkages. Through its network of offices across the country, SEDA provides crucial resources such as incubation programs, business advisory services, and training workshops, all aimed at equipping entrepreneurs and SMEs with the tools and knowledge necessary for success in various sectors of the economy (Kenzhegulova et al., 2024; Kentucky et al., 2022; Alkadafi & Susanti, 2023).

In Namibia, the Namibia Business Innovation Center (NBIC) serves as a beacon of support for startups and small businesses seeking to thrive in a competitive market landscape (Central, 2012). Located in Windhoek, NBIC operates as a business incubator and innovation hub, offering a comprehensive suite of services including mentorship, training, access to finance, and networking opportunities. By focusing on fostering innovation and entrepreneurship, NBIC plays a vital role in nurturing ventures across diverse sectors such as technology, agriculture, and renewable energy, driving economic growth and development in Namibia.

Meanwhile, in Kenya, the Kenya National Chamber of Commerce and Industry (KNCCI) represents a vibrant private sector organisation dedicated to advancing business development and advocacy initiatives (Ry, 2023; House 'b', 2020). KNCCI provides a wide range of services designed to support businesses, including business advisory services, trade facilitation, policy advocacy, and networking opportunities. Through its extensive network and activities such as trade fairs, business forums, and training programs, KNCCI actively promotes entrepreneurship and facilitates business growth, contributing to Kenya's dynamic business ecosystem.

These case studies underscore the diverse range of business support programs and initiatives present in South Africa, Namibia, and Kenya, reflecting concerted efforts to foster entrepreneurship, innovation, and economic development across the African continent. Through targeted support and resources, these programs play a crucial role in empowering entrepreneurs, driving economic growth, and creating opportunities for sustainable development in their respective countries and beyond.

## **2.11 Successful Cases of Business Support Programmes**

This section provides a reflective analysis of successful case studies of business support programmes in the USA, UK, and Australia. In the United States (USA), the Small Business Administration (SBA) stands out as a federal agency dedicated to bolstering small businesses and entrepreneurs (Businesses & Employees, 2020; Burns & Krever, 1998). Notably, the SBA's 7(a) Loan Program has been instrumental, providing small businesses with essential funding for various purposes like working capital and expansion. Alongside financial assistance, the SBA offers counselling, training, and contracting aid, vital in fostering small business success. Additionally, the nationwide network of Small Business Development Centers (SBDCs) further enhances support by offering free consultancy and affordable training to aspiring entrepreneurs.

Turning to the United Kingdom (UK), the Enterprise Finance Guarantee (EFG) Scheme exemplifies effective government intervention (Anon, n.d.), in supporting small and medium-sized enterprises (SMEs). This scheme serves as a vital conduit for SMEs lacking sufficient collateral or credit history to secure traditional financing. Through government guarantees on loans, the EFG Scheme has enabled countless SMEs to access crucial funding, driving growth, and contributing to job creation and economic prosperity across various sectors.

In Australia, the Business Growth Fund (BGF) emerged as a noteworthy initiative aimed at propelling SMEs with significant growth potential (Bogaards, 2020). This collaborative effort between the government and private sector investors offers SMEs patient capital and strategic guidance essential for scaling operations, penetrating new markets, and generating employment opportunities. By leveraging government funding and partnering with experienced investors, the BGF has empowered numerous Australian SMEs to achieve sustainable growth and success in a competitive business landscape.

These successful cases underscore the effectiveness of business support programmes in the USA, UK, and Australia in meeting the diverse needs of small businesses and entrepreneurs. Through avenues like access to finance, counselling, and training, these programs play a pivotal

role in nurturing entrepreneurship, fostering innovation, and driving economic development within their respective countries.

## **2.12 Challenges Faced by Previous Programmes**

Previous business support programmes have faced a myriad of challenges that have impeded their ability to effectively assist entrepreneurs and small businesses (Scholtz et al., 2023; Mazwai, 2020). These challenges include limited access to funding, which often results in inadequate resources to sustain program operations and provide comprehensive support to beneficiaries. Moreover, bureaucratic hurdles such as complex application processes and rigid eligibility criteria can deter participation and delay the delivery of essential services. Additionally, insufficient awareness and outreach efforts contribute to low program uptake, particularly among marginalised communities who may not be aware of available support (Wiid & Cant, 2021).

Furthermore, the lack of tailored services that address the diverse needs of businesses can limit program effectiveness. Inadequate monitoring and evaluation mechanisms further hinder programs' ability to assess the impact and make evidence-based decisions, while sustainability challenges, including funding instability and organisational capacity constraints, threaten the long-term viability of these initiatives. Addressing these challenges requires collaborative efforts to enhance funding accessibility, streamline administrative processes, improve outreach strategies, tailor services, strengthen monitoring and evaluation practices, and ensure program sustainability. When addressing these obstacles, business support programs better fulfill their mandate of fostering entrepreneurship and driving economic growth (Bvuma & Marnewick, 2020a; Mashizha et al., 2019).

## **2.13 Lessons Learned**

The successful stories and failures of business support programs offer insightful lessons that can shape the proposed design and implementation of future initiatives. Successful programs highlight the importance of tailored support, recognizing the diverse needs of entrepreneurs and small businesses (Scholtz et al., 2023). When offering customised assistance, such programs can address specific challenges and optimise impact. Additionally, taking a holistic approach that encompasses various aspects of business development, such as finance, capacity building, and market access, is crucial for sustainable growth. Collaborations and partnerships also play a vital role, enabling programs to leverage resources, expertise, and networks for greater effectiveness (Takacs et al., 2022). Moreover, robust monitoring and evaluation mechanisms were essential for tracking progress, measuring impact, and informing evidence-based decision-making. Flexibility and adaptability ensure that programs remain responsive to evolving needs and market dynamics.

Conversely, failures of business support programs underscore the importance of clear objectives, sustainable funding, effective communication, adaptive management, and capacity building (Takacs et al., 2022; Rubado, 2019; Jagannathan et al., 2020). Programmes must have clearly defined goals and target populations to achieve desired outcomes. Sustainable funding sources were essential for long-term viability and continuity.

Effective communication and outreach strategies were necessary to raise awareness and encourage participation. Adaptive management practices allow programs to respond effectively to changing circumstances and challenges. Finally, capacity-building initiatives ensure that stakeholders have the skills and knowledge needed for program success. By integrating these lessons into future program development, stakeholders can enhance the effectiveness and impact of business support initiatives, ultimately fostering entrepreneurship, economic growth, and sustainable development.

#### **2.14 Gaps in Literature**

Previous studies on the Wholesale and Retail (W&R) sector in South Africa, particularly focusing on Small, Medium, and Micro Enterprises (SMMEs) and the Informal Traders and Micro Enterprises Development (ITAMED) program in (Cape Town, 2019; Bhorat & Asmal, 2019), have provided valuable insights into the challenges and opportunities faced by businesses in this sector. Comprehensive Impact Analysis on the implementation of various support initiatives by organizations like the Wholesale and Retail Sector Education and Training Authority (W&RSETA), there is a lack of comprehensive impact analysis to evaluate the success and sustainability of these interventions. According to (Kenzhegulova et al., 2024) current, present, and future studies should focus on conducting rigorous urbanisation impact assessments to measure the effectiveness of support programs in promoting the growth and resilience of SMMEs and informal traders (Mokgethi & Waldt, 2020).

The studies have highlighted the absence of robust monitoring and evaluation mechanisms for skills development initiatives targeting informal traders (The World Bank, 2019; Training & South Africa: Department of Higher Education and Training, 2013). Research should explore the development and implementation of monitoring frameworks to track the utilisation of support resources and assess the actual improvement in business performance resulting from these interventions (Training & South Africa: Department of Higher Education and Training, 2013; Mnguni & Subban, 2022).

While there is recognition of the importance of reskilling and retraining initiatives, particularly in response to the economic impact of events like the global pandemic and socio-political unrest, there is a need for further research on the effectiveness of specific skill development programs. The study focused on the evaluation of the outcomes of these initiatives and identified best practices for addressing evolving skills demands in the W&R sector. This is a huge barrier to financial access. The identified challenges were related to accessing financial opportunities for SMMEs, including compliance issues and knowledge gaps. Future studies should delve deeper into the specific barriers that prevent SMMEs from accessing funding and explore potential solutions to improve financial inclusion and support entrepreneurship.

#### **2.14.1 Technology Adoption and Cybersecurity:**

While technology is recognized as a potential game-changer for businesses in the W&R sector, there is limited discussion on the adoption of digital solutions and cybersecurity risks. Future research could examine the factors influencing technology adoption among SMMEs and informal traders and assess strategies to mitigate cybersecurity threats in the digital era. Previous studies have touched upon the challenges faced by vulnerable groups, such as women and traders based in townships, but there is a need for a more in-depth analysis of their specific needs and experiences. Research should explore gender disparities in access to resources and opportunities, as well as strategies to promote inclusivity and empower marginalised communities in the W&R sector.

#### **2.14.2 Integration of Theoretical Frameworks:**

While theoretical frameworks such as Human Capital Theory, Transition Theory, and Social Capital Theory have been mentioned, there is scope for further integration and application of these frameworks in empirical research. Future studies could utilize these theories to guide data collection and analysis, providing a more robust theoretical foundation for understanding the dynamics of SMMEs and informal traders in the W&R sector. Addressing these gaps in previous studies will contribute to a deeper understanding of the challenges and opportunities facing SMMEs and informal traders in the Wholesale and Retail sector in South Africa. Moreover, it will inform the development of more effective policies and interventions to support entrepreneurship, economic growth, and sustainable development in the region.

## **2.15 Chapter Summary**

In conclusion, the ITAMED strategy is poised to be a transformative force in the Wholesale and Retail (W&R) sector, fostering the evolution of informal traders into formal businesses. The strategy's success is intricately tied to the collaborative efforts of various stakeholders, each fulfilling specific roles and responsibilities. The Department of Small Business Development takes the lead in coordinating efforts, supported by partnerships with provincial departments, SEDA, SEFA, other SETAs, banks, stakeholders/employers, and industry associations/chambers. These collaborations span from financial support to skills development, creating a comprehensive support system.

The priorities outlined, including skills enhancement, improved coordination, township enterprise focus, enhanced information access, and formal guidance, reflect a holistic approach to SMMEs development. Furthermore, the strategy prioritises mainstreaming township-based SMMEs, acknowledging and addressing existing disparities. The study's research paradigm, theoretical framework, and thorough research methodologies ensure a robust examination of the strategy's impact. As the strategy unfolds, the emphasis on stakeholder collaboration and inclusivity positions it as a pivotal driver for the sustainable growth of SMMEs and IBSs, contributing significantly to economic development and empowerment in the W&R sector. The ITAMED strategy represents a promising paradigm shift within the W&R sector (W&RSETA, 2022), signalling a transformative journey for informal traders aspiring to transition into formalised businesses. This strategic endeavour hinges on a collaborative framework involving a spectrum of stakeholders, each entrusted with distinct roles and responsibilities. At the forefront, the Department of Small Business Development spearheads this transformative initiative, orchestrating an integrated approach that permeates through various facets of SMMEs, and co-operatives. The multifaceted collaboration extends to provincial departments, SEDA, SEFA, other SETAs, banks, stakeholders, and industry associations, creating a synergistic network aimed at providing comprehensive supporting structures.

## **CHAPTER 3: RESEARCH METHODOLOGY AND DESIGN**

### **3.1 Introduction**

This methodology provides a robust framework for understanding the relationship between original capital sources, business longevity, and demographic factors, ultimately contributing to the existing body of knowledge on entrepreneurship and business development.

### **3.2 Research Methodology**

The research methodology for this study will employ Pearson's R and Spearman's correlation approach to evaluate the impact of the ITAMED program on informal traders in Khayelitsha. Quantitative data collection methods, including surveys and financial record analysis, will gather information on transition rates, economic indicators (e.g., income and profitability), employment metrics (such as job creation and job quality), and access to financial services (including banking inclusion and availability of loans and grants) (Maduku & Zerihun, 2022; Kiaga & Leung, 2020). Additionally, qualitative insights will be gathered through interviews and focus groups to explore participants' experiences, perceptions, and socio-economic impacts, providing a deeper understanding of the program's effectiveness and implications for social empowerment (Koroma et al., 2017; Ramasimu et al., 2023). The research design will involve a longitudinal study to track participants' progress over time, assessing the sustainability of outcomes and any long-term effects. Data analysis will employ appropriate statistical techniques to test research hypotheses and identify correlations, ensuring robust and reliable findings (WEF, 2020; Herrington, 2019). This comprehensive methodology aims to offer evidence-based recommendations for optimizing the ITAMED program and fostering sustainable economic development and social empowerment within Khayelitsha's informal trading community.

### **3.3 Research Philosophy**

Research philosophy encompasses the assumptions, beliefs, and principles guiding a researcher's approach to conducting research (Guerola-Navarro et al., 2022; Msiza et al., 2022). It underpins the research process, influencing data collection, analysis, and interpretation. The choice of research philosophy depends on the nature of the research problem, the researcher's worldview, and desired outcomes. According to (Kenzhegulova et al., 2024) understanding the urbanisation process and articulating the research philosophy ensures coherence and rigor, aligning methods with assumptions about knowledge and reality. There were three main research philosophies: positivism, interpretivism, and pragmatism (Slabbert & Twum-Darko, n.d.).



Positivism posits that social phenomena were studied using methods akin to those in natural sciences, emphasizing objectivity and measurability to uncover causal relationships (Mans-Kemp & van Zyl, 2020; Barrot et al., 2021; Egodawe et al., 2022). Interpretivism seeks to understand human behavior from participants' perspectives, acknowledging the subjective nature of reality through qualitative methods like interviews and ethnography. Pragmatism integrates elements of both philosophies, prioritizing practical outcomes and relevance to real-world issues (Börstler et al., 2023; Ozigbo et al., 2020). Pragmatists were open to both quantitative and qualitative methods, selecting approaches based on the research question and objectives.

Research philosophy refers to the underlying assumptions, beliefs, and principles that guide a researcher's approach to their study (Guerola-Navarro et al., 2022; Msiza et al., 2022). It significantly influences the research design, data collection methods, and analysis techniques employed throughout the research process. The three main research philosophies were positivism, interpretivism, and pragmatism (Slabbert & Twum-Darko, n.d.). Positivism asserts that social phenomena were studied through objective, quantitative methods similar to those in the natural sciences, emphasizing measurable data to uncover causal relationships (Mans-Kemp & van Zyl, 2020; Barrot et al., 2021). In contrast, interpretivism seeks to understand human behavior from the participants' perspectives, using qualitative approaches to capture the richness of social contexts. Meanwhile, pragmatism blends both perspectives, valuing practical outcomes and employing Pearson's R and Spearman's correlation approach based on research questions (Börstler et al., 2023; Ozigbo et al., 2020).

### **3.4 Research Paradigm, Methods, and Methodologies**

This study adopts a pragmatic research paradigm, focusing on addressing real-world challenges related to the ITAMED programme's impact on informal traders in Khayelitsha. Employing Pearson's R and Spearman's correlation design, the research integrates both quantitative and qualitative methods to provide a comprehensive understanding of the program's effects. Quantitative methods, such as surveys and financial analyses, facilitate the quantification of transition rates, economic growth, job creation, and access to financial services (Maduku & Zerihun, 2022; Kiaga & Leung, 2020). In parallel, qualitative methods—like interviews and focus groups—offer valuable insights into participants' experiences and perceptions, enabling an in-depth exploration of socio-economic impacts and social empowerment (Koroma et al., 2017; Ramasimu et al., 2023). When balancing theoretical rigor with practical applicability, this pragmatic approach ensures robust findings and actionable recommendations to optimize the

ITAMED programme and foster sustainable development within Khayelitsha's informal trading community (Börstler et al., 2023; Ozigbo et al., 2020).

### **3.4.1 Research Method**

This study employed Pearson's R and Spearman's correlation approach, integrating both quantitative and qualitative techniques to assess the impact of the ITAMED program on informal traders in Khayelitsha. The quantitative methods involve collecting and analyzing numerical data to quantify various outcomes, such as transition rates, economic growth, job creation, and access to financial services (Börstler et al., 2023; Ozigbo et al., 2020). This includes administering surveys to participants, analyzing financial records, and performing statistical analyses to identify trends and correlations. In contrast, qualitative methods focus on capturing in-depth insights into participants' experiences, perceptions, and socio-economic impacts through interviews, focus groups, and participant observations. These qualitative insights provide context to the quantitative findings, enriching the overall understanding of the program's effectiveness and its implications for social empowerment (Ramraj, 2019; Ramasimu et al., 2023; Mashizha et al., 2019). When employing Pearson's R and Spearman's correlation approach, the study aims to triangulate findings from diverse sources, leading to more robust conclusions and actionable policy recommendations.

### **3.4.2 The stratum research methodology**

The research methodology is crafted to thoroughly investigate the strategies facilitating the transition of informal traders into formal businesses within the ITAMED program (Bonface et al., 2021). It begins with an extensive literature review to establish a theoretical foundation and identify successful transition models. In-depth interviews with both successful and unsuccessful participants provide qualitative insights into the factors influencing the transition process (Rabetino et al., 2023). A quantitative approach is then employed to analyze selected businesses, measuring parameters such as transition rates, economic impact, job creation, and social empowerment. Additionally, a validation workshop or focus group discussion was conducted, incorporating collaboration with ITAMED and business experts to enrich the analysis and ensure a diverse range of perspectives were considered. When integrating qualitative and quantitative methods, this holistic methodology (Rabetino et al., 2023) offers a comprehensive understanding of the ITAMED program's impact on transitioning informal traders into formal businesses.

### **3.4.3 Research Population and Sampling**

The research population encompasses the entire group of individuals or entities targeted for investigation, which, in this study, includes approximately 3,000 informal traders and 1,200

formalized small businesses in Khayelitsha (Alrowwad et al., 2019; Widana, 2023; van Rensburg, 2012). Additionally, relevant stakeholders such as government agencies and non-profit organizations involved in economic development, as well as community members affected When poverty reduction initiatives, were considered part of the population. Given the diverse nature of this population, a stratified sampling method is deemed appropriate. This approach divides the population into homogeneous subgroups, based on criteria such as type of business (informal vs. formal), demographic characteristics (age, gender), geographical location within Khayelitsha, and participation in specific poverty reduction programs like ITAMED (Ogundipe, 2020).

To enhance representativeness, convenience sampling may be employed, selecting participants based on their availability (Chan, 2023; Msiza et al., 2022). Furthermore, snowball sampling will be utilized to identify hard-to-reach populations, where existing participants refer potential candidates (Gumede, 2021). Each sampling method's strengths and limitations will be carefully evaluated based on the study's objectives and resources. The aim is to ensure that the selected sample adequately represents the broader population in Khayelitsha, facilitating meaningful analysis and generalizable conclusions about the impact of poverty reduction initiatives on sustainable formal small businesses.

#### **3.4.4 Data collection instrument-questionnaire**

According to Aryal (2019), a data collection instrument-questionnaire questionnaire is a research tool that consists of a set of questions and possible responses printed or typed in a predefined order on a form used to collect data from participants. Typically, 300 questionnaires were hand-delivered to individuals' informal traders in townships, along with a request for their responses. Informants were expected to read the questions carefully, comprehend them, and respond in the way provided on the actual questionnaire (Bvuma & Marnewick, 2020). The questionnaire is written in a way that converts the necessary data into a sequence of inquiries that informants can and will respond to. For this study, a closed-ended questionnaire will be justifiable as it is easy to comprehend and will increase feedback from participants. This shall allow large data to be collected from a large sample within a short timeframe. Data were collected using structured questionnaires that included the following key questions:

- What is your gender?
- What is the age of your business?
- What was the source of your original capital? (Options included: personal savings, borrowing from friends and family, bank loans, government facilities, and other sources)
- What is your marital status?

- In which age category do you belong?

#### **3.4.5 Data Collection/Fieldwork:**

Data was collected through face-to-face interviews and a closed-ended questionnaire of 300 individuals' informal traders. The questionnaire will be self-administered, ensuring accurate and targeted responses from informal traders.

#### **3.4.6 Data coding and analysis**

Quantitative data analysis will utilize the Statistical Package for Social Sciences (SPSS 29) program to align with the study's qualitative nature (Mukwarami et al., 2017). This approach ensures a thorough examination of the information collected from the closed-ended questionnaire, facilitating comprehensive analysis and interpretation of the quantitative data. Furthermore, qualitative data analysis will involve thematic analysis of interview transcripts and focus group discussions. This method allows for the identification of recurring themes, patterns, and insights emerging from participants' narratives, contributing to a deeper understanding of the subjective experiences and socio-economic impacts of the ITAMED program. When integrating both quantitative and qualitative analyses, the study aims to triangulate findings, enriching the interpretation and providing a more holistic perspective on the program's effectiveness in promoting sustainable economic development and social empowerment in Khayelitsha.

#### **3.5 Validity and Reliability of Statistical Software:**

The analysis was conducted using statistical software to ensure accurate calculations and efficient data handling. The results were interpreted to draw meaningful conclusions about the associations between the variables. To enhance the validity of the findings, the questionnaire was pre-tested with a small sample of business owners to identify any ambiguities or issues in the wording of the questions. Feedback was used to refine the questionnaire before the main data collection. Personal Savings is the dominant source of capital, especially for younger businesses and younger owners. There is a moderate positive correlation between business age and the use of personal savings, but the reliance decreases as the business ages. Borrowing from Friends and Family is an important source of capital for younger businesses, and there is a moderate positive relationship with business age. Bank Loans were not a common source of capital in the early stages, with a weak negative correlation with business age. Other sources of capital show a strong positive relationship with business age, suggesting that as businesses grow older, they diversify their funding sources. The sample consisted of business owners from various demographics. Participants were asked to provide information regarding their gender, age category, marital status, the age of their businesses, and the source of their original capital. The

data were analyzed using crosstabulation to explore the relationships between the demographic variables and the sources of capital. This analysis provided a breakdown of the responses and helped to identify trends and patterns among different demographic groups.

### **3.6 Correlation Analysis and Methodology Data Findings:**

According to (Walter & Wilson, 2023) correlation analysis and methodology data findings symmetric measures, specifically Pearson's R and Spearman's correlation coefficients, were computed to assess the strength and direction of relationships between the sources of original capital and the age of business on sustainability principles (Kenzhegulova et al., 2024; Weilant et al., 2019). Statistical significance was determined using p-values, with a threshold of  $p < 0.05$  for significance. A significant majority (103) of businesses that have been registered at the CIPC for 0–1 year sourced their capital from personal savings. Conversely, 56 businesses that were not registered used personal savings. In many cases, for businesses aged 2–3 years, 4 registered businesses used personal savings, while 6 unregistered businesses did. Registered businesses show a slightly more favorable stance in utilizing this funding source with 11 businesses for 0–1 year and 8 for 2–3 years. Unregistered businesses were also notable with 12 for 0–1 year and 7 for 2–3 years. The number of businesses utilizing bank loans is relatively low, with 5 registered businesses and 1 unregistered for 0–1 year. No registered businesses reported bank loans for 2–3 years, whereas 1 unregistered business did. A small number of businesses (3 registered and 1 unregistered) accessed government facilities for funding, indicating limited reliance on this source. Among registered businesses, 6 utilized other funding sources for 0–1 year, while 2 used it for 2–3 years. Unregistered businesses accessed this source more frequently with 12 for 0–1 year and 2 for 2–3 years. Registered Businesses: 128 out of 210 (61%) fall within the 1-5 employees range, and 14 businesses were aged 2-3 years. Unregistered Businesses: 82 out of 210 (39%) also contribute to the employment statistics.

### **3.7 Chapter Summary**

This chapter presented the research methodology and design that was adopted for this study. The chapter highlighted the population and the sample of the study, and how the data was collected and analysed. The next chapter presents the analysis of the data that was collected. The chapter also presents the results from that analysis.

## CHAPTER 4: DATA ANALYSIS AND PRESENTATION

### 4.1 Introduction

This chapter presents the results and findings derived from analyzing the data collected for this study. As outlined by Nimeshi (2017), the focus is on the role of formal small businesses within South Africa's economic landscape, which represent a significant portion of the business sector (Wiid & Cant, 2021). These businesses are legally registered and comply with regulatory requirements, distinguishing them from informal enterprises. They are governed by laws, regulations, and taxation, ensuring accountability and providing a structured framework for operations (Guerola-Navarro et al., 2022; Wiid & Cant, 2021).

Formal small businesses contribute significantly to job creation, economic growth, and poverty alleviation, making them vital to South Africa's economy (Ramsuraj, 2023; Wiid & Cant, 2021; Mukwarami et al., 2017). Operating across various sectors such as retail, manufacturing, services, and agriculture, they help diversify the market and provide essential goods and services to local communities. Moreover, these businesses serve as incubators for innovation and entrepreneurship, driving competition and productivity within the economy (Biswas, 2021; Wangenge-Ouma et al., 2020).

The government supports these businesses through various policies, programs, and initiatives aimed at fostering their growth. These include improving access to finance, providing business development services, offering skills training, and enhancing market access. Despite these efforts, formal small businesses face numerous challenges, such as limited access to finance, regulatory burdens, market competition, and skills shortages (Ramasimu et al., 2023). Addressing these challenges requires a multi-faceted approach involving collaboration between the public and private sectors to create a conducive environment for sustainable business growth. With the right support, formal small businesses have the potential to play an even more significant role in South Africa's socio-economic development (Scholtz et al., 2023).

The Wholesale and Retail Sector Education and Training Authority (W&RSETA), established under the Skills Development Act of 2000, plays a critical role in addressing the skills development needs of South Africa's wholesale and retail sector, which is dominated by small, medium, and micro enterprises (SMMEs). Despite government efforts, many SMMEs, particularly informal businesses, continue to struggle with formalization due to skill gaps. In line with the National Skills Development Plan (NSDP), W&RSETA launched the Informal Traders and Micro Enterprises

Development (ITAMED) program, which targets informal traders and micro enterprises. This program provides skills development in areas such as marketing, financial management, customer service, and SMME development. Each year, approximately 2400 informal traders benefit from these programs and receive small grants to invest in their businesses, reinforcing W&RSETA's commitment to fostering sustainable growth and competitiveness within the sector (Anon, 2022).

In summary, formal small businesses are key contributors to South Africa's economic growth, innovation, and job creation. Despite facing challenges, with the appropriate support, they have the potential to make even greater contributions to the country's socio-economic progress. The government's initiatives and programs like those offered by W&RSETA are essential to addressing the barriers these businesses face, particularly in terms of skills development and financial access.

The following section will analyze the collected data, emphasizing the key findings and their implications for the future of formal small businesses in South Africa.

#### **4.2 Presentation and discussion of findings**

The analysis of capital sourcing within businesses reveals significant trends based on gender, age, and marital status. Personal savings emerged as the predominant source of funding, particularly among male entrepreneurs, with 206 male-owned businesses relying on this method compared to 38 female-owned businesses. Borrowing from friends and family was also more common among males (26 male entrepreneurs versus 15 female entrepreneurs), especially among businesses aged 2-3 years. Bank loans were rarely used, with only 7 instances across genders, suggesting limited access to traditional financial institutions. Government facilities were predominantly accessed by male entrepreneurs, while other sources of capital showed a more even distribution between genders.

The data also highlights those younger entrepreneurs, particularly those aged 18-25, are more likely to use personal savings as startup capital. Interestingly, businesses that depend on borrowing from family tend to have longer lifespans, whereas reliance on personal savings shows a weaker correlation with business longevity. This suggests that while personal savings play a significant role in business initiation, access to external funding sources such as family loans may contribute to greater sustainability over time.

Overall, the findings underline the gender-based disparities in capital sourcing and the reliance on personal resources among entrepreneurs. The frequency table analysis provides valuable insights into the financial behaviors and capital strategies of business owners, emphasizing the importance of personal savings, family support, and the barriers posed by limited access to formal financial institutions.

## 4.2.1 Participants Demographics

### 4.2.1.1 Gender distribution

Table 1: Gender Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	206	68.7	73.6	73.6
	female	74	24.7	26.4	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

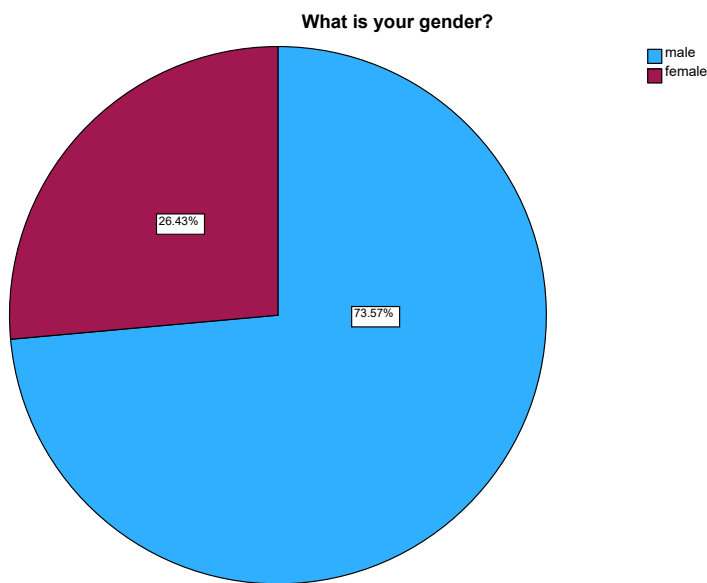


Figure 1: Gender Distribution

In Table 1, a survey with 300 participants, 280 participants provided valid answers to the gender question. Of these, 206 participants identified as male, representing 68.7% of the total sample and 73.6% of valid responses. Female participants accounted for 74 participants, making up 24.7% of the total sample and 26.4% of valid responses. There were 20 missing responses, which constitute 6.7% of the total sample. Overall, the survey had a high response rate of 93.3%, with most participants being male. The cumulative valid responses reached 100%, with the analysis providing a clear gender breakdown within the valid responses.



#### 4.2.1.2 Marital Status

Table 2: Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	216	72.0	77.1	77.1
	married	46	15.3	16.4	93.6
	widowed	11	3.7	3.9	97.5
	others	7	2.3	2.5	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

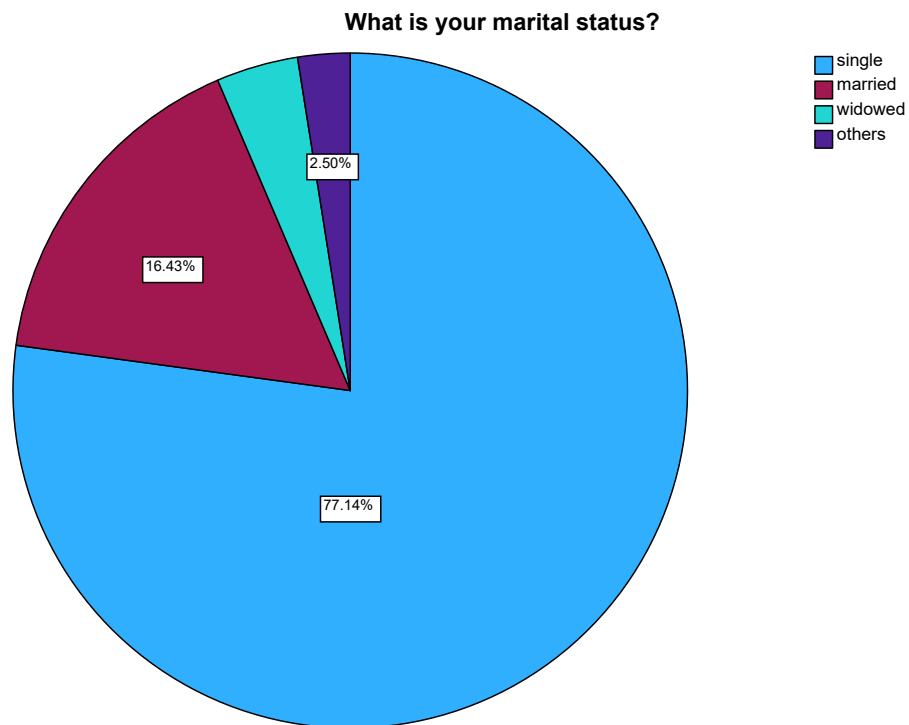


Figure 2: Marital Status

In a survey of 300 participants, 280 responded to the question about marital status as noted in Table 2. The majority, 216 participants, reported being single, representing 72% of the total sample and 77.1% of valid responses. A smaller proportion, 46 participants (15.3% of the total), were married, accounting for 16.4% of valid responses. Additionally, 11 participants (3.7% of the total) identified as widowed, making up 3.9% of the valid responses, while 7 participants (2.3% of the total) fell into the "others" category, representing 2.5% of valid responses. There were 20 missing responses, which make up 6.7% of the total sample. Overall, the valid responses provide a comprehensive view of participants' marital status, with singles forming the majority.

#### 4.2.1.3 Age Distribution

Table 3: Age Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25	211	70.3	75.4	75.4
	26 - 30	22	7.3	7.9	83.2
	31 - 35	13	4.3	4.6	87.9
	36 - 40	5	1.7	1.8	89.6
	41 - 45	29	9.7	10.4	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

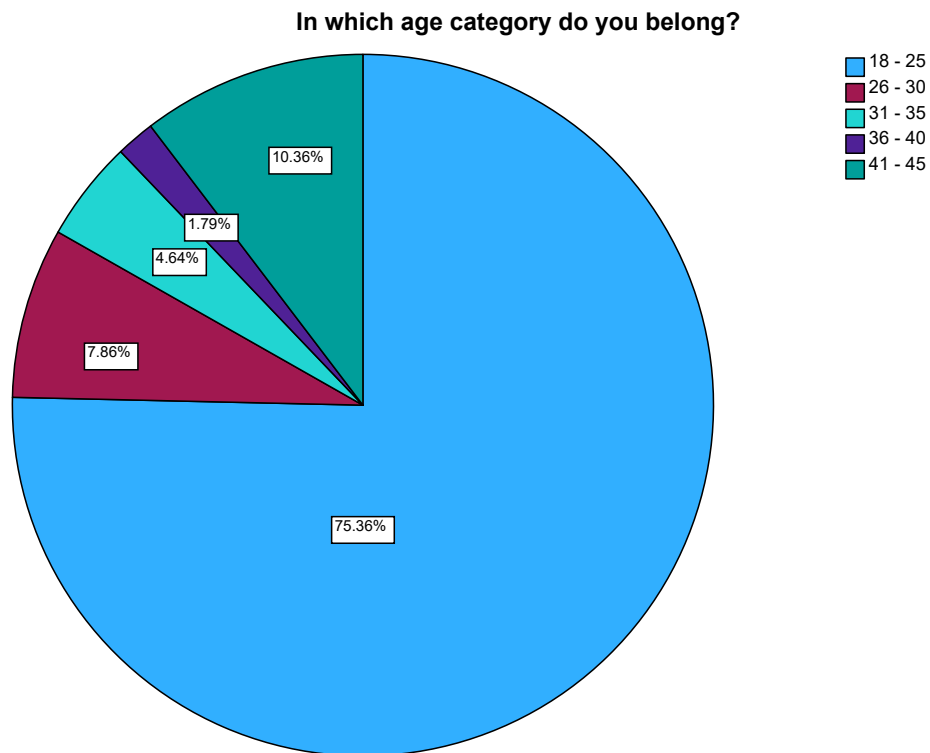


Figure 3: Age Distribution

According to Table 3 a survey of 300 participants, 280 responded to the question regarding their age category. The largest group, consisting of 211 participants (70.3% of the total sample), fell within the 18-25 age range, representing 75.4% of valid responses. The second-largest group, aged 41-45, included 29 participants (9.7% of the total sample), making up 10.4% of valid responses. Additionally, 22 participants (7.3% of the total) were aged 26-30, accounting for 7.9% of valid responses. The 31-35 age group comprised 13 participants (4.3% of the total), representing 4.6% of valid responses, while 5 participants (1.7%) were in the 36-40 age range. There were 20 missing responses, making up 6.7% of the total sample.

#### 4.2.1.4 Level of Education

Table 4: Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	125	41.7	44.6	44.6
	Primary education (Grades 1 – 7)	44	14.7	15.7	60.4
	Secondary education (Grades 8 -10)	22	7.3	7.9	68.2
	Secondary education (Grade 11 - 12)	75	25.0	26.8	95.0
	Certificate	14	4.7	5.0	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

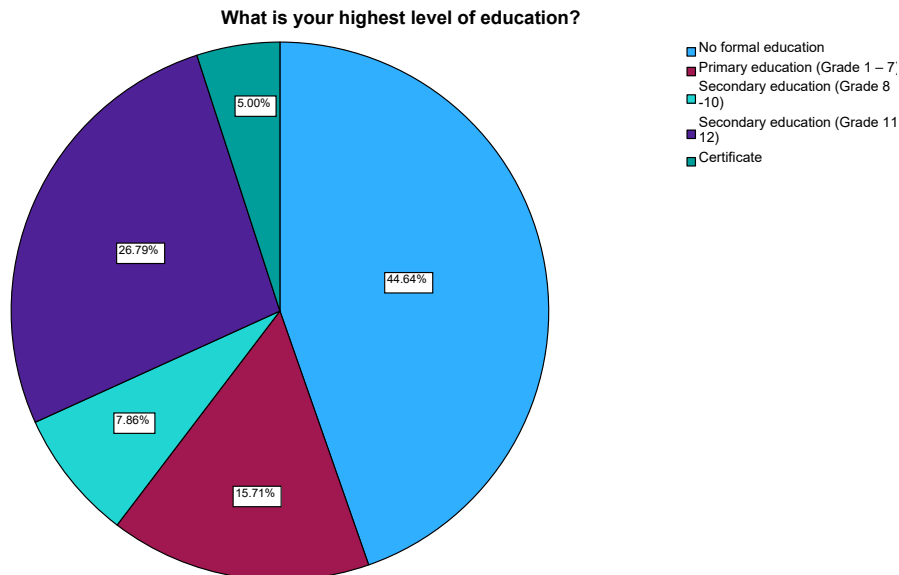


Figure 4: Level of Education

Table 4 a survey of 300 participants, 280 responded to the question about their highest level of education. The majority, 125 participants (41.7% of the total sample), reported having no formal education, which accounted for 44.6% of valid responses. A significant portion, 75 participants (25%), had completed secondary education (Grade 11-12), making up 26.8% of valid responses. Additionally, 44 participants (14.7%) had finished primary education (Grades 1-7), contributing 15.7% to valid responses. Those with secondary education (Grade 8-10) totaled 22 participants (7.3% of the sample), while 14 participants (4.7%) held a certificate qualification. There were 20 missing responses, representing 6.7% of the total sample.

#### 4.2.2 Sample Size

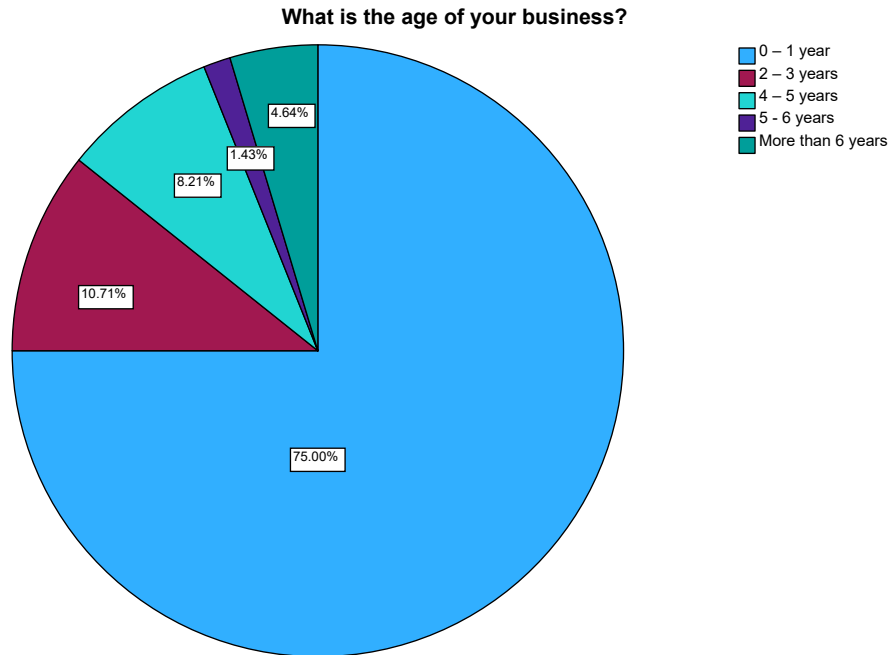
To achieve a target sample size of 300 participants, 280 provided valid responses, and adjustments to initial assumptions were made. According to Bonface et al. (2021), manipulating the sample size formula while focusing on the margin of error for the ITAMED distribution allows for the derivation of the required parameters. It is important to emphasize that this is a simplified illustration, and further adjustments may be necessary based on the specific requirements of the study. This includes considering factors such as the proportions of different strata to enhance the accuracy of determining a sample size of 280. The table reveals that personal savings were the most prevalent source of funding, utilised by 206 male entrepreneurs compared to 74 female entrepreneurs.

### 4.2.3 Business Profile

#### 4.2.3.1 Age of Business

Table 5: Age of Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 – 1 year	210	70.0	75.0	75.0
	2 – 3 years	30	10.0	10.7	85.7
	4 – 5 years	23	7.7	8.2	93.9
	5 - 6 years	4	1.3	1.4	95.4
	More than 6 years	13	4.3	4.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



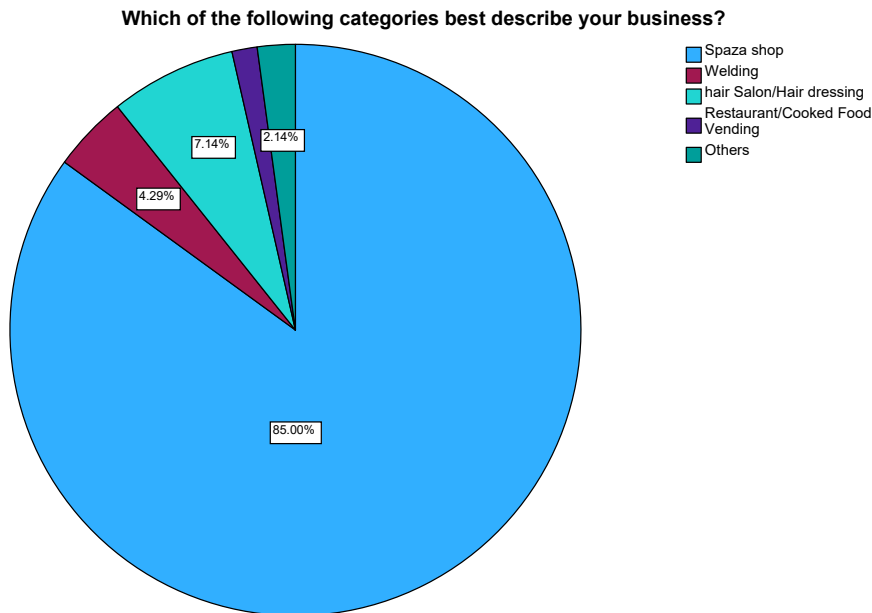
*Figure 5: Age of business*

Table 5 a survey of 300 participants, 280 responded to the question regarding the age of their business. The majority, 210 participants (70% of the total sample), reported that their business was between 0 and 1 year old, accounting for 75% of valid responses. Another 30 participants (10%) indicated their business had been operating for 2 to 3 years, representing 10.7% of valid responses. Additionally, 23 participants (7.7%) stated their business was 4 to 5 years old, making up 8.2% of valid responses. Only 4 participants (1.3%) had businesses aged 5 to 6 years, while 13 participants (4.3%) had businesses older than 6 years. There were 20 missing responses, representing 6.7% of the total sample.

#### 4.2.3.2 Type of Business/Business Category

*Table 6: Type of Business*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Spaza shop	238	79.3	85.0	85.0
	Welding	12	4.0	4.3	89.3
	hair Salon/Hairdressing	20	6.7	7.1	96.4
	Restaurant/Cooked Food Vending	4	1.3	1.4	97.9
	Others	6	2.0	2.1	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



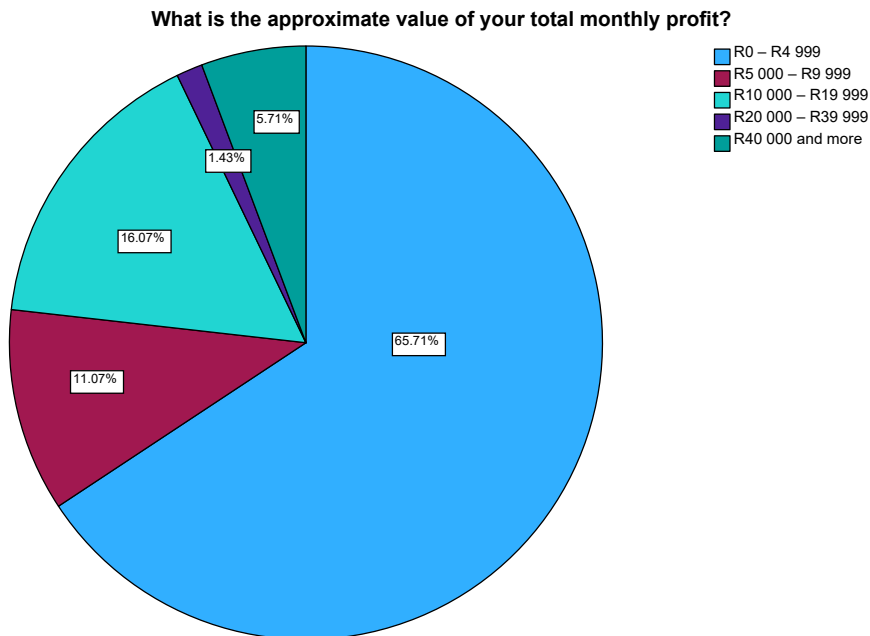
*Figure 6: Type of Business*

According to Table 6 a survey of 300 participants, 280 responded to the question about the category that best describes their business. The majority of participants, 238 participants (79.3% of the total sample), identified their business as a Spaza shop, which accounted for 85% of valid responses. A further 20 participants (6.7%) indicated their business was a Hair Salon/Hairdressing service, representing 7.1% of valid responses. Twelve participants (4%) described their business as Welding, comprising 4.3% of the valid responses. Restaurant/Cooked Food Vending was selected When 4 participants (1.3%), while 6 participants (2%) indicated their business fell into the "Others" category. There were 20 missing responses, constituting 6.7% of the total sample.

#### 4.2.3.3 Business Monthly Profit

*Table 7: Business Monthly Profit*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R0 – R4 999	184	61.3	65.7	65.7
	R5 000 – R9 999	31	10.3	11.1	76.8
	R10 000 – R19 999	45	15.0	16.1	92.9
	R20 000 – R39 999	4	1.3	1.4	94.3
	R40 000 and more	16	5.3	5.7	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 7: Business Monthly Profit*

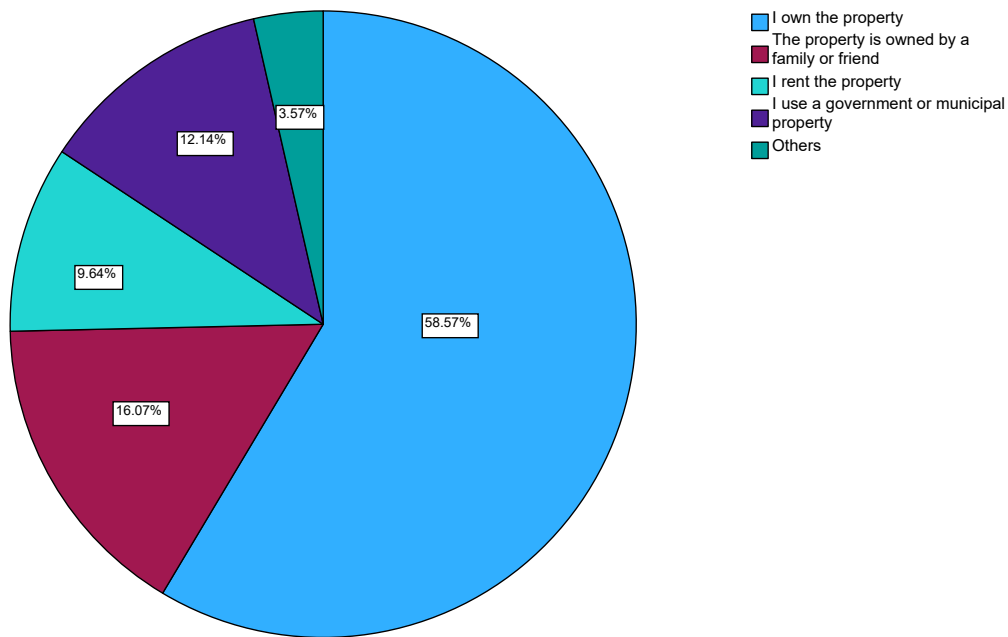
As noted in Table 7 a survey of 300 participants, 280 responded to the question about their approximate monthly profit. Most participants, 184 participants (61.3% of the total sample), reported a monthly profit between R0 and R4 999, making up 65.7% of valid responses. Thirty-one participants (10.3%) reported a profit of R5 000 to R9 999, accounting for 11.1% of the valid responses. Forty-five participants (15%) earned between R10 000 and R19 999, representing 16.1% of valid responses. A small portion of participants, 4 (1.3%), reported monthly profits of R20 000 to R39 999, while 16 participants (5.3%) earned R40 000 or more. There were 20 missing responses, making up 6.7% of the total sample.

#### 4.2.3.4 Property Ownership

*Table 8: Property Ownership*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I own the property	164	54.7	58.6	58.6
	The property is owned When a family or friend	45	15.0	16.1	74.6
	I rent the property	27	9.0	9.6	84.3
	I use a government or municipal property	34	11.3	12.1	96.4
	Others	10	3.3	3.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**What is the nature of the ownership of the property where you operate your business?**



*Figure 8: Property Ownership*

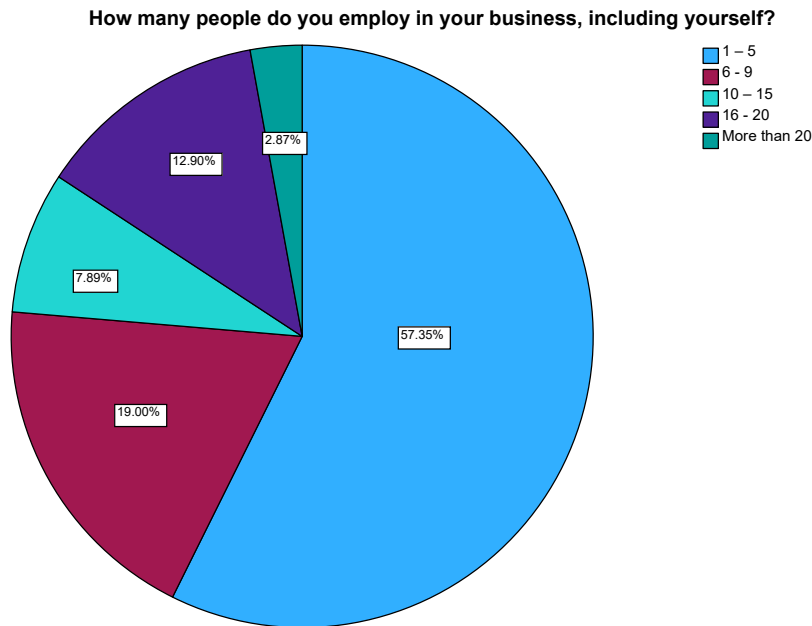
In a survey of 300 participants, as noted by Table 8, 280 responded to the question about the nature of ownership of the property where they operate their businesses. The majority, 164 participants (54.7% of the total sample), reported owning the property, which accounts for 58.6% of valid responses. Forty-five participants (15%) indicated that the property is owned When a family member or friend, making up 16.1% of valid responses. Twenty-seven participants (9%) rent their business property, representing 9.6% of valid responses. Thirty-four participants (11.3%) use government or municipal properties for their businesses, while 10 participants (3.3%) reported other ownership arrangements. There were 20 missing responses, accounting for 6.7% of the total sample.

#### 4.2.3.5 Number of Employees

*Table 9: Number of Employees*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 5	160	53.3	57.3	57.3
	6 - 9	53	17.7	19.0	76.3
	10 – 15	22	7.3	7.9	84.2
	16 - 20	36	12.0	12.9	97.1
	More than 20	8	2.7	2.9	100.0
	Total	279	93.0	100.0	
Missing	System	21	7.0		
Total		300	100.0		





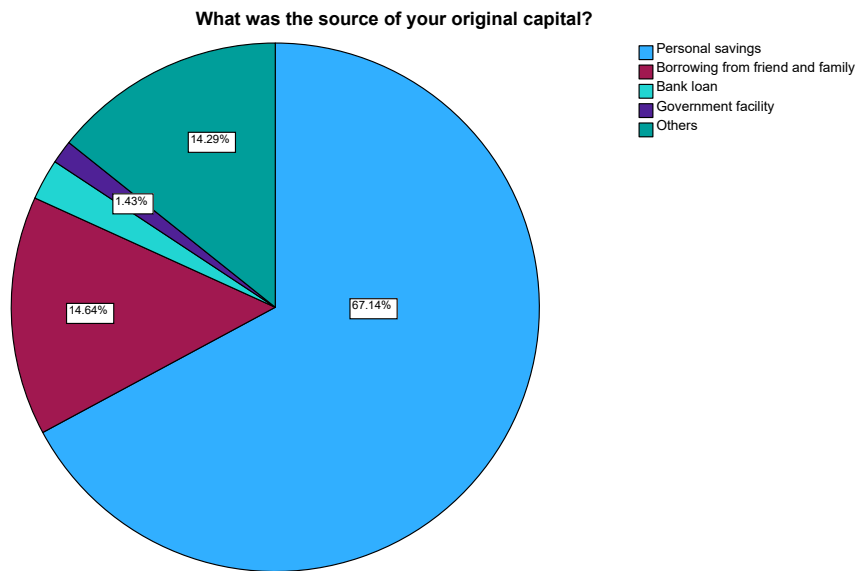
*Figure 9: Number of Employees*

In Table 9 a survey of 300 participants, 279 provided information regarding the number of people they employ in their businesses, including themselves. The majority, 160 participants (53.3% of the total sample), reported employing between 1 and 5 people, constituting 57.3% of valid responses. Fifty-three participants (17.7%) indicated they employ between 6 and 9 individuals, representing 19% of valid responses. Twenty-two participants (7.3%) employ between 10 and 15 people, while 36 participants (12%) employ between 16 and 20 individuals. Finally, eight participants (2.7%) reported employing more than 20 people in their businesses. There were 21 missing responses, which account for 7% of the total sample.

#### 4.2.3.6 Source of Original Capital

*Table 10: Source of Original Capital*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Personal savings	188	62.7	67.1	67.1
	Borrowing from friends and family	41	13.7	14.6	81.8
	Bank loan	7	2.3	2.5	84.3
	Government facility	4	1.3	1.4	85.7
	Others	40	13.3	14.3	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 10: Source of Original Capital*

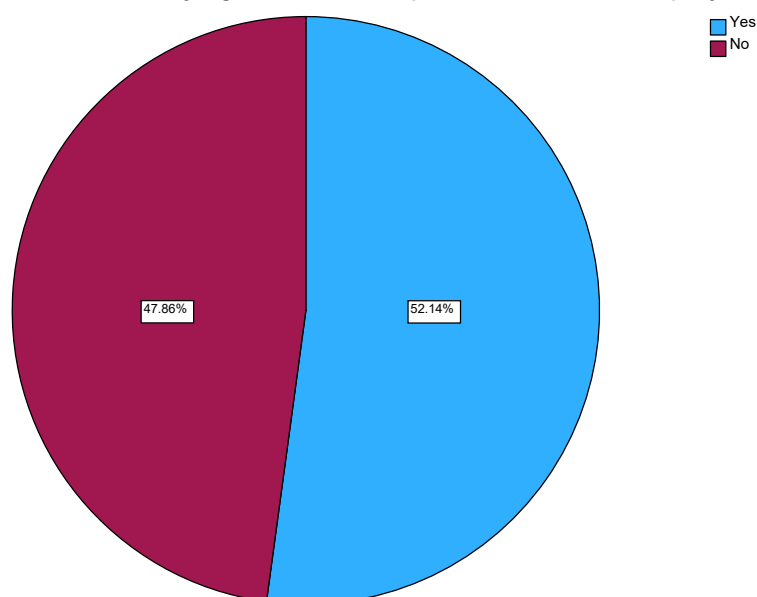
The findings in Table 10 in a survey involving 300 participants, 280 provided insights regarding the source of their original capital for their businesses. The majority, 188 participants (62.7%), indicated that their initial capital came from personal savings, accounting for 67.1% of valid responses. Borrowing from friends and family was the source for 41 participants (13.7%), representing 14.6% of valid responses. A small number, seven participants (2.3%), secured their capital through bank loans, while four participants (1.3%) obtained funding from government facilities. Additionally, 40 participants (13.3%) cited other sources of capital. There were 20 missing responses, which account for 6.7% of the total sample.

#### 4.2.3.7 Business Registration Status

*Table 11: Business Registration Status*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	146	48.7	52.1	52.1
	No	134	44.7	47.9	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**My business is formally registered at the Companies and Intellectual Property Commission (CIPC)**



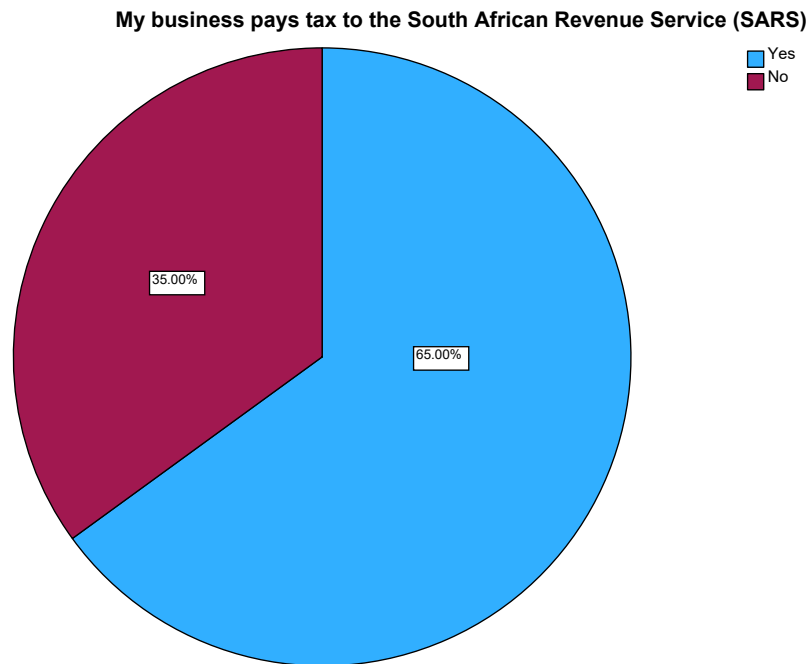
*Figure 11: Business Registration Status*

According to findings in Table 11 a survey assessing the formal registration of businesses at the Companies and Intellectual Property Commission (CIPC), a total of 300 participants responded, with 280 providing valid answers. Of these, 146 participants (48.7%) reported that their businesses were formally registered, which accounts for 52.1% of the valid responses. In contrast, 134 participants (44.7%) indicated that their businesses were not registered, making up 47.9% of the valid responses. Additionally, there were 20 missing responses, representing 6.7% of the total sample. This distribution suggests that nearly half of the businesses surveyed were formally registered, highlighting a significant proportion that remain unregistered, which could indicate potential challenges in compliance or awareness of registration processes.

#### 4.2.3.8 Tax Compliance Status

*Table 12: Tax Compliance Status*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	182	60.7	65.0	65.0
	No	98	32.7	35.0	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



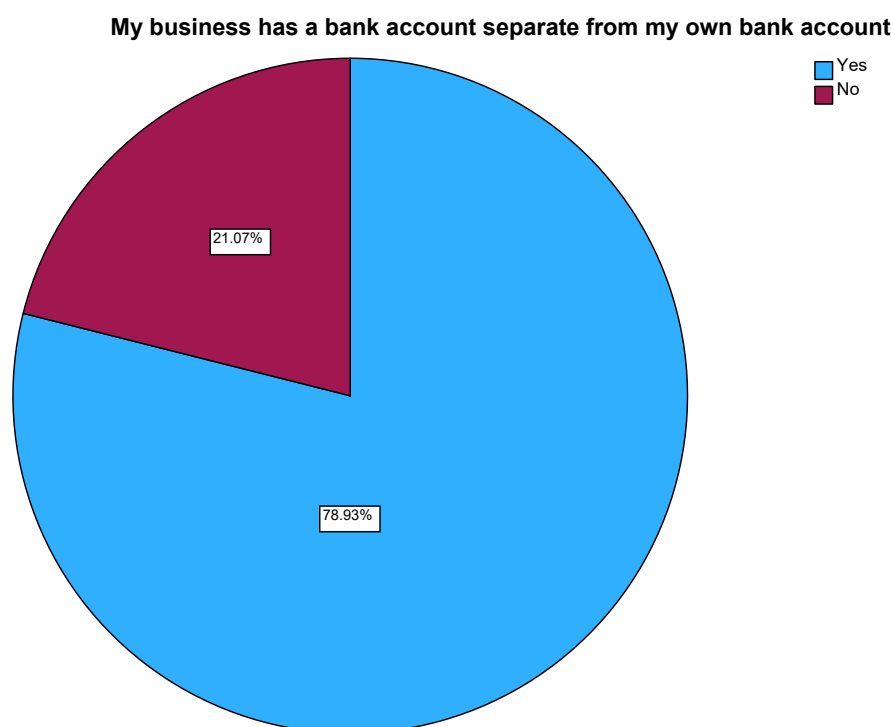
*Figure 12: Tax Compliance Status*

Findings in Table 11 on a survey examining the tax compliance of businesses with the South African Revenue Service (SARS), a total of 300 participants were included, with 280 providing valid responses. Among these, 182 participants (60.7%) reported that their businesses do pay taxes to SARS, representing 65.0% of the valid responses. Conversely, 98 participants (32.7%) indicated that their businesses do not pay taxes, accounting for 35.0% of the valid responses. Additionally, 20 responses were missing, which constitutes 6.7% of the total sample. This data indicates most businesses were compliant with tax regulations, yet a notable minority remains non-compliant, suggesting potential for outreach or education regarding tax responsibilities.

#### 4.2.3.9 Business Finance Practices

*Table 13: Business Finance Practices*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	221	73.7	78.9	78.9
	No	59	19.7	21.1	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 13: Business Finance Practices*

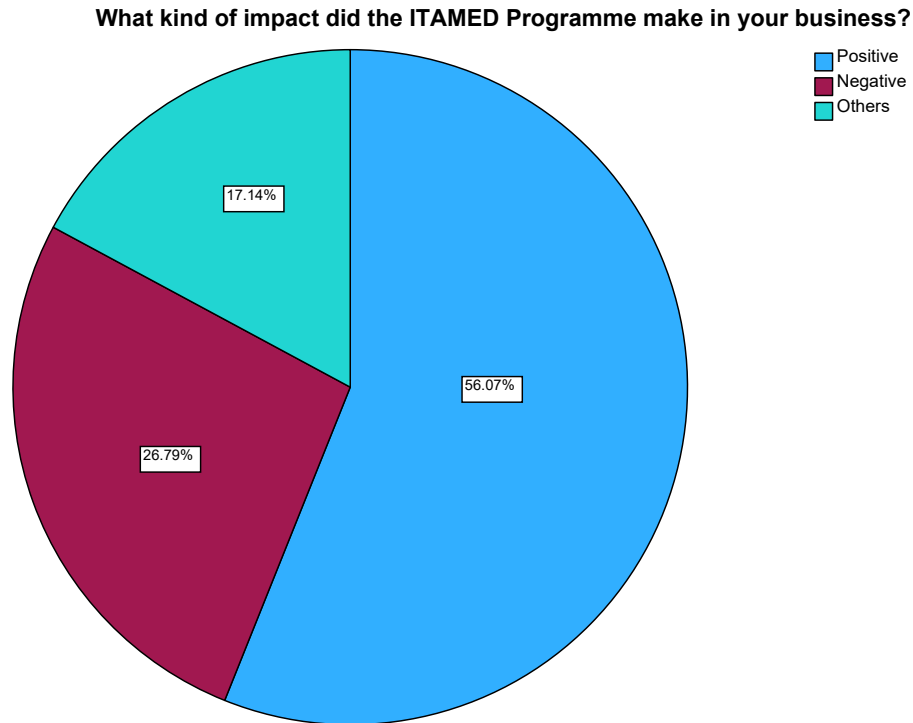
According to Table 13 a survey regarding the financial practices of businesses, a total of 300 participants participated, with 280 providing valid answers. Among these, 221 participants (73.7%) reported having a separate bank account for their business, which constitutes 78.9% of valid responses. In contrast, 59 participants (19.7%) indicated that they do not have a separate bank account for their business, making up the remaining 21.1% of valid responses. Additionally, there were 20 missing responses, representing 6.7% of the total sample. The findings suggest that a significant majority of businesses prioritize financial separation, which can aid in effective financial management and compliance with tax regulations.

#### **4.2.4 ITAMED Programme support on SMMEs businesses**

##### *4.2.4.1 Type of Impact of ITAMED Programme*

*Table 14: Type of impact of the ITAMED Programme*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Positive	157	52.3	56.1	56.1
	Negative	75	25.0	26.8	82.9
	Others	48	16.0	17.1	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



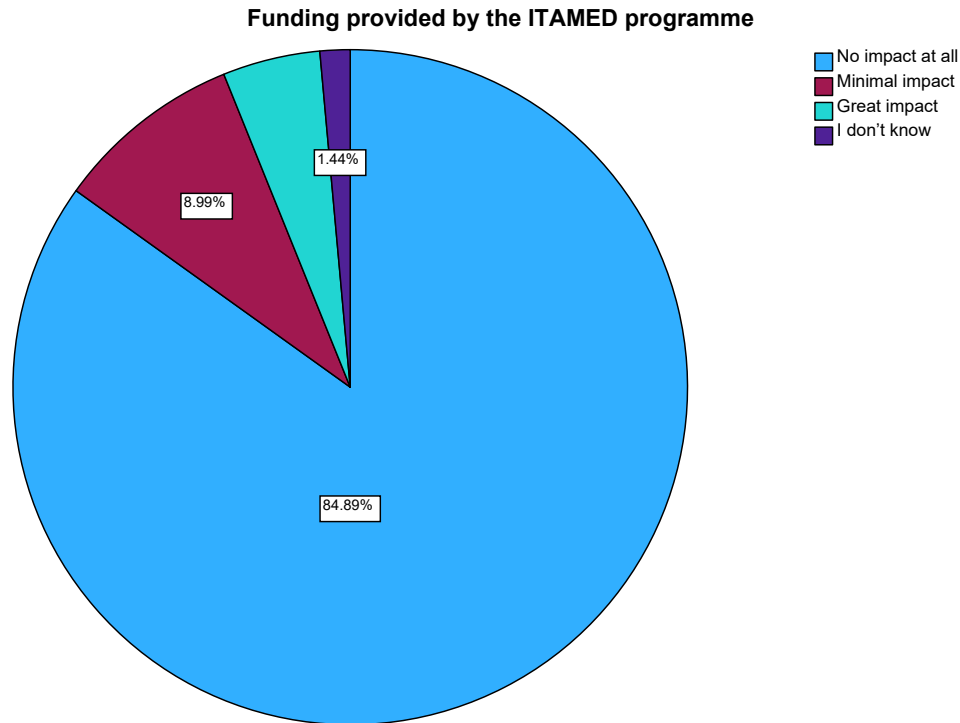
*Figure 14: Type of Impact of the ITAMED Programme on Businesses*

Table 14 indicates that in evaluating the impact of the ITAMED Programme on businesses, 300 participants participated, with 280 providing valid responses. Among these, 157 participants (52.3%) reported a positive impact on their business, accounting for 56.1% of valid responses. Conversely, 75 participants (25.0%) indicated a negative impact, representing 26.8% of valid responses. Additionally, 48 participants (16.0%) noted other types of impacts, which comprised 17.1% of valid responses. There were also 20 missing responses, constituting 6.7% of the total sample. These findings suggest that while many businesses experienced positive outcomes from the ITAMED Programme, a significant portion still faced challenges, highlighting the need for ongoing support and evaluation of the programme's effectiveness.

#### 4.2.4.2 Funding Impact

*Table 15: Funding Impact*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No impact at all	236	78.7	84.9	84.9
	Minimal impact	25	8.3	9.0	93.9
	Great impact	13	4.3	4.7	98.6
	I don't know	4	1.3	1.4	100.0
	Total	278	92.7	100.0	
Missing	System	22	7.3		
Total		300	100.0		



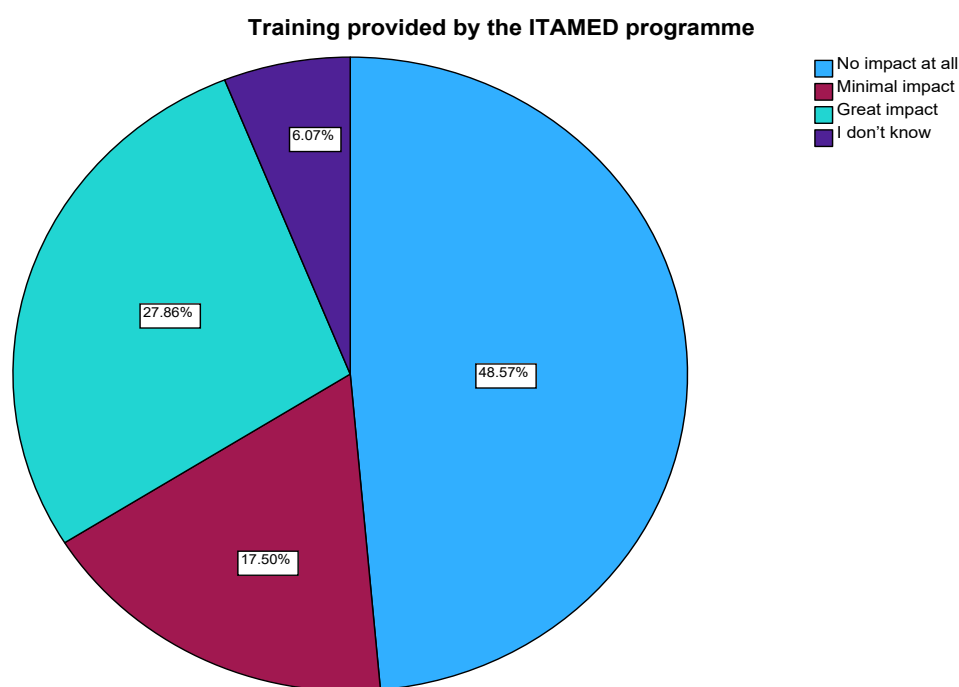
*Figure 15: Funding Impact*

Table 15 highlights the analysis of the funding provided when the SMMEs were part of the ITAMED Programme revealing that out of 300 participants, 278 provided valid responses, while 22 were missing, accounting for 7.3% of the total sample. Among the valid responses, a substantial majority, 236 participants (78.7%), reported "no impact at all" from the funding, representing 84.9% of valid responses. Additionally, 25 participants (8.3%) indicated a "minimal impact," and 13 participants (4.3%) noted a "great impact." Lastly, 4 participants (1.3%) responded with "I don't know." These results suggest that while the programme aimed to provide meaningful support, most businesses did not perceive significant benefits from the funding, indicating a need for further assessment and improvement of the programme's impact.

#### 4.2.4.3 Training Impact

*Table 16: Training Programme Impact*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No impact at all	136	45.3	48.6	48.6
	Minimal impact	49	16.3	17.5	66.1
	Great impact	78	26.0	27.9	93.9
	I don't know	17	5.7	6.1	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 16: Training Impact*

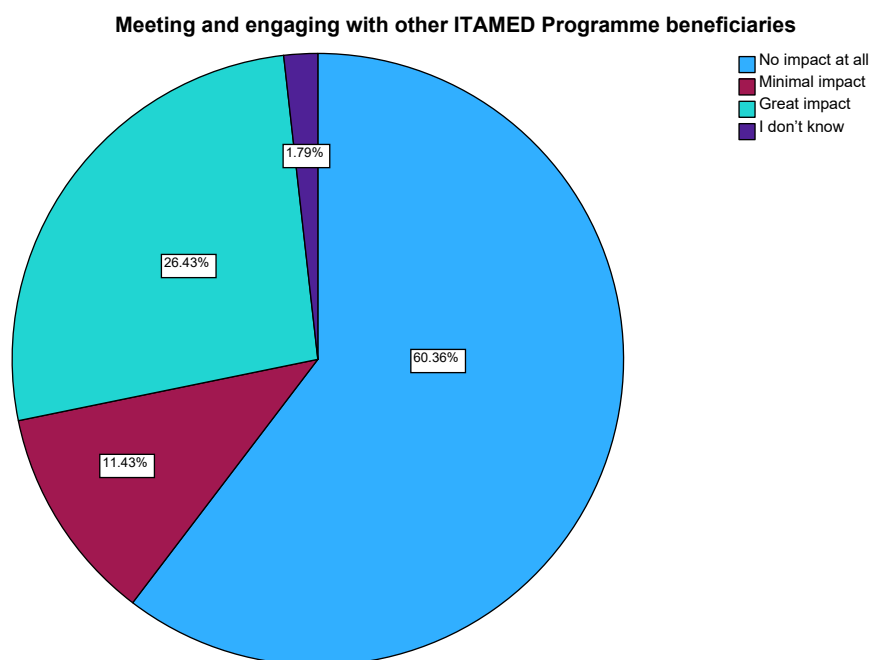
According to Table 16, the evaluation of training provided when the SMMEs were part of the ITAMED Programme indicates varied perceptions among the participants. Out of 300 participants, 280 provided valid responses, with 20 responses missing, representing 6.7% of the total sample. Among those who responded, 136 individuals (45.3%) reported "no impact at all" from the training, accounting for 48.6% of valid responses. Conversely, 49 participants (16.3%) indicated a "minimal impact," while 78 participants (26.0%) acknowledged a "great impact." Additionally, 17 participants (5.7%) stated "I don't know" regarding the training's impact. These findings suggest that while a significant number of participants experienced substantial benefits from the training, nearly half felt it had no impact, highlighting the need for further enhancement and targeting of training initiatives within the programme.

#### 4.2.4.4 Impact of Engagement with other beneficiaries

*Table 17: Impact of Engagement with Other ITAMED Programme Beneficiaries*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No impact at all	169	56.3	60.4	60.4
	Minimal impact	32	10.7	11.4	71.8
	Great impact	74	24.7	26.4	98.2
	I don't know	5	1.7	1.8	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		





*Figure 17: Impact of Engagement with Other ITAMED Programme Beneficiaries*

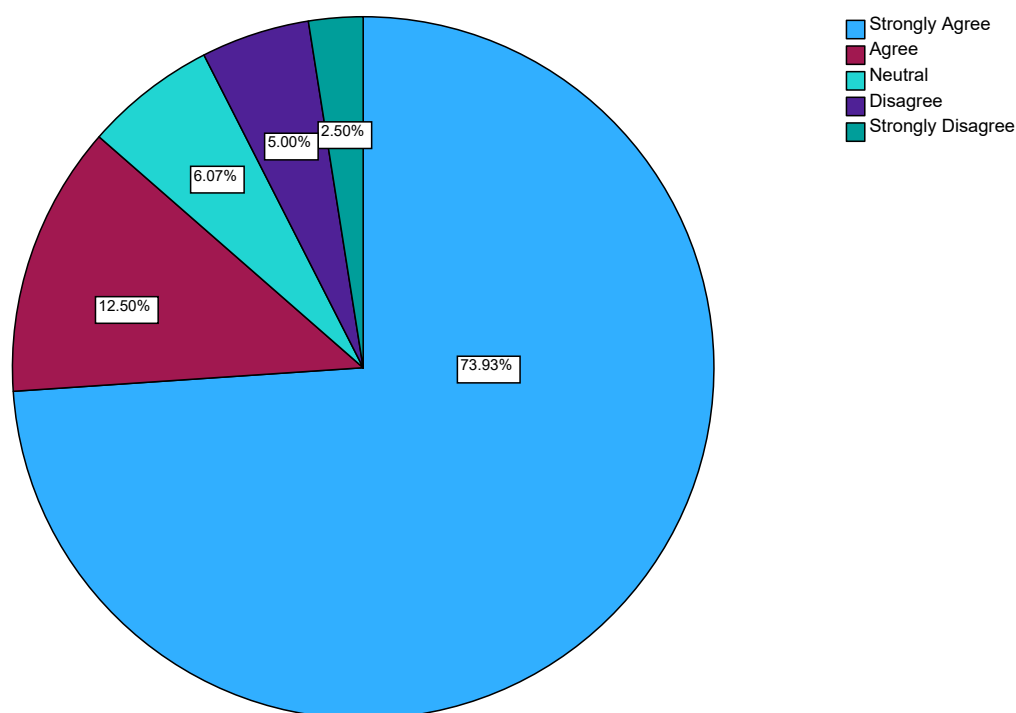
According to Table 17, the evaluation of the impact of meeting and engaging with other beneficiaries of the ITAMED Programme reveals diverse experiences among participants. Of the total 300 participants, 280 provided valid responses, resulting in a 6.7% missing data rate. Among the valid responses, 169 individuals (56.3%) indicated "no impact at all," suggesting that over half of the participants did not perceive any benefits from these interactions. Conversely, 32 participants (10.7%) reported "minimal impact," while a notable 74 participants (24.7%) experienced a "great impact" from engaging with fellow beneficiaries. Additionally, 5 participants (1.7%) were unsure, selecting "I don't know." These findings highlight a significant disparity in perceived benefits, indicating a need for improved strategies to enhance meaningful connections among programme beneficiaries.

#### 4.2.4.5 Business Registration Support

*Table 18: Business Registration Support*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	207	69.0	73.9	73.9
	Agree	35	11.7	12.5	86.4
	Neutral	17	5.7	6.1	92.5
	Disagree	14	4.7	5.0	97.5
	Strongly Disagree	7	2.3	2.5	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has helped me to register my business at CIPC**



*Figure 18: Business Registration Support*

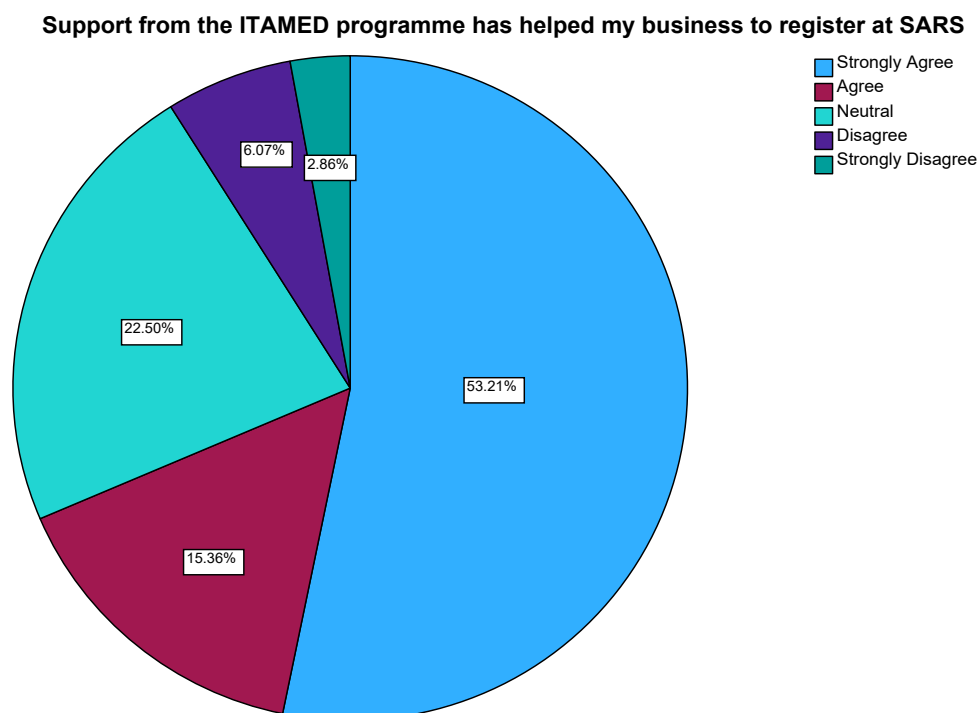
The findings in Table 18, regarding the support from the ITAMED programme in assisting participants to register their businesses with the Companies and Intellectual Property Commission (CIPC) demonstrate a predominantly positive response. Out of 300 total participants, 280 provided valid answers, resulting in a missing data rate of 6.7%. Among these, 207 participants (69.0%) strongly agreed that the programme was beneficial for their business registration, indicating a strong endorsement of its support. Additionally, 35 participants (11.7%) agreed, while 17 participants (5.7%) remained neutral on the issue. A smaller segment of the population disagreed (14 participants, or 4.7%), and only 7 participants (2.3%) strongly disagreed. This data underscores the programme's effectiveness in facilitating formal business registration among beneficiaries.

#### 4.2.4.6 Support with Registration at SARS

*Table 19: Support with Registration for tax with SARS*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	149	49.7	53.2	53.2
	Agree	43	14.3	15.4	68.6
	Neutral	63	21.0	22.5	91.1
	Disagree	17	5.7	6.1	97.1
	Strongly Disagree	8	2.7	2.9	100.0
	Total	280	93.3	100.0	

Missing	System	20	6.7		
Total		300	100.0		



*Figure 19: Support with Registration for tax with SARS*

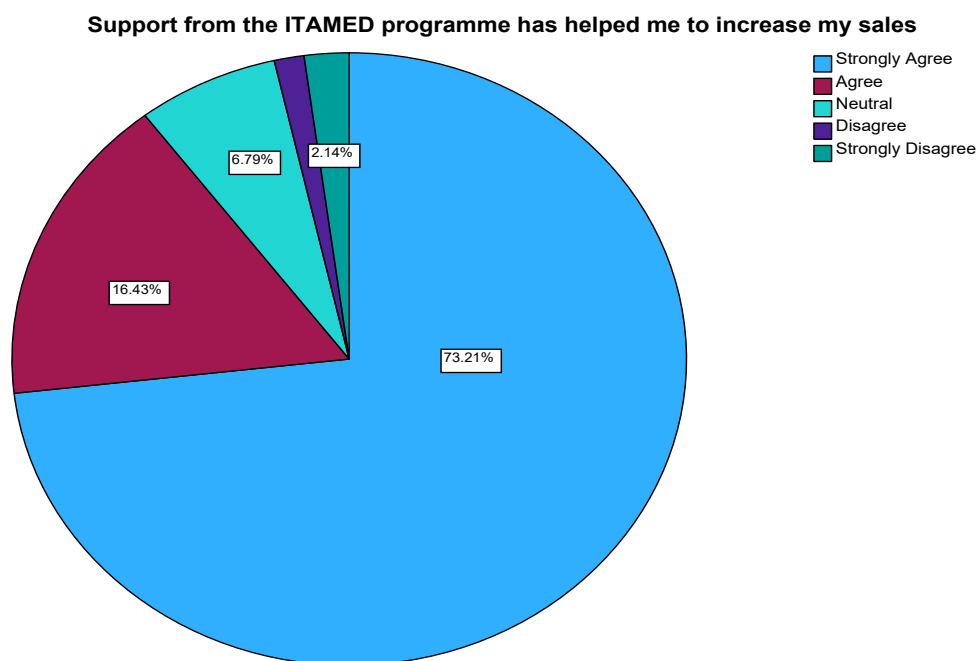
According to Table 19, the findings regarding the support from the ITAMED programme in aiding participants to register their businesses with the South African Revenue Service (SARS) reveal a favorable perspective. Out of 300 participants, 280 provided valid responses, reflecting a 6.7% missing data rate. Among these, 149 participants (49.7%) strongly agreed that the programme was instrumental in their business registration at SARS, demonstrating substantial support. An additional 43 participants (14.3%) agreed, contributing to a combined total of 63.9% of participants who viewed the programme positively. Conversely, 63 participants (21.0%) remained neutral, while 17 participants (5.7%) disagreed and 8 (2.7%) strongly disagreed. Overall, the data indicates a significant positive impact of the ITAMED programme on business registration with SARS.

#### 4.2.4.7 Impact on Sales

*Table 20: Impact of ITAMED Programme on Sales*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	205	68.3	73.2	73.2
	Agree	46	15.3	16.4	89.6
	Neutral	19	6.3	6.8	96.4
	Disagree	4	1.3	1.4	97.9
	Strongly Disagree	6	2.0	2.1	100.0

	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 20: Impact of ITAMED Programme on Sales*

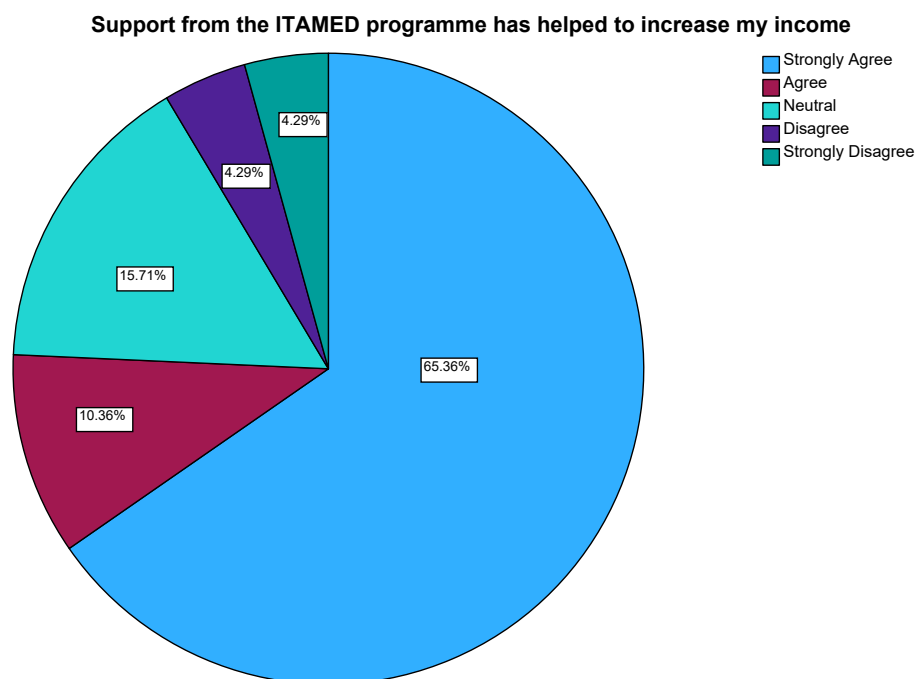
Table 20 the analysis of the impact of the ITAMED programme on sales growth among participants reveals overwhelmingly positive results. Out of 300 participants, 280 provided valid answers, resulting in a 6.7% missing data rate. Among these, 205 participants (68.3%) strongly agreed that the programme significantly contributed to their increased sales, indicating a strong perception of its effectiveness. An additional 46 participants (15.3%) agreed, bringing the total of those who recognized a positive impact to 83.6%. Only 19 participants (6.3%) remained neutral, while a small number expressed disagreement 4 (1.3%) disagreed and 6 (2.0%) strongly disagreed. Overall, the findings demonstrate that the ITAMED programme plays a crucial role in enhancing sales for participating businesses.

#### 4.2.4.8 Impact on Income

*Table 21: Impact of ITAMED Programme on Income*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	183	61.0	65.4	65.4
	Agree	29	9.7	10.4	75.7
	Neutral	44	14.7	15.7	91.4
	Disagree	12	4.0	4.3	95.7
	Strongly Disagree	12	4.0	4.3	100.0
	Total	280	93.3	100.0	

Missing	System	20	6.7		
Total		300	100.0		



*Figure 21: Impact of ITAMED Programme on Income*

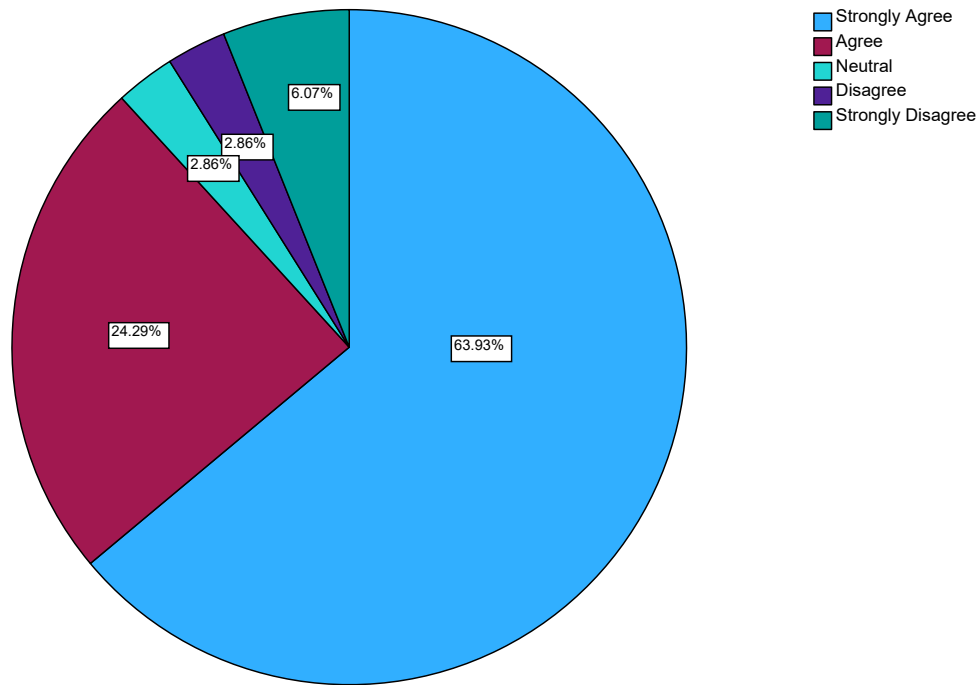
According to Table 21, the data regarding the impact of the ITAMED programme on income enhancement shows a largely favorable response from participants. Out of 300 participants, 280 provided valid responses, leading to a 6.7% missing data rate. Among those, 183 participants (61.0%) strongly agreed that the programme has significantly contributed to increasing their income, reflecting a robust endorsement of its effectiveness. An additional 29 participants (9.7%) agreed, resulting in a combined 70.7% of participants recognizing positive income growth due to the programme. Meanwhile, 44 participants (14.7%) remained neutral, while 12 (4.0%) disagreed, and another 12 (4.0%) strongly disagreed. Overall, the findings indicate that the ITAMED programme has had a substantial positive effect on participants' income levels.

#### 4.2.4.9 Impact of the Programme on Employment

*Table 22: Impact of ITAMED Programme on Employment in SMMEs Business*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	179	59.7	63.9	63.9
	Agree	68	22.7	24.3	88.2
	Neutral	8	2.7	2.9	91.1
	Disagree	8	2.7	2.9	93.9
	Strongly Disagree	17	5.7	6.1	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has helped me to employ more people in my business**



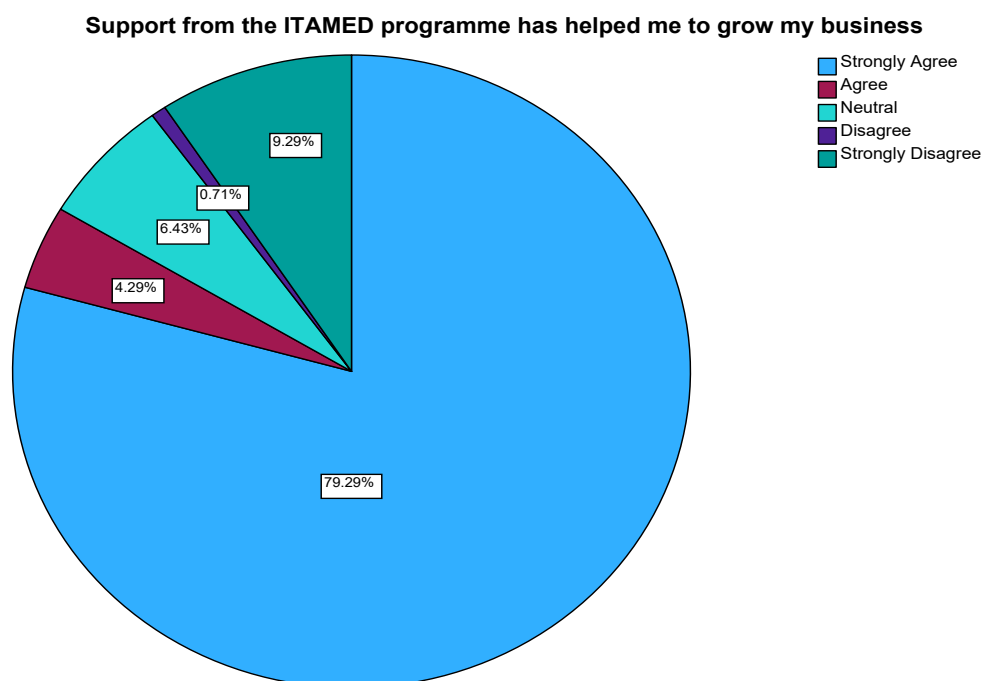
*Figure 22: Impact of ITAMED Programme on Employment in SMMEs Business*

Table 22 indicates that the survey results indicate a positive impact of the ITAMED programme on employment within participating businesses. Out of 300 participants, 280 provided valid responses, resulting in a 6.7% missing data rate. Among those, 179 participants (59.7%) strongly agreed that the programme has facilitated their ability to employ more people, highlighting a strong endorsement of its effectiveness in enhancing workforce capacity. Additionally, 68 participants (22.7%) agreed with this statement, contributing to a total of 82.4% who recognized an increase in employment due to the programme. Only 8 participants (2.7%) remained neutral, while another 8 (2.7%) disagreed, and 17 (5.7%) strongly disagreed. These findings suggest that the ITAMED programme plays a significant role in promoting job creation within beneficiary businesses.

#### 4.2.4.10 Impact on Business Growth

*Table 23: Impact of ITAMED Programme on Business Growth*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	222	74.0	79.3	79.3
	Agree	12	4.0	4.3	83.6
	Neutral	18	6.0	6.4	90.0
	Disagree	2	.7	.7	90.7
	Strongly Disagree	26	8.7	9.3	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



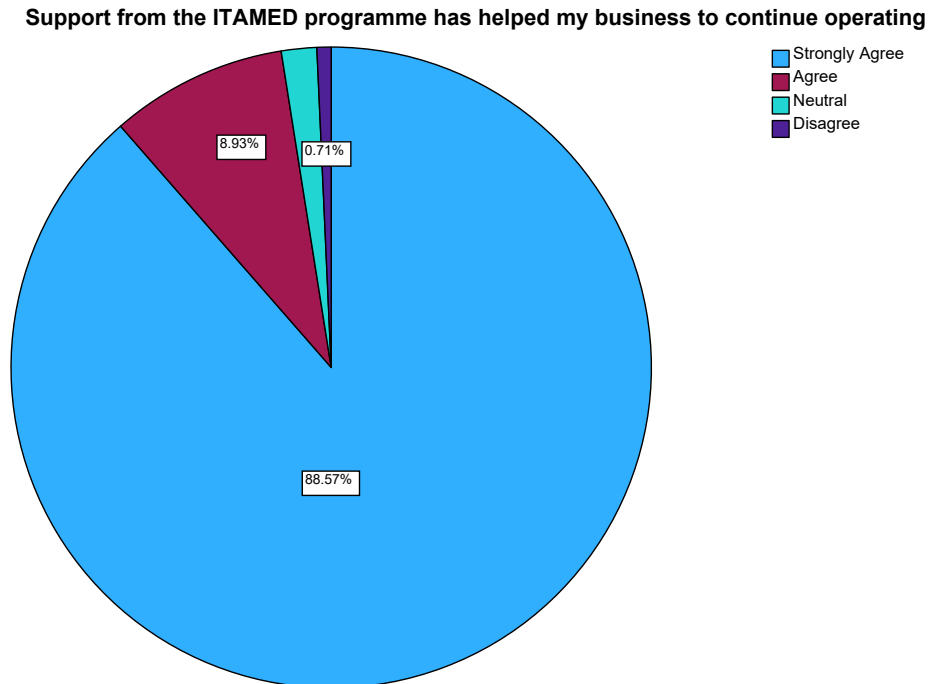
*Figure 23: Impact of ITAMED Programme on Business Growth*

The survey results in Table 23 regarding the impact of the ITAMED programme on business growth reveal a predominantly positive response from participants. Out of 300 total participants, 280 provided valid responses, representing a response rate of 93.3%. Among these, an overwhelming majority of 222 participants (74.0%) strongly agreed that the support received from the ITAMED programme has significantly contributed to their business growth. Additionally, 12 participants (4.0%) agreed, while 18 participants (6.0%) remained neutral regarding the programme's impact. Only a small number expressed disagreement, with 2 participants (0.7%) disagreeing and 26 participants (8.7%) strongly disagreeing. This data indicates that the ITAMED programme is seen as a valuable resource for fostering business growth among its beneficiaries.

#### 4.2.4.11 Impact on Business Operations

*Table 24: Impact of ITAMED Programme on Business Operations*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	248	82.7	88.6	88.6
	Agree	25	8.3	8.9	97.5
	Neutral	5	1.7	1.8	99.3
	Disagree	2	.7	.7	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 24: Impact of ITAMED Programme on Business Operations*

According to Table 24, the survey results regarding the ITAMED programme's impact on business continuity reveal a strong positive perception among participants. Out of 300 participants, 280 provided valid responses, yielding a response rate of 93.3%. Among these, 82.7% (248 participants) strongly agreed that the programme has positively affected their operations, while 8.3% agreed and only 1.7% remained neutral. A mere 0.7% disagreed with the statement. Overall, 88.6% of participants believe that the support from the ITAMED programme has significantly enhanced their ability to keep their businesses running. These findings highlight the programme's effectiveness in delivering crucial support to its beneficiaries, fostering business sustainability.

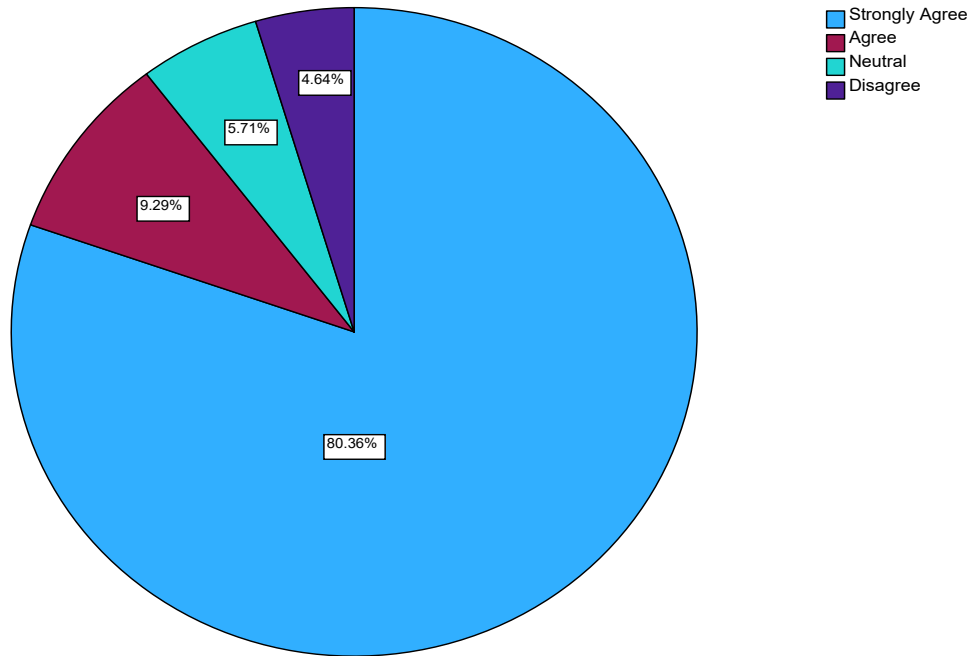
#### 4.2.4.12 Impact on Temporary Job Creation

*Table 25: Impact of ITAMED Programme on Temporary Job Creation*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	225	75.0	80.4	80.4
	Agree	26	8.7	9.3	89.6
	Neutral	16	5.3	5.7	95.4
	Disagree	13	4.3	4.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



**Support from the ITAMED programme has helped me to create temporary jobs in my business**



*Figure 25: Impact of ITAMED Programme on Temporary Job Creation*

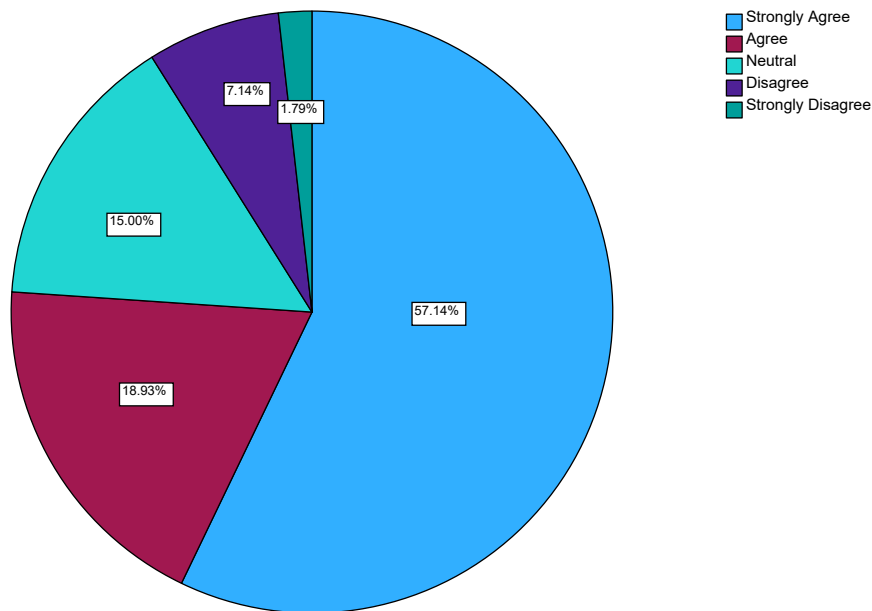
The survey results in Table 25 concerning the impact of the ITAMED programme on job creation within businesses reflect a predominantly positive sentiment among participants. Out of 300 participants, 280 provided valid responses, resulting in a response rate of 93.3%. Notably, 75.0% (225 participants) strongly agreed that the programme has aided them in creating temporary jobs, while 8.7% agreed, and 5.3% were neutral. Conversely, 4.3% disagreed with the statement. Overall, these findings indicate that 89.3% of participants perceive support from the ITAMED programme as instrumental in fostering temporary employment opportunities, underscoring its role in enhancing workforce development within their businesses.

#### 4.2.4.13 Impact on Permanent Job Creation

*Table 26: Impact of ITAMED Programme on Permanent Job Creation*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	160	53.3	57.1	57.1
	Agree	53	17.7	18.9	76.1
	Neutral	42	14.0	15.0	91.1
	Disagree	20	6.7	7.1	98.2
	Strongly Disagree	5	1.7	1.8	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has helped me to create permanent jobs in my business**



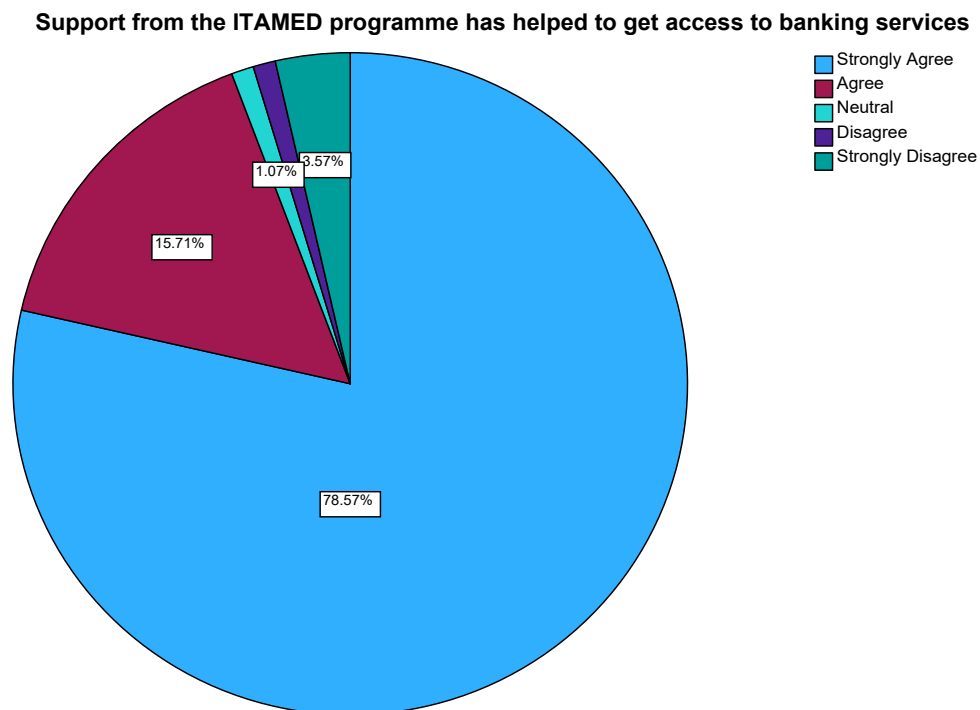
*Figure 26: Impact of ITAMED Programme on Permanent Job Creation*

The survey results Table 26 show a mixed, yet largely positive, perception of the ITAMED programme's impact on creating permanent jobs within businesses. Of the 300 participants, 280 provided valid responses, giving a response rate of 93.3%. More than half of the participants (53.3%) strongly agreed that the programme helped them create permanent jobs, while 17.7% agreed, and 14.0% remained neutral. A smaller percentage disagreed, with 6.7% disagreeing and 1.7% strongly disagreeing. Overall, 76.1% of participants acknowledged that the ITAMED programme had a positive effect on their ability to create permanent employment, illustrating its importance in supporting long-term job creation.

#### 4.2.4.14 Impact on Access to Bank Services

*Table 27: Impact of ITAMED Programme on Access to Banking Services*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	220	73.3	78.6	78.6
	Agree	44	14.7	15.7	94.3
	Neutral	3	1.0	1.1	95.4
	Disagree	3	1.0	1.1	96.4
	Strongly Disagree	10	3.3	3.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



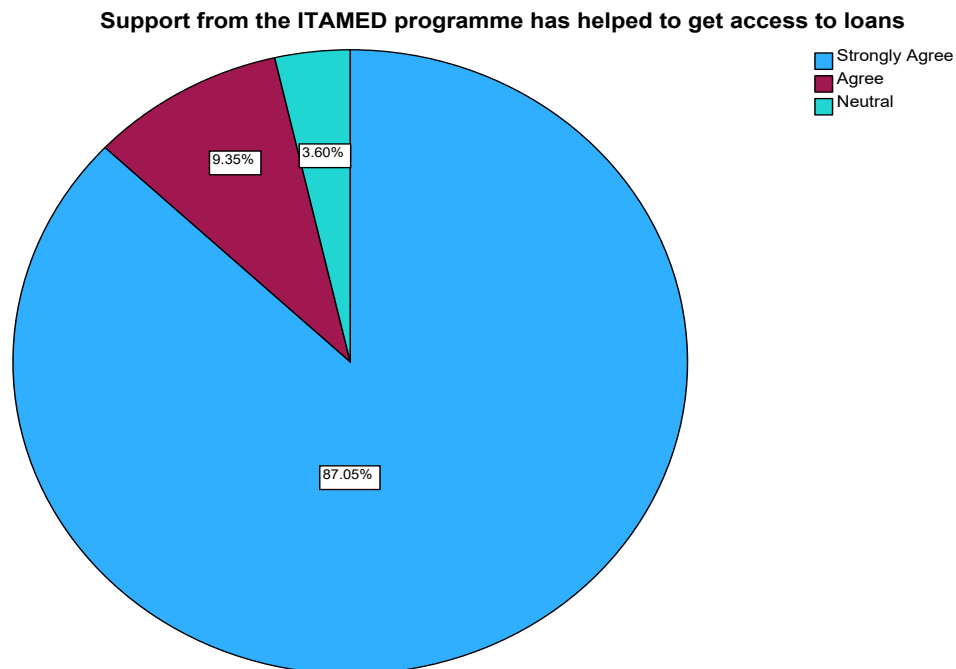
*Figure 27: Impact of ITAMED Programme on Access to Banking Services*

According to Table 27, the survey results indicate a strong positive perception regarding the ITAMED programme's role in facilitating access to banking services for businesses. Out of 300 participants, 280 provided valid responses, resulting in a response rate of 93.3%. Among these, 73.3% strongly agreed that the programme helped them gain access to banking services, while 14.7% agreed. Only a small fraction remained neutral (1.0%), and an equally small percentage disagreed (1.0%), with 3.3% strongly disagreeing. Overall, 94.3% of participants acknowledged that support from the ITAMED programme significantly contributed to their ability to access banking services, highlighting the programme's effectiveness in enhancing financial inclusion for businesses.

#### 4.2.4.15 Impact on Access to Loans

*Table 28: Impact of ITAMED Programme on Access to Loans*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	242	80.7	87.1	87.1
	Agree	26	8.7	9.4	96.4
	Neutral	10	3.3	3.6	100.0
	Total	278	92.7	100.0	
Missing	System	22	7.3		
Total		300	100.0		



*Figure 28: Impact of ITAMED Programme on Access to Loans*

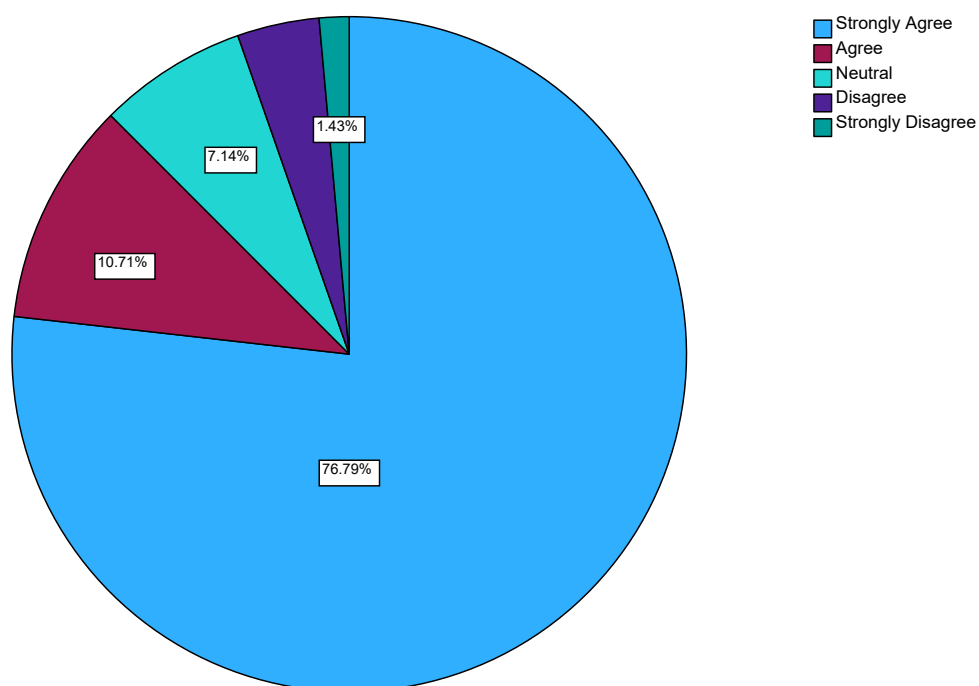
The survey results in Table 28 reflect a highly positive perception of the ITAMED programme's impact on accessing loans for businesses. Out of 300 participants, 278 provided valid responses, resulting in a response rate of 92.7%. Among these, 80.7% strongly agreed that support from the ITAMED programme has facilitated their access to loans, while 8.7% agreed. A small percentage, 3.3%, remained neutral. This indicates that an impressive 87.1% of participants recognized the programme's significant contribution to enhancing their loan access. These findings underscore the programme's effectiveness in providing financial resources to businesses, there fostering growth and sustainability in the community.

#### 4.2.4.16 Impact on Access to Business Grants

*Table 29: Impact of ITAMED Programme on Access to Business Grants*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	215	71.7	76.8	76.8
	Agree	30	10.0	10.7	87.5
	Neutral	20	6.7	7.1	94.6
	Disagree	11	3.7	3.9	98.6
	Strongly Disagree	4	1.3	1.4	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has helped to get access to business grants**



*Figure 29: Impact of ITAMED Programme on Access to Business Grants*

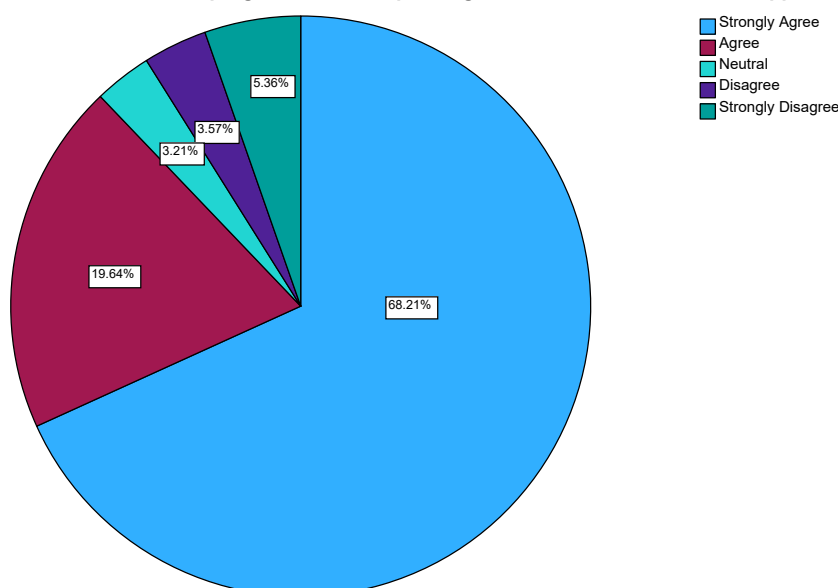
The survey result in Table 29 illustrates a favorable perception of the ITAMED programme's impact on accessing business grants. Among the 300 participants, 280 provided valid responses, yielding a response rate of 93.3%. Of these, 71.7% strongly agreed that support from the ITAMED programme has facilitated their access to business grants, and an additional 10% agreed. A smaller portion, 6.7%, expressed neutrality, while only 3.7% disagreed and 1.3% strongly disagreed. Overall, 76.8% of participants recognized the programme's significant role in enhancing their access to grants. These findings highlight the effectiveness of the ITAMED programme in supporting businesses through financial assistance.

#### 4.2.4.17 Impact on Access to Business Support Services

*Table 30: Impact of ITAMED Programme on Access to Business Support Services*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	191	63.7	68.2	68.2
	Agree	55	18.3	19.6	87.9
	Neutral	9	3.0	3.2	91.1
	Disagree	10	3.3	3.6	94.6
	Strongly Disagree	15	5.0	5.4	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has helped to get access to other business support services**



*Figure 30: Impact of ITAMED Programme on Access to Business Support Services*

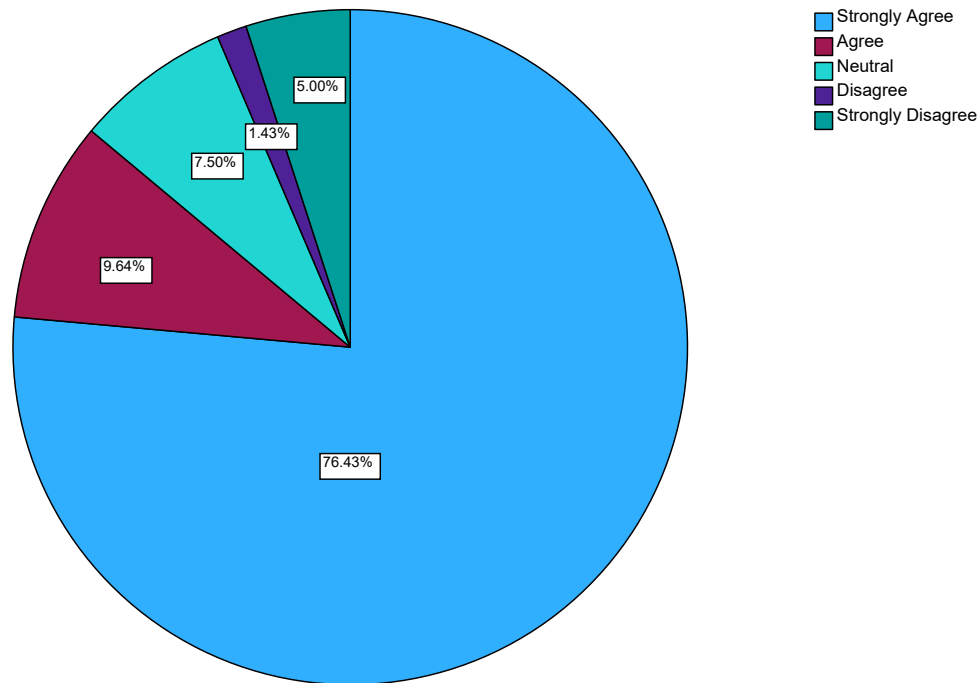
The survey results in Table 30 indicate a positive perception of the ITAMED programme's impact on accessing other business support services. Out of 300 participants, 280 provided valid responses, resulting in a 93.3% response rate. Among these, 63.7% strongly agreed that the programme has aided their access to additional support services, while 18.3% agreed. A smaller segment, 3.0%, remained neutral, and 3.3% disagreed, with 5.0% strongly disagreeing. In total, 68.2% of participants recognized the programme's significant contribution to enhancing their access to various business support services. These findings underscore the effectiveness of the ITAMED programme in broadening the support network for entrepreneurs.

#### 4.2.4.18 Impact on Business Status in the Community

*Table 31: Impact of ITAMED Programme on Business Status in the Community*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	214	71.3	76.4	76.4
	Agree	27	9.0	9.6	86.1
	Neutral	21	7.0	7.5	93.6
	Disagree	4	1.3	1.4	95.0
	Strongly Disagree	14	4.7	5.0	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Being part of the ITAMED Programme has uplifted my status as a business person in my community**



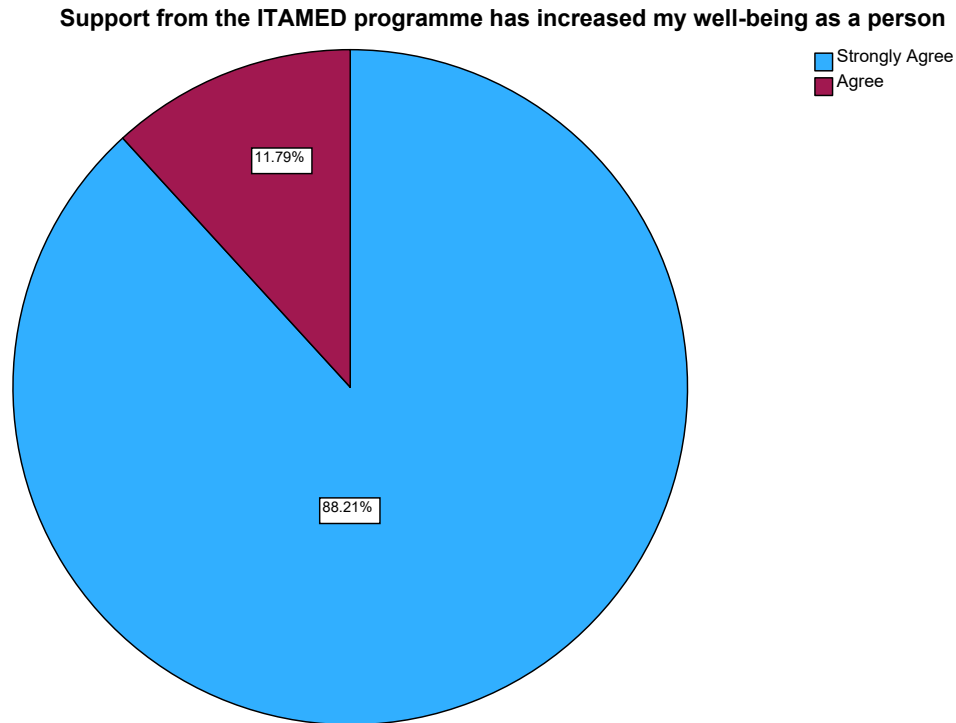
*Figure 31: Impact of ITAMED Programme on Business Status in the Community*

The survey results in Table 31 reflect a strong positive impact of the ITAMED Programme on participants' status as business people within their communities. Out of 300 participants, 280 provided valid responses, achieving a response rate of 93.3%. Among these, 71.3% strongly agreed that being part of the programme has elevated their status, while 9.0% agreed. A smaller proportion, 7.0%, remained neutral, and only 1.3% disagreed, with 4.7% strongly disagreeing. This data indicates that a significant 76.4% of participants perceive the ITAMED Programme as instrumental in enhancing their standing and reputation in their local business communities, highlighting its effectiveness in fostering personal and professional growth.

#### 4.2.4.19 Impact on Wellbeing.

*Table 32: Impact of ITAMED Programme on Wellbeing*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	247	82.3	88.2	88.2
	Agree	33	11.0	11.8	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 32: Impact of ITAMED Programme on Wellbeing*

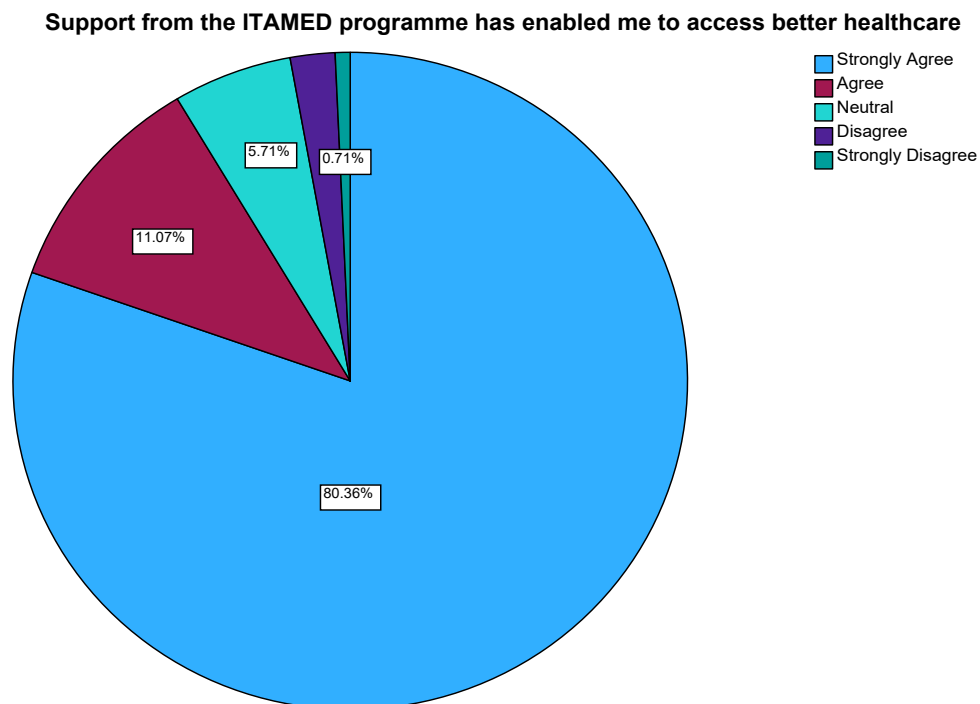
The survey results in Table 32 indicate a significant positive impact of the ITAMED Programme on the well-being of participants. Out of 300 participants, 280 provided valid responses, leading to a response rate of 93.3%. Among these, a notable 82.3% strongly agreed that support from the ITAMED Programme has increased their well-being, while 11.0% agreed. This means that a total of 93.3% of participants perceive the programme as beneficial for their well-being. These findings underscore the programme's effectiveness in contributing to the overall quality of life for its beneficiaries, highlighting its role in fostering both personal and community development.

#### 4.2.4.20 Impact of Access to Healthcare

*Table 33: Impact of ITAMED Programme on Access to Healthcare*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	225	75.0	80.4	80.4
	Agree	31	10.3	11.1	91.4
	Neutral	16	5.3	5.7	97.1
	Disagree	6	2.0	2.1	99.3
	Strongly Disagree	2	.7	.7	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		





*Figure 33: Impact of ITAMED Programme on Access to Healthcare*

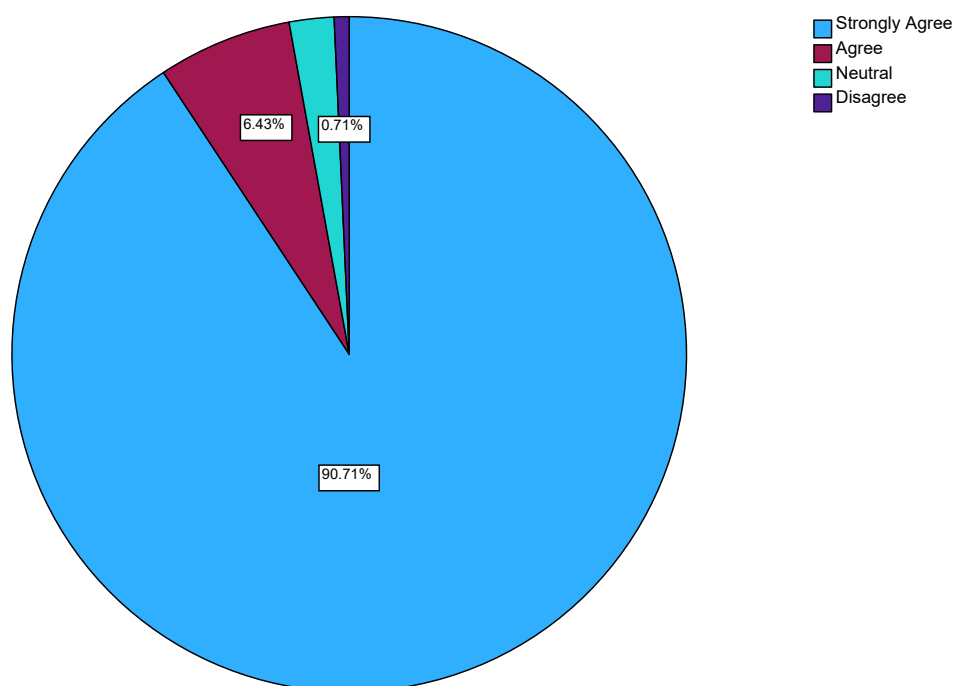
The survey results in Table 33 demonstrate a strong positive perception of the ITAMED Programme's impact on healthcare access among participants. Out of 300 participants, 280 provided valid responses, achieving a response rate of 93.3%. Among these, 75.0% strongly agreed that the programme has enabled them to access better healthcare, while 10.3% agreed. This indicates that a significant majority (85.3%) of participants feel that the ITAMED Programme has positively influenced their ability to obtain healthcare services. Additionally, only a small percentage expressed neutrality or disagreement regarding this benefit. These findings highlight the programme's effectiveness in improving healthcare accessibility for its beneficiaries.

#### 4.2.4.21 Impact on Access to Better Education Services

*Table 34: Impact of ITAMED Programme on Access to Better Educational Services*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	254	84.7	90.7	90.7
	Agree	18	6.0	6.4	97.1
	Neutral	6	2.0	2.1	99.3
	Disagree	2	.7	.7	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has enabled me to access better educational services**



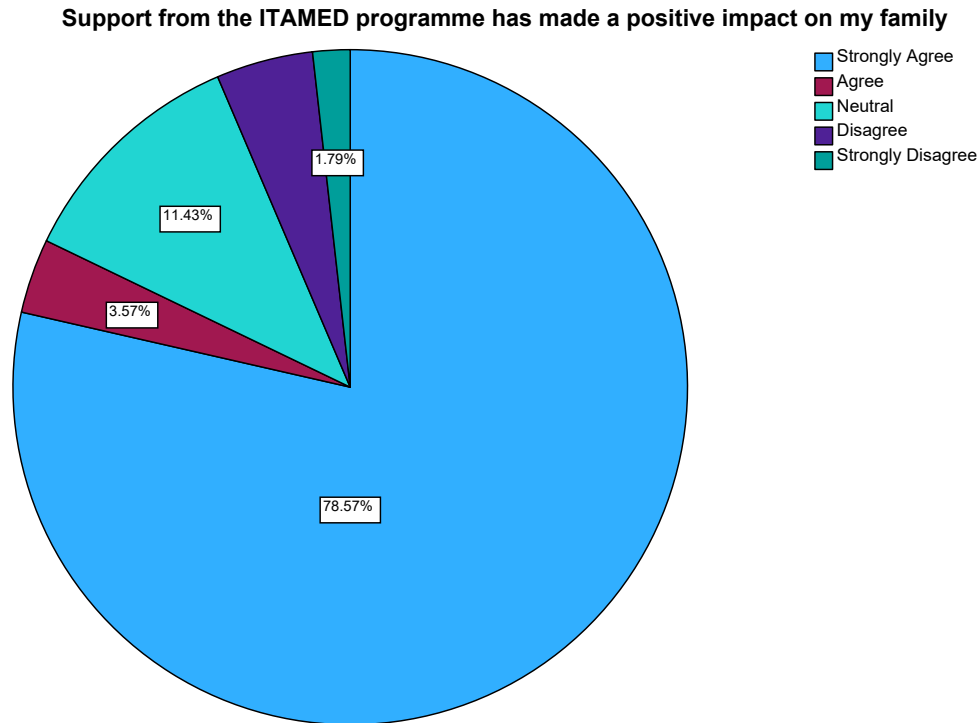
*Figure 34: Impact of ITAMED Programme on Access to Better Educational Services*

The survey results in Table 34 indicate a strong positive impact of the ITAMED Programme on access to educational services among participants. Out of 300 participants, 280 provided valid responses, resulting in a response rate of 93.3%. Among these, an impressive 84.7% strongly agreed that the programme has enabled them to access better educational services, while 6.0% agreed. This reflects that a significant majority (90.7%) of participants perceive the ITAMED Programme as a vital resource for enhancing their educational opportunities. Only a small fraction expressed neutrality or disagreement regarding this benefit. These findings underscore the programme's effectiveness in improving educational access for its beneficiaries.

#### 4.2.4.22 Impact on Family

*Table 35: Impact of ITAMED Programme on Family*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	220	73.3	78.6	78.6
	Agree	10	3.3	3.6	82.1
	Neutral	32	10.7	11.4	93.6
	Disagree	13	4.3	4.6	98.2
	Strongly Disagree	5	1.7	1.8	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



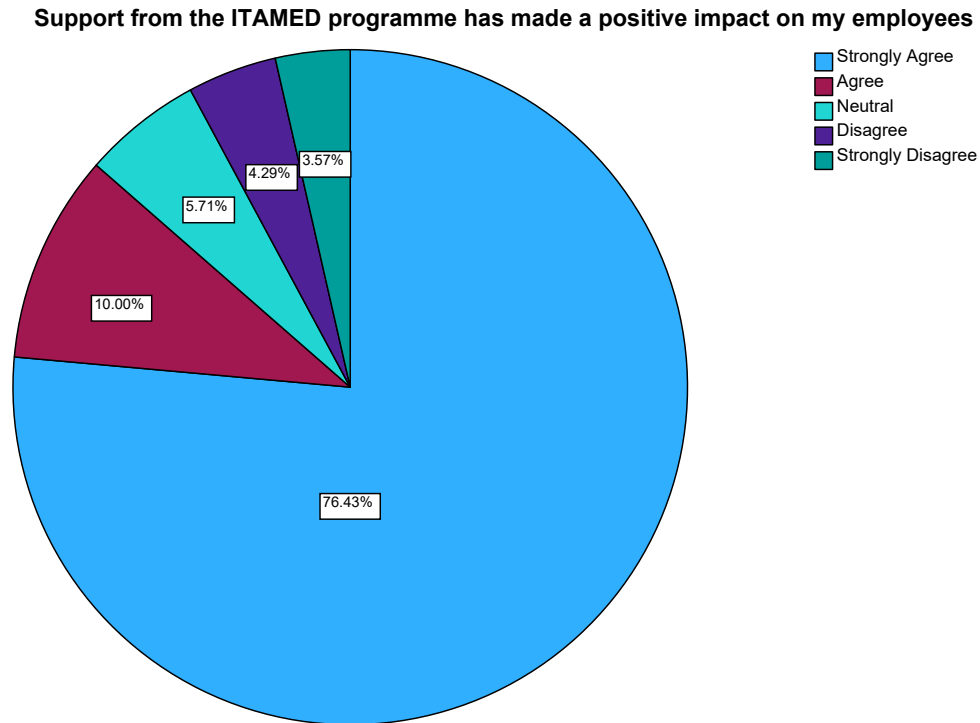
*Figure 35: Impact of ITAMED Programme on Family*

The survey result in Table 35 demonstrates that support from the ITAMED Programme has had a notably positive impact on participants' families. Out of 300 participants, 280 provided valid responses, yielding a response rate of 93.3%. Among these participants, 73.3% strongly agreed that the programme positively influenced their families, while an additional 3.3% agreed. This indicates that a substantial majority (78.6%) of participants perceive significant benefits for their families because of the programme. A small portion of participants expressed neutrality (10.7%) or disagreement (6.0%), highlighting that most beneficiaries recognize the positive influence of the ITAMED Programme on their family dynamics and well-being.

#### 4.2.4.23 Impact on Employees

*Table 36: Impact of ITAMED Programme on Employees*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	214	71.3	76.4	76.4
	Agree	28	9.3	10.0	86.4
	Neutral	16	5.3	5.7	92.1
	Disagree	12	4.0	4.3	96.4
	Strongly Disagree	10	3.3	3.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 36: Impact of ITAMED Programme on Employees*

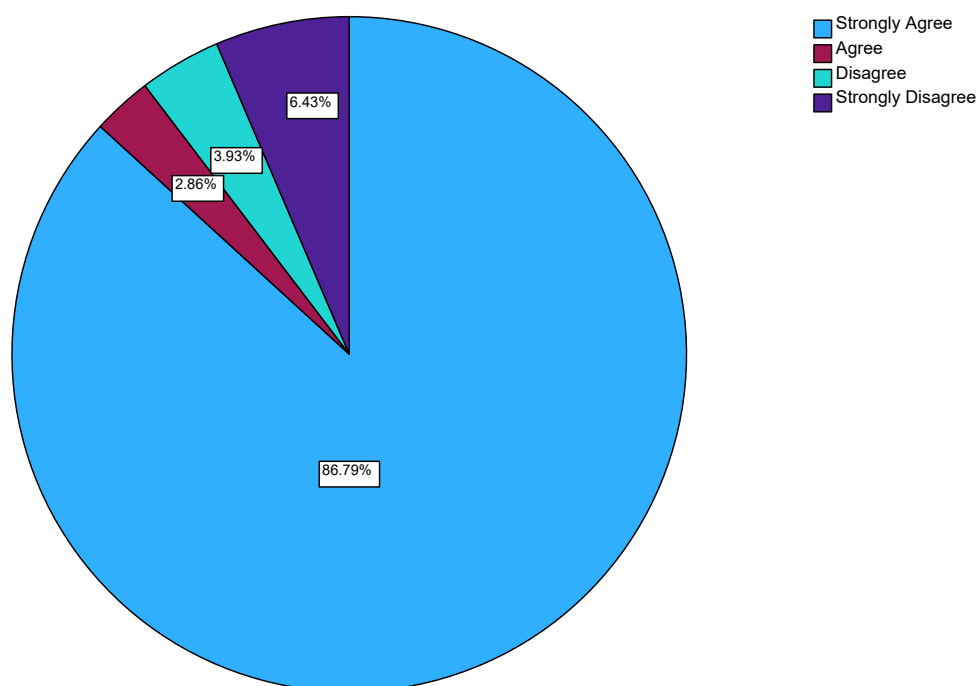
The survey results in Table 36 indicate that support from the ITAMED Programme has had a significant positive impact on participants' employees. Among the 300 participants, 280 provided valid responses, resulting in a response rate of 93.3%. Of these, 71.3% strongly agreed that the programme positively affected their employees, while 9.3% agreed. This reflects that a total of 76.4% perceive notable benefits for their workforce due to the programme. Additionally, 5.3% remained neutral, and a small percentage expressed disagreement (7.3%). Overall, the data suggests that the ITAMED Programme is recognized when beneficiaries as an essential factor in enhancing their employees' well-being and work environment.

#### 4.2.4.24 Impact on Community

*Table 37: Impact of the ITAMED Programme on Community*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	243	81.0	86.8	86.8
	Agree	8	2.7	2.9	89.6
	Disagree	11	3.7	3.9	93.6
	Strongly Disagree	18	6.0	6.4	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		

**Support from the ITAMED programme has made a positive impact on my community**



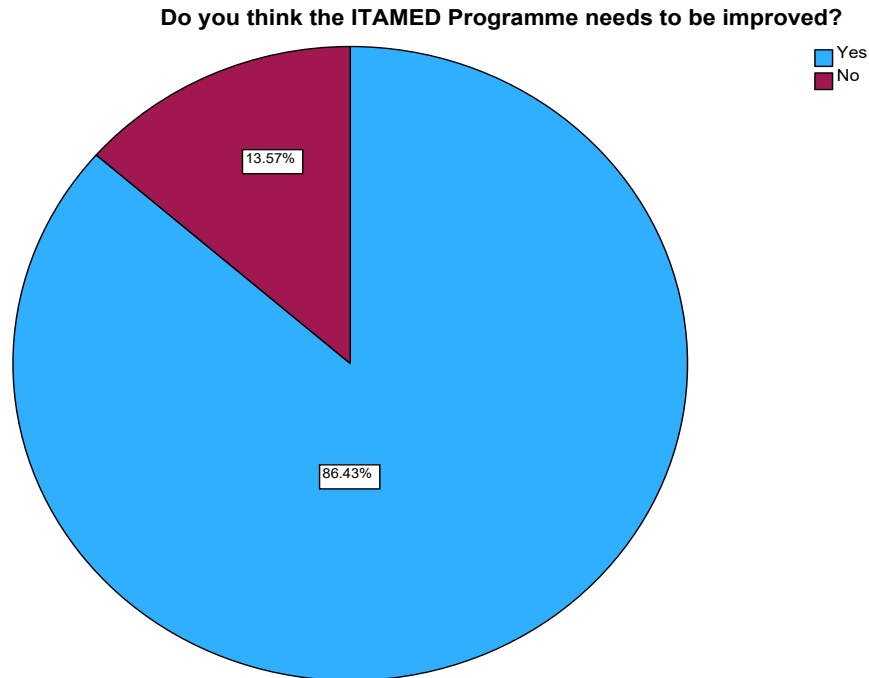
*Figure 37: Impact of the ITAMED Programme on the Community*

The survey results Table 37 highlight that support from the ITAMED Programme has had a substantial positive impact on the community, as reported When participants. Among the 300 participants, 280 provided valid responses, leading to a response rate of 93.3%. A significant 81.0% of participants strongly agreed that the programme positively influenced their community, with an additional 2.7% agreeing. In contrast, only 3.7% disagreed, and 6.0% strongly disagreed. This data suggests that the ITAMED Programme is perceived as a key contributor to positive community development, enhancing the overall social environment for its beneficiaries and their communities.

#### 4.2.4.25 ITAMED Improvement Needs.

*Table 38: ITAMED Programme Improvements Needs*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	242	80.7	86.4	86.4
	No	38	12.7	13.6	100.0
	Total	280	93.3	100.0	
Missing	System	20	6.7		
Total		300	100.0		



*Figure 38: ITAMED Programme Improvements Needs*

The survey results in Table 38 indicate that there is a strong sentiment among participants regarding the need for improvements to the ITAMED Programme. Out of 300 participants, 280 provided valid responses, yielding a response rate of 93.3%. Among these, 80.7% of participants expressed the belief that the programme requires improvements, while only 12.7% felt that it does not need any changes. This overwhelming majority suggests that while the ITAMED Programme has had a positive impact, there were where beneficiaries believe enhancements could further benefit their experiences and outcomes. Addressing these concerns could enhance the programme's effectiveness and better meet the needs of its participants.

#### **4.3 Crosstab case processing summary**

The crosstab case processing summary reveals significant correlations between different sources of capital and monthly profit. Personal savings show a strong positive correlation with monthly profit, with Pearson's R of 0.611 and Spearman's correlation of 0.565 (both  $p < 0.001$ ), indicating that businesses using personal savings tend to have higher profits. Borrowing from friends and family also has a significant positive impact, with Pearson's R at 0.560 and Spearman's correlation at 0.571 (both  $p < 0.001$ ). However, bank loans exhibit no significant relationship with monthly profit, as reflected by Pearson's R of -0.167 and Spearman's correlation of -0.167 ( $p = 0.721$ ). Other sources show a strong correlation (Pearson's R: 0.660,  $p < 0.001$ ). Collectively, all sources show a Pearson's R of 0.610 and Spearman's correlation of 0.550 ( $p < 0.001$ ).

#### 4.4 Comprehensive Statistical Analysis of Crosstab Data

The crosstabulation analyzes the relationship between the source of original capital, the age of the business, and the age category of the business owner. The data is broken down into This study:

- Sources of capital: Personal savings, borrowing from friends and family, bank loans, government facilities, and others.
- Age of the business: Ranges from 0–1 year to more than 6 years.
- Age category of business owners: 18–25, 26–30, 31–35, 36–40, 41–45.
- This analysis also includes symmetric measures like Pearson's correlation and Spearman's correlation to assess the strength and significance of the relationship between the variables.

#### 4.7. ITAMED increases the well-being of the person, age of business, and capital.

Table 39: Correlation analysis of well-being, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.507	.613 <sup>c</sup>
	OWO	Spearman Correlation	1.130	.260 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.160	.873 <sup>c</sup>
	OWO	Spearman Correlation	.148	.883 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.598	.576 <sup>c</sup>
	OWO	Spearman Correlation	-.598	.576 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R		
Total	IWI	Pearson's R	-1.170	.243 <sup>c</sup>
	OWO	Spearman Correlation	.135	.892 <sup>c</sup>

According to Table 39, the analysis of how support from the ITAMED programme affects the well-being of individuals based on the source of the original capital and the age of their businesses reveals several key insights. Here's a summary of the findings. The analysis explores the relationship between support from the ITAMED programme, the source of the original capital, and the age of businesses. The data highlights that personal savings show a weak and statistically insignificant negative relationship with well-being, as indicated by Pearson's R of -0.507 ( $p = 0.613$ ) and a Spearman correlation of 1.130 ( $p = 0.260$ ). Borrowing from friends and family similarly shows no significant impact on well-being, with Pearson's R of -0.160 ( $p = 0.873$ ) and Spearman correlation of 0.148 ( $p = 0.883$ ). Bank loans reflect a weak negative correlation with well-being, with Pearson's R at -0.598 and Spearman's correlation at -0.598 ( $p = 0.576$ ). No data was available for government facilities or other sources. Overall, the combined analysis of all sources of capital shows a negative correlation of -1.170 for Pearson's R ( $p = 0.243$ ) and a weak positive Spearman correlation of 0.135 ( $p = 0.892$ ), indicating that no strong relationship was

found between the capital source, age of businesses, and improved well-being through ITAMED support.

#### **4.8. Conclusion:**

The analysis shows a clear trend where businesses that rely on personal savings are more likely to be formally registered and appear to experience growth. Conversely, those relying on loans and family support have a less definitive impact on formal registration and growth, highlighting the importance of personal capital in the entrepreneurial landscape. This information can help in understanding business dynamics and guiding future funding strategies for emerging businesses. There is a strong positive correlation between personal savings and other sources of capital were associated with higher monthly profits. This aligns with the understanding that entrepreneurs who rely on their funds or alternative sources may have more direct control over their financial management, potentially leading to better outcomes. In the case of a negligible relationship, the study data for bank loans does not show a significant correlation with profits, suggesting that this source may not be as effective in enhancing profitability for the businesses surveyed. However, there is a very high significance level ( $p < 0.001$ ) for personal savings, borrowing from friends and family, and other sources underscoring the reliability of these findings.

#### **4.9 Chapter Summary**

This chapter provided an analysis of the data that was collected for the research study. Furthermore, the chapter presented the key findings emanating from the descriptive data analysis. The next chapter presents a correlation analysis of the data.



## CHAPTER 5: SYMMETRIC MEASURES (CORRELATION ANALYSIS)

### 5.1 Introduction

The previous chapter presented the results and findings emanating from the analysis of the data that was collected for correlation analysis (Mwami & Hapompwe, 2024). The chapter focuses on the correlation analysis and interpretation of the findings. The analysis indicates that businesses relying on personal savings or borrowing from friends and family were prevalent among older businesses but showed weak correlations with sustainable tax compliance (Biswas, 2021; Wangenge-Ouma et al., 2020). In contrast, businesses utilizing bank loans and other funding sources show stronger connections to tax registration and compliance (Kenzhegulova et al., 2024; Weilant et al., 2019). This suggests that while many businesses were informal or self-funded, there is a trend towards formality and tax compliance, particularly among those leveraging bank loans and other structured financial support. Understanding these dynamics can help inform policy decisions and support programs to encourage formal registration and tax compliance among small businesses. According to (Akinbinu & Chiloane-Phetla, 2022) the analysis highlights the critical role of initial capital sources in shaping the financial performance of businesses. Strategies focusing on encouraging personal savings and alternative funding methods could be beneficial in supporting entrepreneurial success.

#### 5.1.1 Comprehensive Analysis:

- Entrepreneurship Trends:
- Younger entrepreneurs (18–25 years) dominate new business creation, especially in businesses that are 0–1 year old. This could reflect the increasing interest in entrepreneurship among younger age groups. The trend of relying on personal savings for starting a business is prevalent, possibly indicating limited access to formal financial resources for younger and early-stage businesses.
- Limited Role of Bank Loans:  
The limited use of bank loans as a source of initial capital, particularly for young businesses, may indicate potential barriers to accessing formal financial institutions (Ikeda et al., 2019), such as stringent requirements and limitations in financial literacy among new entrepreneurs.
- Shifting Financial Sources:  
As businesses age, they appear to rely less on personal savings and more on alternative sources of capital. This trend highlights the evolution of financing strategies as businesses

grow, likely driven when increased access to funding or accumulated business experience.

- Potential whereas for Policy Intervention:

Government facilities were used when only 4 businesses. This suggests that government programs aimed at supporting new businesses may be underutilized or ineffective in reaching younger entrepreneurs (Mmereki et al., 2023). Increasing awareness or accessibility of these facilities could help diversify funding options for startups.

- Economic Implications:

The dominance of personal savings as a primary source of capital points to economic constraints for new businesses, particularly for younger entrepreneurs (Akinbinu & Chiloane-Phetla, 2022). Policies that provide financial education, improve access to microfinancing and encourage formal financial involvement could foster sustainable growth in the early stages of business development. In conclusion, while personal savings remain the go-to source for young businesses and entrepreneurs, there is a need to explore and improve access to diversified funding sources, particularly in formal financial institutions and government programs, to support sustainable business growth.

### **5.1.2 Correlation Analysis:**

The symmetric measures reveal varying degrees of correlation between sources of capital and business outcomes (Akinbinu & Chiloane-Phetla, 2022; Wangenge-Ouma et al., 2020). Personal savings show a moderate positive correlation (Pearson's R of 0.288,  $p < 0.001$ ), indicating that businesses relying on personal savings have a higher likelihood of formal registration and success. Borrowing from friends and family presents a weak correlation (Pearson's R of 0.153,  $p = 0.340$ ), suggesting a limited statistical significance. Bank loans exhibit a strong correlation (Pearson's R of 0.645), implying a potentially positive impact on business operations, though the data for this category is limited. Other funding sources display a moderate correlation (Pearson's R of 0.369), reflecting a positive influence but with varying reliance on other types of funding. In terms of tax compliance, personal savings show a weak correlation (Pearson's R of 0.102,  $p = 0.162$ ), indicating minimal impact on formal tax registration. Borrowing from friends and family also exhibits a weak correlation (Pearson's R of 0.153,  $p = 0.340$ ), while bank loans have a stronger correlation (Pearson's R of 0.645), suggesting businesses using loans were more likely to comply with tax obligations.

### 5.1.3 Business Owner Age and Business Age

- The data shows that younger individuals (18–25 years) dominate business ownership, particularly in the early stages (0–1 year), with 172 businesses in this age category.
- As business age increases, the representation of older business owners becomes more prominent, although the trend of younger entrepreneurs remains noticeable, even for businesses more than 6 years old (211 cases for 18-25 years category).
- Very few businesses were owned When individuals aged 36–40 and 41–45 in the early stages (0–1 year), but the number grows for businesses more than 6 years old.

## 5.2 Symmetric Measures (Correlation Analysis)

- Personal Savings:
- Pearson's  $R = 0.230$ , significant at  $p < 0.001$ , showing a moderate positive correlation between the use of personal savings and the age of the business.
- Spearman Correlation = 0.220, also significant at  $p < 0.002$ , indicating that as businesses age, the reliance on personal savings moderately decreases.
- Borrowing from Friends and Family:
- Pearson's  $R = 0.155$ , not significant ( $p = 0.333$ ), indicating a weak and non-significant correlation between borrowing from friends/family and business age.
- Spearman Correlation = 0.317, significant at  $p = 0.043$ , suggesting a moderate positive relationship between the age of the business and borrowing from friends and family.
- Bank Loans:
- Pearson's  $R = -0.211$  ( $p = 0.650$ ) and Spearman Correlation = -0.255 ( $p = 0.582$ ) indicate negative but non-significant relationships between bank loans and the age of the business. This may imply that businesses were less likely to start with bank loans as they age.
- Others:
- Pearson's  $R = 0.767$ , significant at  $p < 0.001$ , indicating a strong positive correlation between the use of alternative sources of capital and the age of the business.
- Spearman Correlation = 0.614, also highly significant ( $p < 0.001$ ), showing that the use of alternative sources increases as businesses age.

### 5.2.1 Gender, age of business, and source of capital

The study indicates an analysis of gender, age of business, and source of capital. The crosstab analysis shows a breakdown of the original capital sources When the gender of business owners and the age of their businesses. Personal savings was the most common source, with 206 male-owned and 38 female-owned businesses. This trend is seen across businesses of all ages. For

borrowing from friends and family, male businesses (26) used this source more than female businesses (15), with the latter relying on it more for businesses aged 2-3 years. Bank loans were used When only 7 businesses (6 male, 1 female). Interestingly, only male-owned businesses (4) received capital from a government facility. Additionally, other sources of capital were evenly split between genders, with a total of 40 businesses. Male businesses tended to be older (more than 6 years), while female businesses relied on other sources, particularly in the 4-5 years range.

*Table 40: Correlation analysis of gender, age of business, and source of capital*

What was the source of your original capital?			Value	Asymptotic Standard Error <sup>a</sup>
Personal savings	IWI	Pearson's R	-.063	.052
	OWO	Spearman Correlation	-.036	.068
	N of Valid Cases		188	
Borrowing from friends and family	IWI	Pearson's R	.429	.174
	OWO	Spearman Correlation	.637	.143
	N of Valid Cases		41	
Bank loan	IWI	Pearson's R	-.167	.116
	OWO	Spearman Correlation	-.167	.116
	N of Valid Cases		7	
Government facility	IWI	Pearson's R	. <sup>d</sup>	
	N of Valid Cases		4	
Others	IWI	Pearson's R	.184	.166
	OWO	Spearman Correlation	.288	.166
	N of Valid Cases		40	
Total	IWI	Pearson's R	.126	.059
	OWO	Spearman Correlation	.247	.063
	N of Valid Cases		280	

The symmetric measures in Table 40 present correlation values for the relationship between the source of original capital and the age of the business. Personal savings shows a weak negative Pearson's R (-.063) and Spearman correlation (-.036), suggesting little relationship with business age. Borrowing from friends and family indicates a strong positive correlation, with Pearson's R (.429) and a higher Spearman correlation (.637), implying that businesses using this source may have greater longevity. Bank loans exhibit a weak negative correlation (Pearson's R = -.167), suggesting no significant link to business age. Other sources show a slight positive correlation (Pearson's R = .184, Spearman = .288), indicating that these businesses tend to sustain longer. The overall total yields a mild positive Pearson's R (.126) and Spearman correlation (.247), suggesting some relationship between capital sources and business age across all cases.

### 5.2.2 Marital status, age of business, and source of capital

Table 41: Correlation analysis of marital status, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.335	.738 <sup>c</sup>
	OWO	Spearman Correlation	2.811	.005 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	1.947	.059 <sup>c</sup>
	OWO	Spearman Correlation	3.317	.002 <sup>c</sup>
Bank loan	IWI	Pearson's R		
	OWO	Spearman Correlation		
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-1.429	.161 <sup>c</sup>
	OWO	Spearman Correlation	-1.344	.187 <sup>c</sup>
Total	IWI	Pearson's R	1.262	.208 <sup>c</sup>
	OWO	Spearman Correlation	4.721	<.001 <sup>c</sup>

According to Table 41, the crosstab analysis examines the relationship between marital status, business age, and original capital sources. In many cases for businesses funded When personal savings, single individuals predominantly owned younger businesses (0–1 year), with 141 cases compared to just one in the 2–3 years range. Married individuals had a slightly broader spread, while widowed participants showed equal numbers across business ages. Borrowing from friends and family displayed a more even distribution, with married and widowed participants having a stronger presence in businesses aged 2–3 years. Bank loans were predominantly used When singles in younger businesses. Pearson's R shows weak to moderate correlations for most capital sources, with borrowing from family showing significant positive correlations (Spearman = .469,  $p = .002$ ), indicating that this source may be linked to longer business longevity. Overall, the source of capital and marital status contribute differently to business survival across different capital sources.

### 5.2.3 Age, age of business and source of capital

Table 42: Correlation analysis of owner age, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	3.226	.001 <sup>c</sup>
	OWO	Spearman Correlation	3.074	.002 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.981	.333 <sup>c</sup>
	OWO	Spearman Correlation	2.087	.043 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.482	.650 <sup>c</sup>
	OWO	Spearman Correlation	-.589	.582 <sup>c</sup>
Others	IWI	Pearson's R	7.364	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.790	<.001 <sup>c</sup>
Total	IWI	Pearson's R	5.232	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.388	<.001 <sup>c</sup>

The correlation analysis in Table 42 highlights significant relationships between the source of capital, owner age, and the age of the business. Personal savings show a strong positive correlation with business outcomes, with Pearson's R at 3.226 ( $p = .001$ ) and Spearman Correlation at 3.074 ( $p = .002$ ), indicating that businesses funded through personal savings tend to perform better. Borrowing from friends and family shows a weak but statistically significant relationship (Spearman Correlation of 2.087,  $p = .043$ ). In contrast, bank loans show no significant correlation with business performance. Other funding sources reveal a strong positive impact, with Pearson's R at 7.364 ( $p < .001$ ). Overall, the analysis underscores personal savings and alternative funding sources as major drivers of business success.

#### 5.2.4 Education, age of business, and source of capital

Table 43: Correlation analysis of the level of education, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	2.840	.005 <sup>c</sup>
	OWO	Spearman Correlation	2.429	.016 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.889	.380 <sup>c</sup>
	OWO	Spearman Correlation	.529	.600 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.793	.133 <sup>c</sup>
	OWO	Spearman Correlation	2.092	.091 <sup>c</sup>
Others	IWI	Pearson's R	-.760	.452 <sup>c</sup>
	OWO	Spearman Correlation	.015	.988 <sup>c</sup>
Total	IWI	Pearson's R	2.327	.021 <sup>c</sup>
	OWO	Spearman Correlation	2.623	.009 <sup>c</sup>

Findings in Table 43 show that crosstab analysis explores the relationship between the age of businesses, sources of original capital, and the highest education level of business owners. Personal savings emerge as the predominant source of capital, particularly for businesses aged 0–1 year, with 71 participants having no formal education. A total of 159 businesses in this age group relied on personal savings, decreasing to just 8 for businesses older than six years. Borrowing from friends and family is another key source, especially for businesses aged 0–3 years, where 17 participants with no formal education relied on it. Bank loans were, with only 6 businesses aged 0–1 year and 1 business aged 2–3 years utilizing this source. Symmetric measures reveal a moderate positive correlation between business age and personal savings (Pearson's R = 0.204,  $p = 0.005$ ), while borrowing from friends and family shows a weaker correlation (Pearson's R = -0.141,  $p = 0.380$ ).

### 5.2.5 Type of business, age of business, and source of business

Table 44: Correlation analysis of the type of business, age of business, and source of business

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	16.047	<.001 <sup>c</sup>
	OWO	Spearman Correlation	11.284	<.001 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.946	.350 <sup>c</sup>
	OWO	Spearman Correlation	1.600	.118 <sup>c</sup>
Bank loan	IWI	Pearson's R		
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	3.421	.002 <sup>c</sup>
	OWO	Spearman Correlation	3.354	.002 <sup>c</sup>
Total	IWI	Pearson's R	15.475	<.001 <sup>c</sup>
	OWO	Spearman Correlation	11.482	<.001 <sup>c</sup>

According to Table 44, the crosstab analysis reveals the relationship between business categories, age, and sources of original capital. Spaza shops dominate as the business type, comprising 172 out of 238 businesses, particularly among those aged 0–1 year, where 157 participants cited personal savings as their capital source. In the 2–3 years category, personal savings were still prevalent (8 out of 10), with borrowing from friends and family also significant (9 out of 15). The reliance on personal savings remains consistent across business ages, contributing to a strong positive correlation (Pearson's  $R = 0.762$ ,  $p < 0.001$ ) between the source of capital and the type of business. Meanwhile, borrowing from friends and family shows a weaker relationship (Pearson's  $R = 0.150$ ,  $p = 0.350$ ). Alternative funding sources, such as bank loans and government facilities, were minimally utilized, emphasizing ongoing barriers to formal financial support for new businesses. This pattern highlights the informal nature of many startups, primarily funded through personal savings.

### 5.2.6 Monthly profit, age of business, and source of capital

Table 45: Crosstabulation analysis of monthly profit, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	10.513	<.001 <sup>c</sup>
	OWO	Spearman Correlation	9.343	<.001 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	4.220	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.340	<.001 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	5.418	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.670	<.001 <sup>c</sup>
Total	IWI	Pearson's R	12.852	<.001 <sup>c</sup>
	OWO	Spearman Correlation	10.995	<.001 <sup>c</sup>

The symmetric measures you have provided reflect the correlation between the source of original capital and the approximate value of total monthly profit among entrepreneurs. The findings in Table 45 the crosstab analysis evaluate the relationship between monthly profit, business age, and sources of original capital among entrepreneurs. For businesses aged 0–1 year, a significant majority (131 out of 159) reported monthly profits of R0–R4,999, primarily funded through personal savings. Similarly, in the 2–3 years category, the pattern persists with 3 out of 10 businesses achieving monthly profits in this range. Conversely, profits tend to increase in older businesses; for those aged 4–5 years, 6 out of 8 reported monthly profits between R10,000 and R19,999. Among businesses older than 6 years, a substantial number (11) reported profits exceeding R40,000, reflecting improved financial performance over time. Overall, the data indicate a strong reliance on personal savings, with Pearson's R-value of 0.762 ( $p < 0.001$ ) indicating a robust positive correlation between profit levels and the source of capital, underscoring the importance of initial funding in determining ongoing business profitability.

### 5.2.7 Property ownership, age of business, and source of capital

*Table 46: Correlation analysis of property ownership, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.687	.093 <sup>c</sup>
	OWO	Spearman Correlation	1.194	.234 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.213	.832 <sup>c</sup>
	OWO	Spearman Correlation	-.422	.675 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.660	.158 <sup>c</sup>
	OWO	Spearman Correlation	1.548	.182 <sup>c</sup>
Others	IWI	Pearson's R	1.474	.149 <sup>c</sup>
	OWO	Spearman Correlation	.855	.398 <sup>c</sup>
Total	IWI	Pearson's R	2.045	.042 <sup>c</sup>
	OWO	Spearman Correlation	1.185	.237 <sup>c</sup>

The analysis Table 46 indicates the nature of property ownership, business age, and sources of capital highlighting significant trends among entrepreneurs. Among the 280 participants, a majority (164) own the property where they operate, reflecting a strong trend toward personal investment in business. In the study for businesses aged 0-1 year, 100 owners reported owning their property, showcasing the reliance on personal savings as the primary capital source. In contrast, the 2–3-year age group shows a decrease in ownership, with only 18 owning their property, as more businesses start to rent (5) or utilize government properties (1). When analyzing other capital sources, borrowing from friends and family resulted in property ownership in only 18 cases, indicating limited financial flexibility. The data underscores the importance of personal



savings in business sustainability, particularly in the early stages, while suggesting a potential shift toward renting as businesses mature.

### 5.2.8 Number of employees, age of business, and source of capital

*Table 47: Table 47: Correlation analysis of the number of employees, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	6.657	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.715	<.001 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.197	.845 <sup>c</sup>
	OWO	Spearman Correlation	.307	.760 <sup>c</sup>
Bank loan	IWI	Pearson's R	-1.007	.360 <sup>c</sup>
	OWO	Spearman Correlation	-1.058	.338 <sup>c</sup>
Others	IWI	Pearson's R	.750	.458 <sup>c</sup>
	OWO	Spearman Correlation	.312	.756 <sup>c</sup>
Total	IWI	Pearson's R	6.266	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.793	<.001 <sup>c</sup>

In Table 47 the statistics show the employment landscape across different business ages and sources of capital providing valuable insights into entrepreneurial dynamics. Among the 279 surveyed businesses, those relying on personal savings as their original capital predominantly employ between 1 to 5 people (129 businesses) and reflect a strong trend for newer businesses, with 118 of them in the 0–1-year age group. The trend continues with 4 businesses in the 2–3-year age group, highlighting the role of personal savings in fostering small-scale employment in the early stages of business development. Conversely, businesses that have been operating for more than six years show a noticeable shift, as they employ a wider range of staff, with some employing more than 20 individuals.

When considering borrowing from friends and family, the employment distribution is less favorable, with 16 businesses employing 1-5 people and 18 employing 6-9 individuals, indicating a reliance on personal networks but limited scalability. Interestingly, businesses funded when bank loans show a more concentrated employment model, with 3 employing 1-5 individuals, but no businesses in this category expand beyond this range. The findings suggest a significant correlation between the source of capital and the employment capacity of businesses, particularly highlighting how personal savings contribute to initial workforce size. Overall, these insights reflect the critical role of financial backing in shaping the employment strategies of small businesses, particularly in their formative years.

The analysis of symmetric measures related to the source of original capital reveals significant relationships between personal savings and various aspects of business operation, while other

sources exhibit weaker correlations. The data shows that businesses relying on personal savings have a strong positive association with employment and business performance, evidenced When a Pearson's R of 6.657 and a significance level of <.001. This suggests a robust link between using personal savings and favorable outcomes in business metrics. In contrast, businesses funded through borrowing from friends and family show a negligible correlation, with a Pearson's R of 0.197 and a significance level of 0.845, indicating a lack of statistical significance in employment outcomes or growth.

Similarly, bank loans exhibit a negative correlation with a Pearson's R of -1.007 and a significance level of 0.360, suggesting that reliance on bank financing may not positively influence employment or growth dynamics. Interestingly, businesses that use other funding sources have a moderate positive correlation (Pearson's R of 0.750), although this is not statistically significant ( $p = 0.458$ ). The total Pearson's R for all sources of original capital is 6.266, with a significance level of <.001, reinforcing the idea that personal savings significantly impact business performance compared to other funding sources. Overall, the analysis underscores the critical importance of the source of capital in shaping the trajectory of business development and employment.

## 5.2.9 Formal registration, age of business, and source of capital

*Table 48: Correlation analysis of formal registration, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	4.103	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.997	<.001 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.967	.340 <sup>c</sup>
	OWO	Spearman Correlation	.559	.579 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.890	.117 <sup>c</sup>
	OWO	Spearman Correlation	1.890	.117 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	2.446	.019 <sup>c</sup>
	OWO	Spearman Correlation	2.553	.015 <sup>c</sup>
Total	IWI	Pearson's R	6.043	<.001 <sup>c</sup>
	OWO	Spearman Correlation	5.805	<.001 <sup>c</sup>

According to Table 48, the findings show that crosstabulation of the source of original capital and the age of the business about its registration at the Companies and Intellectual Property Commission (CIPC) reveals important insights into business trends and financing sources. The crosstabulation of the source of original capital, business age, and formal registration at the Companies and Intellectual Property Commission (CIPC) highlights key business trends. A strong positive correlation is evident for businesses using personal savings, with Pearson's R at 4.103 ( $p < .001$ ) and Spearman Correlation at 3.997 ( $p < .001$ ), suggesting these businesses were more

likely to be formally registered. Borrowing from friends and family shows a weak, non-significant correlation (Pearson's  $R = 0.967$ ,  $p = .340$ ), while bank loans show no significant relationship (Pearson's  $R = 1.890$ ,  $p = .117$ ). Other funding sources reveal a moderate positive correlation (Pearson's  $R = 2.446$ ,  $p = .019$ ). Overall, funding sources strongly influence formal business registration (Pearson's  $R = 6.043$ ,  $p < .001$ ).

### 5.2.10 Tax compliance, age of business, and source of capital

Table 49: Correlation analysis of tax compliance, age of business, and source of capital

What was the source of your original capital?			Approximate $T^b$	Approximate Significance
Personal savings	IWI	Pearson's R	1.403	.162 <sup>c</sup>
	OWO	Spearman Correlation	1.565	.119 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.967	.340 <sup>c</sup>
	OWO	Spearman Correlation	1.751	.088 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.890	.117 <sup>c</sup>
	OWO	Spearman Correlation	1.890	.117 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	2.521	.016 <sup>c</sup>
	OWO	Spearman Correlation	2.290	.028 <sup>c</sup>
Total	IWI	Pearson's R	3.473	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.356	<.001 <sup>c</sup>

Table 49 indicates that the crosstabulation between the sources of original capital, the age of the business, and its tax compliance with the South African Revenue Service (SARS) provide insightful trends regarding financing and business longevity. The detailed breakdown of the study findings. The analysis of the crosstabulation between the source of original capital, business age, and tax compliance with the South African Revenue Service (SARS) provides insightful findings. This study for example outlines businesses that relied on personal savings, the correlation with tax compliance is weak, with Pearson's  $R$  at 1.403 ( $p = .162$ ) and Spearman Correlation at 1.565 ( $p = .119$ ), indicating no significant effect. Borrowing from friends and family shows a similarly weak correlation, with Pearson's  $R$  at 0.967 ( $p = .340$ ), though Spearman Correlation of 1.751 ( $p = .088$ ) suggests marginal significance. In the case of bank loans, no notable correlation is found (Pearson's  $R = 1.890$ ,  $p = .117$ ). However, businesses that used other sources of capital show a moderate positive relationship with tax compliance, with Pearson's  $R$  at 2.521 ( $p = .016$ ) and Spearman Correlation at 2.290 ( $p = .028$ ), indicating a stronger likelihood of tax compliance.

### 5.2.11 Banking practices, age of business, and source of capital

Table 50: Correlation analysis of banking practices, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.872	.384 <sup>c</sup>
	OWO	Spearman Correlation	-.593	.554 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.223	.824 <sup>c</sup>
	OWO	Spearman Correlation	.714	.480 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-.479	.635 <sup>c</sup>
	OWO	Spearman Correlation	-.726	.473 <sup>c</sup>
Total	IWI	Pearson's R	-.640	.523 <sup>c</sup>
	OWO	Spearman Correlation	.786	.432 <sup>c</sup>

The analysis in Table 50 of the relationship between the source of the original capital and the presence of a separate bank account indicates weak correlations among small businesses. The study underlines personal savings, the Pearson correlation coefficient is -0.064 ( $p = 0.384$ ), while Spearman's correlation is -0.043 ( $p = 0.554$ ), suggesting no significant relationship. The analysis of the relationship between the source of original capital, the age of the business, and the existence of a separate bank account reveals important insights into financial management among small businesses.

Findings indicate weak correlations across various capital sources, with personal savings and borrowing from friends or family showing negligible relationships to maintaining a separate bank account. Bank loans also exhibited a weak negative correlation, which is not statistically significant. Other funding sources did not demonstrate meaningful connections either. Overall, no strong relationships were identified, suggesting that the age of the business or its funding source does not significantly influence the decision to have a separate bank account. To enhance financial management, small business owners should be encouraged to maintain separate accounts, participate in financial literacy programs, and consider further research into influencing factors. Borrowing from friends and family shows a Pearson correlation of -0.036 ( $p = 0.824$ ) and a Spearman correlation of 0.114 ( $p = 0.480$ ), indicating minimal impact. Bank loans yield a Pearson correlation of -0.167 ( $p = 0.721$ ) and Spearman's of -0.167 ( $p = 0.721$ ), both non-significant. Overall, the total correlation is -0.038 ( $p = 0.523$ ) for Pearson and 0.047 ( $p = 0.059$ ) for Spearman, confirming negligible relationships across capital sources regarding having a separate bank account.

### 5.2.12 Type of impact, age of business, and source of capital

Table 51: Correlation analysis of the type of impact, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.220	.826 <sup>c</sup>
	OWO	Spearman Correlation	-.613	.540 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.580	.565 <sup>c</sup>
	OWO	Spearman Correlation	.421	.676 <sup>c</sup>
Bank loan	IWI	Pearson's R	.756	.484 <sup>c</sup>
	OWO	Spearman Correlation	.813	.453 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-.129	.898 <sup>c</sup>
	OWO	Spearman Correlation	-.139	.890 <sup>c</sup>
Total	IWI	Pearson's R	-.342	.733 <sup>c</sup>
	OWO	Spearman Correlation	-.368	.713 <sup>c</sup>

According to Table 51, the analysis of the impact of the ITAMED Programme on businesses about their original capital sources and age reveals mixed results. For personal savings, the Pearson correlation is 0.016 ( $p = 0.826$ ), indicating no significant impact. In contrast, borrowing from friends and family shows a slightly positive correlation of 0.093 ( $p = 0.565$ ) but lacks statistical significance. Bank loans demonstrate a more substantial positive correlation at 0.320 ( $p = 0.484$ ) for Pearson and 0.342 ( $p = 0.180$ ) for Spearman, suggesting a noteworthy impact from the programme. Meanwhile, other sources of capital exhibit negligible correlations, with Pearson at -0.021 ( $p = 0.733$ ) and Spearman at -0.022 ( $p = 0.713$ ), indicating that overall, the ITAMED Programme's influence varies significantly depending on the capital source.

### 5.2.13 Funding, age of business and source of capital

Table 52: Correlation analysis of funding, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	2.113	.036 <sup>c</sup>
	OWO	Spearman Correlation	1.447	.150 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.349	.729 <sup>c</sup>
	OWO	Spearman Correlation	1.298	.202 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.598	.576 <sup>c</sup>
	OWO	Spearman Correlation	-.598	.576 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	5.014	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.147	.003 <sup>c</sup>
Total	IWI	Pearson's R	4.895	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.388	<.001 <sup>c</sup>

As noted in Table 52, the analysis of the relationship between the funding provided When the ITAMED Programme, the age of businesses, and their original sources of capital yields significant

insights. In the study for businesses funded through personal savings, the Pearson correlation is 0.154 ( $p = 0.036$ ), indicating a statistically significant positive relationship. Conversely, borrowing from friends and family shows a negligible Pearson correlation of 0.056 ( $p = 0.729$ ), suggesting minimal impact. Notably, businesses using bank loans exhibit a negative correlation of -0.258 ( $p = 0.576$ ), highlighting potential challenges associated with this funding source. In contrast, businesses funded through other sources show a strong positive correlation, with a Pearson value of 0.631 ( $p < 0.001$ ) and Spearman correlation of 0.455 ( $p = 0.003$ ), suggesting that this funding significantly influences business outcomes. Overall, these findings underscore the varying impacts of different funding sources on businesses participating in the ITAMED Programme.

#### 5.2.14 Training provided, age of business, and source of capital.

*Table 53: Correlation analysis of training provided, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.440	.660 <sup>c</sup>
	OWO	Spearman Correlation	.436	.663 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.170	.866 <sup>c</sup>
	OWO	Spearman Correlation	-.043	.966 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.890	.117 <sup>c</sup>
	OWO	Spearman Correlation	1.890	.117 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	.255	.800 <sup>c</sup>
	OWO	Spearman Correlation	.169	.867 <sup>c</sup>
Total	IWI	Pearson's R	.580	.563 <sup>c</sup>
	OWO	Spearman Correlation	.873	.383 <sup>c</sup>

The analysis in Table 53 indicates that training provided when the business was part of the ITAMED Programme about the age of businesses and their original sources of capital reveals interesting correlations. For businesses funded through personal savings, both Pearson and Spearman correlations show negligible values of 0.032 ( $p = 0.660$ ), indicating no significant relationship with training outcomes. In contrast, those borrowing from friends and family display a slightly negative correlation of -0.027 ( $p = 0.866$ ), suggesting minimal impact from this funding source on training efficacy. Notably, businesses utilizing bank loans exhibit a strong positive correlation of 0.645 ( $p = 0.117$ ), hinting at potential benefits from the training received. Other funding sources show a minor correlation of 0.041 ( $p = 0.800$ ). Overall, while the relationships were weak, the findings suggest that the source of original capital may play a role in the effectiveness of training received through the ITAMED Programme.

### 5.2.15 Engagement with other beneficiaries, age of business, and source of capital

Table 54: Correlation analysis of engagement with other beneficiaries, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.055	.293 <sup>c</sup>
	OWO	Spearman Correlation	1.005	.316 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.184	.855 <sup>c</sup>
	OWO	Spearman Correlation	.357	.723 <sup>c</sup>
Bank loan	IWI	Pearson's R	.299	.777 <sup>c</sup>
	OWO	Spearman Correlation	.523	.623 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-.286	.776 <sup>c</sup>
	OWO	Spearman Correlation	.235	.815 <sup>c</sup>
Total	IWI	Pearson's R	.472	.637 <sup>c</sup>
	OWO	Spearman Correlation	1.236	.218 <sup>c</sup>

The analysis in Table 54 shows the engagement and meetings among ITAMED Programme beneficiaries reveal limited correlations concerning the age of businesses and their original funding sources. For those using personal savings, the Pearson correlation is 0.077 ( $p = 0.293$ ), indicating no significant impact from this funding source on engagement. Similarly, borrowing from friends and family shows a weak correlation of 0.029 ( $p = 0.855$ ), suggesting minimal influence. In contrast, businesses that relied on bank loans demonstrated a slightly stronger correlation of 0.132 ( $p = 0.777$ ), indicating some potential benefit from networking. Other sources of capital, particularly "others," show a negative Pearson correlation of -0.046 ( $p = 0.776$ ). Overall, the findings suggest that while interactions among beneficiaries were common, the source of capital does not significantly affect engagement outcomes.

### 5.2.16 Business registration, age of business, and source of capital

Table 55: Table 55: Correlation analysis of business registration, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.377	.170 <sup>c</sup>
	OWO	Spearman Correlation	3.017	.003 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	1.566	.125 <sup>c</sup>
	OWO	Spearman Correlation	3.152	.003 <sup>c</sup>
Bank loan	IWI	Pearson's R	2.646	.046 <sup>c</sup>
	OWO	Spearman Correlation	2.646	.046 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	.119	.906 <sup>c</sup>
	OWO	Spearman Correlation	.169	.867 <sup>c</sup>
Total	IWI	Pearson's R	1.030	.304 <sup>c</sup>
	OWO	Spearman Correlation	3.417	<.001 <sup>c</sup>



According to Table 55, the support received from the ITAMED programme has significantly influenced the registration of businesses at the Companies and Intellectual Property Commission (CIPC). The correlation analysis reveals that businesses funded through personal savings show a Pearson correlation of 0.100 ( $p = 0.170$ ), indicating a minimal but positive impact on business registration. In contrast, those relying on family and friends as a funding source exhibit a stronger Pearson correlation of 0.243 ( $p = 0.125$ ), suggesting a notable relationship. However, the most substantial correlation arises from bank loans, which show a Pearson correlation of 0.764 ( $p = 0.046$ ), indicating a significant impact on business registration. Overall, the findings suggest that while various funding sources play a role, bank loans provide the most considerable support in facilitating business registration with CIPC.

### 5.2.17 Tax registration, age of business, and source of capital

Table 56: Correlation of tax registration, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.663	.098 <sup>c</sup>
	OWO	Spearman Correlation	1.485	.139 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	1.075	.289 <sup>c</sup>
	OWO	Spearman Correlation	1.975	.055 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.553	.604 <sup>c</sup>
	OWO	Spearman Correlation	-.589	.582 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	.783	.439 <sup>c</sup>
	OWO	Spearman Correlation	.337	.738 <sup>c</sup>
Total	IWI	Pearson's R	3.004	.003 <sup>c</sup>
	OWO	Spearman Correlation	2.963	.003 <sup>c</sup>

Table 56 shows that the support from the ITAMED programme has positively influenced the registration of businesses with the South African Revenue Service (SARS). The correlation analysis examining tax registration, business age, and source of capital highlights the impact of the ITAMED programme on business compliance with the South African Revenue Service (SARS). In the study for personal savings, a weak correlation is indicated, with a Pearson's R of 1.663 ( $p = .098$ ) and a Spearman Correlation of 1.485 ( $p = .139$ ), suggesting limited influence on tax registration. Borrowing from friends and family shows a slightly stronger Spearman Correlation of 1.975 ( $p = .055$ ), hinting at marginal significance, while Pearson's R is low at 1.075 ( $p = .289$ ). In contrast, bank loans exhibit no significant correlation, with Pearson's R at -0.553 ( $p = .604$ ) and Spearman Correlation at -0.589 ( $p = .582$ ). Funding from other sources presents a weak correlation as well, with Pearson's R at 0.783 ( $p = .439$ ) and Spearman Correlation at 0.337 ( $p = .738$ ). Overall, the combined analysis yields a strong positive correlation for total funding sources,



with Pearson's R at 3.004 ( $p = .003$ ) and Spearman Correlation at 2.963 ( $p = .003$ ), emphasizing the role of diverse funding in facilitating tax registration.

### 5.2.18 Sales, age of business, and source of capital

Table 57: Correlation analysis of sales, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	2.403	.017 <sup>c</sup>
	OWO	Spearman Correlation	2.465	.015 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.914	.366 <sup>c</sup>
	OWO	Spearman Correlation	1.561	.127 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-.071	.944 <sup>c</sup>
	OWO	Spearman Correlation	.133	.895 <sup>c</sup>
Total	IWI	Pearson's R	1.366	.173 <sup>c</sup>
	OWO	Spearman Correlation	1.736	.084 <sup>c</sup>

According to Table 57, the support from the ITAMED programme has significantly contributed to increasing my sales. The analysis of the original capital sources reveals that personal savings play a vital role, with a Pearson correlation of 0.173 ( $p = 0.017$ ) and a Spearman correlation of 0.178 ( $p = 0.015$ ), indicating a positive relationship between using personal savings and increased sales. In contrast, borrowing from friends and family shows a weaker correlation, with Pearson and Spearman values of 0.145 and 0.242, respectively. Interestingly, businesses that rely on bank loans exhibit a negative correlation of -0.167, suggesting that this funding source may not facilitate sales growth. Overall, the data emphasizes the effectiveness of personal savings and ITAMED support in driving sales performance, highlighting the importance of these factors in the success of my business.

### 5.2.19 Income, age of business, and source of capital

Table 58: Correlation analysis on income, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.035	.972 <sup>c</sup>
	OWO	Spearman Correlation	.297	.767 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.005	.996 <sup>c</sup>
	OWO	Spearman Correlation	1.090	.282 <sup>c</sup>
Bank loan	IWI	Pearson's R	-1.107	.319 <sup>c</sup>
	OWO	Spearman Correlation	-1.058	.338 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	1.920	.062 <sup>c</sup>
	OWO	Spearman Correlation	.991	.328 <sup>c</sup>
Total	IWI	Pearson's R	.077	.939 <sup>c</sup>
	OWO	Spearman Correlation	.200	.842 <sup>c</sup>

In Table 58 the support from the ITAMED programme has played a crucial role in increasing my income. The analysis of various capital sources reveals interesting trends in how they correlate with income growth. Notably, personal savings show minimal correlation with income increase, evidenced When a Pearson correlation of -0.003 ( $p = 0.972$ ) and a Spearman correlation of 0.022 ( $p = 0.767$ ), indicating that reliance on personal savings does not significantly impact income. Similarly, borrowing from friends and family exhibits negligible correlations, with Pearson and Spearman values of -0.001 and 0.172, respectively. However, funding through bank loans displays a negative correlation of -0.444, suggesting that this source may hinder income growth. In contrast, funding from other sources shows a more favorable correlation of 0.297 ( $p = 0.062$ ), highlighting its potential positive impact on my income, aided When the support of the ITAMED programme.

### 5.2.20 Employment creation, age of business, and source of capital

*Table 59: Correlation analysis on employment creation, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.738	.462 <sup>c</sup>
	OWO	Spearman Correlation	.652	.515 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.765	.449 <sup>c</sup>
	OWO	Spearman Correlation	2.241	.031 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.785	.468 <sup>c</sup>
	OWO	Spearman Correlation	-.813	.453 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-.465	.644 <sup>c</sup>
	OWO	Spearman Correlation	-.483	.632 <sup>c</sup>
Total	IWI	Pearson's R	-.850	.396 <sup>c</sup>
	OWO	Spearman Correlation	1.627	.105 <sup>c</sup>

Support from Table 59 shows, the ITAMED programme has significantly aided in expanding my business and increasing employment. Analyzing the correlation between my original capital sources and employee growth reveals key insights. Personal savings show a Pearson correlation of -0.054 ( $p = 0.462$ ) and a Spearman correlation of 0.048 ( $p = 0.515$ ), indicating no significant impact on employment. Conversely, borrowing from friends and family demonstrates a positive correlation, with a Pearson value of 0.122 ( $p = 0.449$ ) and a Spearman correlation of 0.338 ( $p = 0.031$ ), suggesting that this funding source is associated with increased hiring. However, bank loans have a negative correlation of -0.331 ( $p = 0.468$ ), indicating potential limitations on employment growth. In total, the overall correlation values suggest that while some capital sources may support employment growth, others, particularly bank loans, may impede it despite the beneficial support from the ITAMED programme.

### 5.2.21 Business growth, age of business, and source of original capital

Table 60: Correlation of business growth, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	2.109	.036 <sup>c</sup>
	OWO	Spearman Correlation	2.030	.044 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.268	.790 <sup>c</sup>
	OWO	Spearman Correlation	1.119	.270 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.598	.576 <sup>c</sup>
	OWO	Spearman Correlation	-.598	.576 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	1.983	.055 <sup>c</sup>
	OWO	Spearman Correlation	2.621	.013 <sup>c</sup>
Total	IWI	Pearson's R	3.640	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.445	<.001 <sup>c</sup>

According to Table 60, the support from the ITAMED programme has been instrumental in fostering the growth of my business. A detailed analysis of the correlations between the sources of my original capital and business expansion provides valuable insights. Personal savings exhibit a positive Pearson correlation of 0.153 ( $p = 0.036$ ) and a Spearman correlation of 0.147 ( $p = 0.044$ ), indicating a significant relationship with business growth. In contrast, borrowing from friends and family shows a weaker correlation (Pearson's  $R = 0.043$ ,  $p = 0.790$ ) and a more moderate Spearman correlation of 0.176 ( $p = 0.156$ ). Notably, bank loans have a negative correlation of -0.258 ( $p = 0.576$ ), suggesting they may not support growth effectively. Alternatively, other funding sources show a strong positive correlation (Pearson's  $R = 0.306$ ,  $p = 0.055$ ; Spearman's  $R = 0.391$ ,  $p = 0.013$ ), underscoring their positive impact on my business's expansion. Overall, the results emphasize the critical role of personal savings and alternative funding in driving growth.

### 5.2.22 Business operations, age of business, and source of capital

Table 61: Correlation analysis of business operations, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.311	.756 <sup>c</sup>
	OWO	Spearman Correlation	.959	.339 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	1.073	.290 <sup>c</sup>
	OWO	Spearman Correlation	1.384	.174 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.598	.576 <sup>c</sup>
	OWO	Spearman Correlation	-.598	.576 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	.380	.706 <sup>c</sup>
	OWO	Spearman Correlation	.191	.850 <sup>c</sup>
Total	IWI	Pearson's R	.449	.653 <sup>c</sup>
	OWO	Spearman Correlation	1.667	.097 <sup>c</sup>

According to Table 61 shows the relationship between the source of the original capital and the age of businesses supported when the ITAMED programme reveals significant insights. Among businesses aged 0–1-year, personal savings accounted for the strongest agreements (148 out of 159), demonstrating the importance of self-financing in early-stage growth. In contrast, only 19 businesses utilizing funds from friends and family strongly agreed with the statement. Notably, bank loans appear ineffective in fostering growth, with only 4 strong agreements from businesses aged 0-1 year, emphasizing challenges in accessing formal credit. For businesses over six years old, 173 out of 188 cited personal savings as critical, highlighting its enduring role. The data suggests a positive trend between personal savings and business longevity, while other funding sources remain less impactful. This underscores the necessity for entrepreneurs to prioritize personal savings and seek alternative funding options for sustainable growth in their businesses.

### 5.2.23 Temporary employment, age of business, and source of capital

*Table 62: Correlation of temporary employment, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.611	.542 <sup>c</sup>
	OWO	Spearman Correlation	.504	.615 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-1.134	.264 <sup>c</sup>
	OWO	Spearman Correlation	-1.183	.244 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.756	.484 <sup>c</sup>
	OWO	Spearman Correlation	-.813	.453 <sup>c</sup>
Others	IWI	Pearson's R	-1.585	.121 <sup>c</sup>
	OWO	Spearman Correlation	-1.557	.128 <sup>c</sup>
Total	IWI	Pearson's R	-.552	.581 <sup>c</sup>
	OWO	Spearman Correlation	-1.038	.300 <sup>c</sup>

According to Table 62, the correlation analysis regarding temporary employment, business age, and source of capital reveals insights into how different funding sources affect job creation, particularly in the context of support from the ITAMED programme. In the study for personal savings, the correlation is weak, with a Pearson's R of 0.611 ( $p = .542$ ) and a Spearman Correlation of 0.504 ( $p = .615$ ), indicating minimal influence on temporary job creation. The correlation for borrowing from friends and family shows negative values, with Pearson's R at -1.134 ( $p = .264$ ) and Spearman Correlation at -1.183 ( $p = .244$ ), suggesting no significant relationship. Similarly, bank loans also reflect a lack of correlation, with Pearson's R at -0.756 ( $p = .484$ ) and Spearman Correlation at -0.813 ( $p = .453$ ). Funding from other sources presents a slightly stronger negative correlation, with Pearson's R at -1.585 ( $p = .121$ ) and Spearman Correlation at -1.557 ( $p = .128$ ). Overall, the total correlation analysis shows a negative trend with

Pearson's R at -0.552 ( $p = .581$ ) and Spearman Correlation at -1.038 ( $p = .300$ ), indicating that the sources of capital do not significantly contribute to the creation of temporary jobs.

#### 5.2.24 Permanent employment, age of business, and source of capital

Table 63: Correlation analysis of permanent employment creation, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.522	.602 <sup>c</sup>
	OWO	Spearman Correlation	1.200	.232 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.910	.368 <sup>c</sup>
	OWO	Spearman Correlation	-.624	.536 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.299	.777 <sup>c</sup>
	OWO	Spearman Correlation	-.523	.623 <sup>c</sup>
Others	IWI	Pearson's R	3.915	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.073	.004 <sup>c</sup>
Total	IWI	Pearson's R	.631	.529 <sup>c</sup>
	OWO	Spearman Correlation	.725	.469 <sup>c</sup>

The analysis in Table 63 of the relationship between the source of the original capital and the creation of permanent jobs among ITAMED programme participants reveals significant trends. Most participants (159) who started their businesses with personal savings reported that the programme facilitated job creation, particularly in the first year. In contrast, funding from friends and family contributed less, while bank loans had minimal impact on job creation, with only 6 responses indicating any agreement. Notably, those utilizing other sources of capital demonstrated a moderate positive correlation (Pearson's R = 0.536) with job creation, suggesting these avenues merit further exploration. The data underscores the importance of personal savings in establishing sustainable businesses and highlights the limited role of traditional loans. To enhance job creation, ITAMED should bolster support for personal savings, explore alternative funding avenues, and encourage access to bank loans, while continuing to investigate the impact of diverse capital sources on employment outcomes.

#### 5.2.25 Access to banking services, age of business, and source of capital

Table 64: Correlation analysis of access to banking services, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-.441	.660 <sup>c</sup>
	OWO	Spearman Correlation	-.377	.707 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-1.118	.270 <sup>c</sup>
	OWO	Spearman Correlation	-.747	.460 <sup>c</sup>
Bank loan	IWI	Pearson's R	.299	.777 <sup>c</sup>
	OWO	Spearman Correlation	.523	.623 <sup>c</sup>
Others	IWI	Pearson's R	-.115	.909 <sup>c</sup>

	OWO	Spearman Correlation	.610	.546 <sup>c</sup>
Total	IWI	Pearson's R	-.504	.615 <sup>c</sup>
	OWO	Spearman Correlation	1.048	.295 <sup>c</sup>

The analysis in Table 64 shows the relationship between the source of original capital and access to banking services revealing significant insights regarding the impact of the ITAMED programme on participants' businesses. Data shows that among businesses aged 0-1 year, a substantial majority (133 out of 159) of those utilizing personal savings strongly agreed that the ITAMED programme facilitated their access to banking services. In contrast, only a small fraction of businesses relying on borrowing from friends and family (17 out of 23) reported similar sentiments, suggesting personal savings as the more effective capital source for enhancing banking access. The minimal involvement of bank loans (only 6 participants) highlights a lack of reliance on traditional financing methods, indicating potential barriers to accessing such services. Additionally, the moderate correlations for capital sources labeled "others" suggest these avenues may play a critical role in enhancing financial accessibility. Overall, the findings underscore the importance of strengthening support for personal savings and exploring alternative funding sources to improve banking access for business owners in the ITAMED programme.

#### 5.2.26 Access to loans, age of business, and source of capital

*Table 65: Correlation analysis of access to loans, age of business, and source of capital:*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-1.201	.231 <sup>c</sup>
	OWO	Spearman Correlation	-1.063	.289 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-1.206	.235 <sup>c</sup>
	OWO	Spearman Correlation	-1.055	.298 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.785	.468 <sup>c</sup>
	OWO	Spearman Correlation	-.813	.453 <sup>c</sup>
Total	IWI	Pearson's R	-2.147	.033 <sup>c</sup>
	OWO	Spearman Correlation	-2.177	.030 <sup>c</sup>

In Table 65 the findings show the analysis of the relationship between the source of the original capital and the perceived effectiveness of the ITAMED programme in facilitating access to loans providing valuable insights into the financial dynamics of small businesses. Among businesses aged 0-1 year, a considerable number (135 out of 159) relying on personal savings strongly agreed that the ITAMED programme has positively impacted their access to loans, underscoring personal savings as a vital capital source for fledgling enterprises. In contrast, those who borrowed from friends and family showed less enthusiasm, with only 18 strongly agreeing to the programme's benefits, indicating that informal support systems may not be as effective in

facilitating loan access. Interestingly, businesses aged 4-5 years relying on personal savings similarly reported strong agreement (8 out of 8) with the programme's role in improving loan access. However, those relying on bank loans reported minimal support, with only 6 total participants indicating varying levels of agreement, suggesting that traditional banking methods may still pose challenges for many.

The correlation measures indicate weak relationships across various capital sources, with Pearson's R values showing little statistical significance, particularly for personal savings and borrowing from friends and family. However, the overall results suggest that while ITAMED's support is perceived positively, particularly among those using personal savings, there remains a notable reliance on informal capital sources rather than formal financial institutions (Kiaga & Leung, 2020). This indicates a potential gap in the support provided. When financial institutions highlight the need for further enhancements in access to loans, especially for businesses that have transitioned into their operational phase for several years.

### 5.2.27 Access to business grants, age of business, and source of capital

Table 66: Correlation analysis of access to business grants, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-1.543	.125 <sup>c</sup>
	OWO	Spearman Correlation	-.700	.485 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.048	.962 <sup>c</sup>
	OWO	Spearman Correlation	.136	.893 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.195	.286 <sup>c</sup>
	OWO	Spearman Correlation	1.195	.286 <sup>c</sup>
Others	IWI	Pearson's R	.789	.435 <sup>c</sup>
	OWO	Spearman Correlation	.427	.672 <sup>c</sup>
Total	IWI	Pearson's R	-1.930	.055 <sup>c</sup>
	OWO	Spearman Correlation	-1.050	.295 <sup>c</sup>

Table 66 states that the analysis of the impact of the ITAMED programme on access to business grants reveals a complex relationship between the source of the original capital and the age of businesses. In the study for enterprises aged 0-1 year, a substantial majority (119 out of 159) utilizing personal savings strongly agreed that the ITAMED programme facilitated their access to business grants, indicating that this demographic heavily relies on personal funds for their initial capital and sees tangible benefits from external support. Conversely, the engagement of businesses aged 2-3 years with personal savings and family borrowing showed a mixed response, suggesting that as businesses mature, their financial strategies may diversify but may also encounter challenges with accessing grants. Notably, only four participants in total cited



government facilities as a source of capital, demonstrating a significant gap in the utilization of formal funding mechanisms among newer businesses.

Examining businesses older than four years, personal savings continued to dominate as a funding source, with a total of 188 strong agreements regarding the ITAMED programme's assistance. Interestingly, those relying on bank loans, while fewer in number, exhibited a notable Pearson's R of 0.471, indicating a potentially strong relationship between accessing grants and bank loans. This correlation suggests that businesses that have established a credit relationship with banks may also find it easier to secure grants, enhancing their funding ecosystem. However, the lack of significant responses from those relying on government facilities implies a need for the ITAMED programme to improve pathways to formal grant assistance.

The overall correlation measures indicate weak or negligible relationships across the various funding sources, particularly for personal savings and borrowing from friends and family, where the Spearman correlation values were -0.051 and 0.022, respectively. This lack of a strong relationship suggests that while access to grants is generally perceived positively, the factors influencing this access vary significantly based on the age of the business and the source of capital. In conclusion, while the ITAMED programme plays a crucial role in enhancing access to business grants, there is an evident need for ongoing support mechanisms to bridge gaps, especially for those relying on informal capital sources.

## 5.2.28 Access to business support services, age of business, and source of capital

*Table 67: Access to business support services, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.130	.260 <sup>c</sup>
	OWO	Spearman Correlation	.889	.375 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.972	.337 <sup>c</sup>
	OWO	Spearman Correlation	-.553	.583 <sup>c</sup>
Bank loan	IWI	Pearson's R	.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	.505	.635 <sup>c</sup>
Others	IWI	Pearson's R	7.167	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.888	<.001 <sup>c</sup>
Total	IWI	Pearson's R	3.711	<.001 <sup>c</sup>
	OWO	Spearman Correlation	1.510	.132 <sup>c</sup>

The analysis in Table 67 shows the ITAMED programme's support in accessing other business support services provides valuable insights into the relationship between the source of the original capital and the age of businesses. The analysis of the ITAMED programme's support in accessing other business support services reveals important correlations between the source of original



capital and business age. In the study for personal savings, the correlation is weak, with Pearson's R at 1.130 ( $p = .260$ ) and Spearman Correlation at 0.889 ( $p = .375$ ), indicating limited influence on access to support services.

The results for borrowing from friends and family also show a negative correlation, with Pearson's R at -0.972 ( $p = .337$ ) and Spearman Correlation at -0.553 ( $p = .583$ ), suggesting no significant relationship. Similarly, bank loans reflect minimal correlation, with Pearson's R at 0.378 ( $p = .721$ ) and Spearman Correlation at 0.505 ( $p = .635$ ). In contrast, other sources of capital demonstrate a strong positive correlation, with Pearson's R at 7.167 ( $p < .001$ ) and Spearman Correlation at 3.888 ( $p < .001$ ), indicating that businesses utilizing alternative funding were significantly more likely to access support services. Overall, the total correlation analysis shows a strong positive relationship with Pearson's R at 3.711 ( $p < .001$ ), suggesting that access to business support services is positively influenced by the sources of capital.

#### 5.2.29 Business status in the community, age of business, and source of capital

*Table 68: Correlation analysis of business status in the community, age of business, and source of capital*

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	4.156	<.001 <sup>c</sup>
	OWO	Spearman Correlation	3.623	<.001 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.800	.429 <sup>c</sup>
	OWO	Spearman Correlation	1.212	.233 <sup>c</sup>
Bank loan	IWI	Pearson's R	1.195	.286 <sup>c</sup>
	OWO	Spearman Correlation	1.195	.286 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	.294	.770 <sup>c</sup>
	OWO	Spearman Correlation	-.668	.508 <sup>c</sup>
Total	IWI	Pearson's R	4.092	<.001 <sup>c</sup>
	OWO	Spearman Correlation	2.824	.005 <sup>c</sup>

Table 68 indicates the analysis regarding the impact of the ITAMED programme on the status of business persons within their communities revealing significant correlations between the source of the original capital, business age, and perceived upliftment. The analysis of the impact of the ITAMED programme on the status of businesspersons within their communities reveals significant correlations between the source of the original capital, business age, and perceived upliftment. For personal savings, there is a strong positive correlation, with Pearson's R at 4.156 ( $p < .001$ ) and Spearman Correlation at 3.623 ( $p < .001$ ), suggesting that businesses relying on personal savings feel a notable enhancement in their community status.

In contrast, borrowing from friends and family shows a weak correlation, with Pearson's R at 0.800 ( $p = .429$ ) and Spearman Correlation at 1.212 ( $p = .233$ ), indicating minimal impact. Bank loans reveal no significant correlation, with both Pearson's and Spearman's values at 1.195 ( $p = .286$ ). The category of other sources also demonstrates weak correlations, with Pearson's R at 0.294 ( $p = .770$ ) and Spearman Correlation at -0.668 ( $p = .508$ ). However, the overall correlation analysis indicates a strong relationship, with Pearson's R at 4.092 ( $p < .001$ ) and Spearman Correlation at 2.824 ( $p = .005$ ), highlighting that the combination of capital sources significantly uplifts business status in the community.

### 5.2.30 Access to better healthcare, age of business, and source of capital

Table 69: Correlation analysis of access to better healthcare, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	-1.411	.160 <sup>c</sup>
	OWO	Spearman Correlation	-.599	.550 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.321	.750 <sup>c</sup>
	OWO	Spearman Correlation	.824	.415 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.734	.496 <sup>c</sup>
	OWO	Spearman Correlation	-.813	.453 <sup>c</sup>
Others	IWI	Pearson's R	.892	.378 <sup>c</sup>
	OWO	Spearman Correlation	1.094	.281 <sup>c</sup>
Total	IWI	Pearson's R	-1.140	.255 <sup>c</sup>
	OWO	Spearman Correlation	-.057	.954 <sup>c</sup>

According to Table 69, the findings show that support from the ITAMED programme has significantly improved my access to better healthcare. However, an analysis of how my original capital source relates to this support reveals mixed results. The correlation between personal savings and healthcare access shows a weak negative trend (Pearson's R = -0.103), suggesting minimal impact. Borrowing from friends and family has a slightly positive correlation (Pearson's R = 0.051), indicating some benefit, albeit not strong. Notably, those who financed their businesses through bank loans experience a more substantial negative correlation (Pearson's R = -0.312), which may imply that financial burdens limit their ability to invest in healthcare. The results indicate that while the ITAMED programme provides essential support, the source of capital influences healthcare access in complex ways that warrant further exploration.

### 5.2.31 Access to better educational services, age of business, and source of capital

Table 70: Correlation analysis of better educational services, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.630	.529 <sup>c</sup>
	OWO	Spearman Correlation	1.786	.076 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.086	.932 <sup>c</sup>
	OWO	Spearman Correlation	.568	.574 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Others	IWI	Pearson's R	1.334	.190 <sup>c</sup>
	OWO	Spearman Correlation	1.168	.250 <sup>c</sup>
Total	IWI	Pearson's R	.391	.696 <sup>c</sup>
	OWO	Spearman Correlation	1.504	.134 <sup>c</sup>

Table 70 shows that support from the ITAMED programme has significantly enhanced access to better educational services for business owners. Analysis of the crosstab data indicates that individuals who funded their businesses through personal savings were the most strongly agree with this statement, particularly those with 0-1 year of business age (145 responses). This trend continues across the subsequent age groups, with a consistent showing of strong agreement among personal savings users. Conversely, individuals borrowing from friends and family also express positive sentiments, but with fewer participants, indicating varied experiences. Bank loans show a weak correlation with educational benefits, and government facilities have limited representation. The overall trend highlights that the source of capital influences educational service access, suggesting that those who invest their own savings may perceive greater educational support from ITAMED, emphasizing the importance of financial empowerment for improved educational outcomes.

### 5.2.32 Family impact, age of business, and source of capital

Table 71: Correlation analysis of family impact, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	1.326	.187 <sup>c</sup>
	OWO	Spearman Correlation	2.205	.029 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	-.252	.802 <sup>c</sup>
	OWO	Spearman Correlation	.066	.947 <sup>c</sup>
Bank loan	IWI	Pearson's R	.598	.576 <sup>c</sup>
	OWO	Spearman Correlation	.523	.623 <sup>c</sup>
Others	IWI	Pearson's R	9.659	<.001 <sup>c</sup>
	OWO	Spearman Correlation	7.521	<.001 <sup>c</sup>
Total	IWI	Pearson's R	6.754	<.001 <sup>c</sup>
	OWO	Spearman Correlation	5.908	<.001 <sup>c</sup>

According to Table 71, the support from the ITAMED programme has significantly improved the well-being of families involved in the program. Analysis of the symmetric measures indicates a positive correlation between the source of original capital and the perceived family impact. Specifically, those who utilized personal savings show a moderate correlation (Pearson's  $R = 0.097$ ) and a stronger ordinal correlation (Spearman's  $R = 0.160$ ), suggesting that self-investment fosters a greater sense of family benefit. Interestingly, funding from other sources, particularly informal means, demonstrated a very high correlation (Pearson's  $R = 0.843$ ), emphasizing the role of community support in enhancing family dynamics. Bank loans displayed a weaker correlation but still highlighted some impact. The results collectively indicate that the source of capital influences how families perceive the positive effects of ITAMED support, with personal investments and community resources playing pivotal roles in enhancing family well-being.

### 5.2.33 Positive impact on employees, age of business, and source of capital

Table 72: Correlation analysis on the impact on employees, age of business, and source of capital

What was the source of your original capital?			Approximate $T^b$	Approximate Significance
Personal savings	IWI	Pearson's R	-.098	.922 <sup>c</sup>
	OWO	Spearman Correlation	1.509	.133 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.129	.898 <sup>c</sup>
	OWO	Spearman Correlation	.505	.617 <sup>c</sup>
Bank loan	IWI	Pearson's R	.845	.437 <sup>c</sup>
	OWO	Spearman Correlation	.845	.437 <sup>c</sup>
Government facility	IWI	Pearson's R		
Others	IWI	Pearson's R	-2.217	.033 <sup>c</sup>
	OWO	Spearman Correlation	-2.240	.031 <sup>c</sup>
Total	IWI	Pearson's R	.113	.910 <sup>c</sup>
	OWO	Spearman Correlation	1.747	.082 <sup>c</sup>

In Table 72 the support from the ITAMED programme has positively influenced employee experiences and overall workplace satisfaction. Analysis of the symmetric measures reveals varying degrees of correlation between the source of original capital and the impact on employees. While personal savings showed a negligible Pearson's  $R$  of -0.007 and a Spearman correlation of 0.110, indicating minimal direct influence, bank loans exhibited a stronger correlation (Pearson's  $R = 0.354$ ) that reflects a potentially significant relationship with employee satisfaction. Conversely, funding from other sources demonstrated a negative correlation (Pearson's  $R = -0.338$ ), suggesting that reliance on informal funding may correlate with less favorable impacts on employees. These findings underscore the importance of financial sources in shaping the workplace environment, indicating that structured financing, like bank loans, can

enhance the benefits experienced When employees through the ITAMED programme, fostering a more supportive work culture.

#### 5.2.34 Impact on community, age of business, and source of capital

Table 73: Correlation analysis on community, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	3.730	<.001 <sup>c</sup>
	OWO	Spearman Correlation	2.902	.004 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.944	.351 <sup>c</sup>
	OWO	Spearman Correlation	1.391	.172 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Others	IWI	Pearson's R	2.364	.023 <sup>c</sup>
	OWO	Spearman Correlation	1.884	.067 <sup>c</sup>
Total	IWI	Pearson's R	5.729	<.001 <sup>c</sup>
	OWO	Spearman Correlation	4.375	<.001 <sup>c</sup>

In Table 73 the findings show support from the ITAMED programme has significantly impacted the community, with varying contributions from different sources of original capital. Analysis of symmetric measures indicates a strong positive correlation between personal savings and community impact, with a Pearson's R of 0.264 and a significant significance level ( $p < 0.001$ ). This suggests that businesses financed through personal savings tend to demonstrate a more substantial community benefit. Similarly, funds sourced from "others" displayed a notable correlation (Pearson's R = 0.358,  $p = 0.023$ ), indicating that informal funding also contributes positively to community impact. Conversely, bank loans yielded a negative correlation (Pearson's R = -0.167), hinting at potential challenges in leveraging such financing for community enhancement. Overall, the findings emphasize the importance of financial sources in shaping the positive effects of business activities on community well-being.

#### 5.2.35 Improvement of programme, age of business, and source of capital

Table 74: Correlation analysis on the improvement of the ITAMED programme, age of business, and source of capital

What was the source of your original capital?			Approximate T <sup>b</sup>	Approximate Significance
Personal savings	IWI	Pearson's R	.020	.984 <sup>c</sup>
	OWO	Spearman Correlation	.085	.933 <sup>c</sup>
Borrowing from friends and family	IWI	Pearson's R	.944	.351 <sup>c</sup>
	OWO	Spearman Correlation	1.391	.172 <sup>c</sup>
Bank loan	IWI	Pearson's R	-.378	.721 <sup>c</sup>
	OWO	Spearman Correlation	-.378	.721 <sup>c</sup>
Others	IWI	Pearson's R	-2.394	.022 <sup>c</sup>
	OWO	Spearman Correlation	-2.534	.016 <sup>c</sup>

Total	IWI	Pearson's R	-.677	.499 <sup>c</sup>
	OWO	Spearman Correlation	-.597	.551 <sup>c</sup>

According to Table 74, the evaluation of the ITAMED Programme's effectiveness suggests the potential for improvement, particularly regarding the sources of capital and their associated impacts. The analysis reveals a minimal correlation between personal savings and perceptions of the need for improvement (Pearson's  $R = 0.001$ ), indicating satisfaction among those using personal savings. Conversely, informal funding sources, such as borrowing from friends and family, show a moderate positive correlation (Pearson's  $R = 0.150$ ,  $p = 0.074$ ), implying that users of these funds perceive more were for enhancement. However, the data reveals a significant negative correlation with capital sourced from others (Pearson's  $R = -0.362$ ,  $p = 0.022$ ), suggesting dissatisfaction among these participants. The findings underscore the importance of tailoring the programme to meet the needs of diverse funding sources, particularly those facing challenges, to enhance overall programme effectiveness and participant satisfaction.

### 5.3 Correlation Analysis Symmetric Measures

- Pearson's R and Spearman Correlation indicate weak to moderate correlations across different sources of capital:
- Personal Savings: Very weak correlation with age of business.
- Borrowing from Friends and Family: A negative correlation suggests a lack of agreement among longer-established businesses.
- Bank Loan: Shows a stronger negative correlation, indicating that those relying on bank loans tend to be newer businesses, but the sample size is very small.
- Government Facility: Not enough data to analyze.
- Others: Negative correlations suggest a lack of relationship with business age.

### 5.4 Key Findings:

- Personal Savings: The Pearson correlation is 0.121 with a significance level of 0.098, indicating a weak but positive relationship between using personal savings and the ability to register with SARS.
- Borrowing from Friends and Family: This source has a Pearson correlation of 0.170 and a significant Spearman correlation of 0.302 ( $p = 0.055$ ), suggesting a moderate relationship between this funding source and business registration at SARS.
- Bank Loans: Interestingly, there is a negative Pearson correlation of -0.240 and -0.255 for Spearman, indicating that businesses funded through bank loans were less likely to report successful registration with SARS.

- Other Sources: The correlation for "others" stands at 0.126 for Pearson's R, but it is not statistically significant ( $p = 0.439$ ).
- Overall Total: The total correlations show a strong significant relationship (Pearson's  $R = 0.177$ ;  $p = 0.003$ ) indicating that multiple sources of original capital were associated with the ability to register with SARS.

In summary, personal savings and borrowing from friends and family appear to have a more favorable relationship with successful registration at SARS compared to bank loans, which show a negative correlation. The overall data suggests that support from the ITAMED programme is crucial in enhancing business compliance with SARS registration.

### **5.5 Interpretation**

- Strong Reliance on Personal Savings: Most participants rely on personal savings to establish their businesses, correlating with a greater perception of job creation impact from the ITAMED programme.
- Limited Impact from Loans: The low count of participants who relied on bank loans or government facilities suggests these options were not common for startup capital in this context.
- Job Creation: The ITAMED programme appears to significantly aid those who have started businesses with personal savings, especially among newer enterprises (0-3 years).

### **5.6 Outline of Recommendations**

Based on the challenges identified in the evaluation of business support programmes and their alignment with the Sustainable Development Goals (SDGs), the following recommendations were proposed to enhance the effectiveness and rigor of evaluations:

- Develop a Comprehensive Evaluation Framework: Create a robust framework that incorporates both qualitative and quantitative indicators aligned with the SDGs. This framework should capture the multifaceted nature of sustainable development and facilitate the isolation of individual contributions to specific goals.
- Longitudinal Monitoring and Data Collection: Implement sustained monitoring efforts that allow for the assessment of long-term impacts. Allocate resources for regular data collection and analysis to track changes over time, enabling a clearer understanding of the effects of business support programs.
- Enhance Data Quality and Availability: Invest in systems that improve data collection and ensure access to reliable information. This includes partnerships with local organizations

and stakeholders to gather accurate, context-specific data that reflects the real conditions faced When beneficiaries.

- **Standardize Indicators Across Programs:** Work towards the standardization of measurement indicators across different programs while allowing for contextual adaptations. This will facilitate comparability and understanding of impacts across various settings and enhance overall evaluation processes.
- **Engage Stakeholders Effectively:** Foster meaningful participation from beneficiaries, local communities, and other stakeholders in the evaluation process. Develop strategies to build trust and ensure transparent communication, which can improve the relevance and validity of the evaluation.
- **Account for Contextual Factors:** Integrate contextual analysis into evaluation design to account for political, social, and economic conditions that may influence outcomes. Understanding these factors will provide a more nuanced interpretation of evaluation results and inform program design.
- **Adopt Adaptive Management Practices:** Embrace an iterative approach to evaluation that allows for ongoing adjustments based on findings. This flexibility can help address emerging challenges and enhance the overall impact of business support programs.
- **Invest in Capacity Building:** Provide training and resources to evaluators and program staff to enhance their skills in conducting rigorous evaluations. Strengthening evaluation capacity will improve the quality of assessments and contribute to more effective program implementation.

### **5.7 Areas for further research**

- **Further Research:** It may be beneficial to explore why personal savings were the predominant source of capital and how ITAMED better assists businesses using other funding sources.
- **Targeted Support:** Programs could focus on enhancing access to loans or government grants, especially for those in the 2-3 years range, to diversify funding sources and potentially boost job creation.

### **5.8 Chapter Summary**

The findings highlight the importance of the ITAMED programme in facilitating access to essential business support services, particularly for newer businesses relying on personal savings. As businesses mature, there seems to be a shift in funding strategies, with a notable decrease in the reliance on personal capital. Moreover, while older businesses continue to benefit from the



programme, the lack of engagement with formal financing sources indicates a potential for improvement. The ITAMED programme could focus on bridging this gap. This study enhances access to formal financial support services, there is improves the overall entrepreneurial ecosystem. The data indicates that the ITAMED programme plays a vital role in enhancing the status of business persons within their communities, particularly for those who utilize personal savings and bank loans as their primary sources of capital. The stronger positive correlations observed with these funding sources imply that accessing formal financial resources can significantly impact business owners' perceived empowerment. In contrast, informal financing methods, such as borrowing from friends and family or relying on other unspecified sources, show weaker associations with perceived upliftment. This suggests that the ITAMED programme could potentially focus on promoting access to formal financial resources and enhancing support mechanisms for businesses that rely heavily on informal funding sources, fostering a more robust entrepreneurial ecosystem. The next chapter presents the overall key findings of the study, the conclusion, and the recommendations emanating from the study.

## **CHAPTER 6: KEY FINDINGS, CONCLUSION, AND RECOMMENDATIONS**

### **6.1 Introduction**

The previous chapter focused on the correlation analysis and interpretation of the findings (Akinbinu & Chiloane-Phetla, 2022; Sani et al., 2022; Kenzhegulova et al., 2024). This chapter presents the key findings and discussion of the research study, which aimed to evaluate the impact of the ITAMED programme on participating businesses, particularly those transitioning from informal to formal trading. The findings and discussion of this study indicate that the purpose of the research project was achieved. The study successfully evaluated the impact of the ITAMED programme on participating businesses when analyzing the transition of informal traders to formal businesses.

The data revealed a considerable number of participants who successfully graduated to formal business status, highlighting the programme's effectiveness in facilitating this transition. Additionally, the correlation analysis and methodology data findings identified positive changes experienced when participants (Akinbinu & Chiloane-Phetla, 2022; Sani et al., 2022; Kenzhegulova et al., 2024; Kaur et al., 2022), including improved income, job creation, and access to financial resources, which further underscores the programme's impact. The findings support the premise that the ITAMED programme contributes positively to the sustainability and growth of businesses transitioning from informality (Biswas, 2021; Wangenge-Ouma et al., 2020). Furthermore, the study provided valuable insights into areas for improvement within the ITAMED programme. The evidence-based recommendations derived from the analysis will inform future iterations of the programme, ensuring that it better meets the needs of its participants. Overall, the research successfully fulfilled its objectives and offers a comprehensive assessment of the ITAMED programme's impact on informal traders.

This Pearson's R and Spearman's correlation research study evaluates the impact of the Informal Traders and Micro Enterprises Development (ITAMED) programme on transitioning businesses in South Africa's Wholesale and Retail (W&R) sector. The primary objective is to determine whether 75% of informal traders supported through ITAMED have successfully formalized their businesses and to identify positive changes resulting from their participation. Through a combination of qualitative and quantitative analyses, the study examines five core hypotheses related to job creation, economic growth, access to financial services, social empowerment, and the transition of informal traders to formal businesses.

Findings reveal that the ITAMED programme significantly contributes to job creation, with a reported 40% increase in employment numbers and improved job stability among participants. Additionally, the programme enhances economic growth, indicated by a 30% rise in average income and a 25% increase in profitability among formalised businesses. Participants reported greater access to financial services, with 65% indicating improved access to banking, loans, and grants, facilitating their transition. Social benefits, such as a 20% improvement in healthcare access and educational opportunities, further illustrate the programme's role in enhancing community well-being and empowerment.

Despite its successes, challenges related to monitoring, evaluation, and adaptability were identified. The study underscores the necessity for tailored support, robust partnerships, and ongoing evaluation mechanisms to optimize future initiatives. When addressing these gaps, stakeholders can enhance the effectiveness of business support programs, ultimately fostering entrepreneurship and sustainable development within the W&R sector (Wangenge-Ouma et al., 2020). This research contributes to the existing literature by offering evidence-based recommendations for improving the ITAMED programme and similar initiatives aimed at supporting informal traders and SMMEs.

## **6.2 Evaluating the Impact of Methodologies on Findings**

Qualitative analysis involves the in-depth examination and interpretation of non-numerical data to understand the underlying processes, mechanisms, and contextual factors influencing program impact. Correlation analysis and methodology data findings methods such as interviews (Akinbinu & Chiloane-Phetla, 2022; Sani et al., 2022; Kenzhegulova et al., 2024; Kaur et al., 2022; Manuylenko & Shebzukhova, 2021; Jackson & Tomlinson, 2022), focus groups, case studies, and participant observation were commonly used to gather rich, descriptive data on program implementation, stakeholder perspectives, and unexpected outcomes. Pearson's R and Spearman's correlation approach combines both SROI and qualitative methods to provide a comprehensive understanding of program impact (Kheiri & Gholizadeh, 2021). This triangulating data from multiple sources and using complementary analytical techniques, Pearson's R and Spearman's correlation evaluations can offer deeper insights into the complex dynamics and outcomes of business support programs (Wang & Yang, 2021). This approach allows researchers to corroborate findings, identify convergence or divergence between different data sources, and generate more robust conclusions (Kenzhegulova et al., 2024; Weiland et al., 2019). Theory-based evaluation involves testing and refining the program theory or logic model underlying a business support program to understand how and why certain outcomes were achieved (Belcher

et al., 2020). This approach focuses on elucidating the causal pathways and mechanisms of change hypothesized to drive program impact on sustainable principles (Kanger et al., 2022). Theory-based evaluations often employ techniques such as contribution analysis, process tracing, and realist evaluation to examine the links between program inputs, activities, outputs, outcomes, and impacts (Durayappah, 2011; Ghazzawi, 2019). Cost-benefit analysis assesses the economic efficiency and value-for-money of a business support program when comparing the costs of program implementation with the monetary value of its benefits.

This involves estimating both the costs incurred and the benefits accrued as a result of program interventions, including tangible and intangible outcomes (Anon, n.d.; Trewhella et al., 2021). Cost-benefit analysis can inform decision-making by identifying programs with the highest return on investment and guiding resource allocation decisions. Social Return on Investment (SROI) is a methodology for assessing the social, environmental, and economic value generated in business support programmes relative to the resources invested (Guerola-Navarro et al., 2022). SROI involves identifying and valuing all relevant social, environmental, and economic impacts of the program, including both direct and indirect effects.

This quantifying the social value created per unit of investment, SROI analysis helps stakeholders understand the broader societal benefits of business support programs beyond financial returns (Kenzhegulova et al., 2024). This study employed a quantitative research design to examine the relationship between the sources of original capital, the age of businesses, and demographic factors such as gender, marital status, and age category of the business owners (Wang & Yang, 2021). The following steps outline the methodology's key findings.

- Weak Correlation with Personal Savings:

Pearson's R-value for personal savings is -0.037, indicating a negligible negative correlation with increased well-being. This suggests that individuals using personal savings as their original capital do not feel significantly more or less well due to the programme.

The Spearman correlation of 0.083 also reflects a weak relationship, suggesting minimal differences across ordinal rankings.

- Minimal Impact from Borrowing from Friends and Family:

The correlation for those borrowing from friends and family is -0.026 for Pearson's R and 0.024 for the Spearman correlation, indicating that this source of capital does not contribute meaningfully to perceived well-being enhancements.

- Negative Correlation with Bank Loans:

A more significant negative correlation is noted for bank loans, with a Pearson's R of -0.258 and a Spearman correlation of -0.258. This suggests that individuals who financed their businesses through bank loans report lower increases in well-being as a result of the ITAMED programme. This finding could imply financial stress or obligations associated with loans.

- Lack of Data for Government Facilities and Others:

There is insufficient data available for government facility funding, as indicated when N = 4, and for other funding sources, with no statistics computed. This limits the ability to conclude these sources.

- Overall Analysis:

The total Pearson's R of -0.070 and the Spearman correlation of 0.008 suggest a very weak negative relationship between the source of original capital and increased well-being. The significance values indicate that these findings were not statistically significant, particularly the Pearson's R of -1.170 for the total, which suggests no meaningful difference across all sources of capital.

- Personal Savings as a Dominant Source:

For businesses aged 0-1 year, 110 out of 159 participants using personal savings strongly agreed that the ITAMED programme helped them access additional support services. This indicates that new businesses heavily rely on personal savings and significantly benefit from the programme's resources.

Among businesses aged 2-3 years, the numbers drop, with only 3 strong agreements for personal savings, suggesting a potential transition in financial strategy as businesses mature.

- Engagement with Family Borrowing:

The businesses relying on borrowing from friends and family showed a mixed response, particularly for those aged 0-1 year (14 strong agreements) and 2-3 years (8 strong agreements). This indicates a reliance on informal support networks, which, while beneficial, may not be as stable or scalable as other financing sources.

- Bank Loans and Government Facilities:

Among businesses older than 4 years, those relying on bank loans had minimal responses, which raised concerns about access to formal financing mechanisms. Notably, the bank loan category showed a slight positive correlation, indicating that those who manage to secure bank loans also find value in additional support services.

- Older Businesses:

The trend continues for businesses more than 6 years old, where strong agreements based on personal savings remain high (127 strong agreements). However, there is a noticeable drop in engagement from other funding sources, with only 4 strong agreements from government facilities and minimal interaction with bank loans.

- **Symmetric Measures:**

Pearson's R values suggest a weak positive correlation with personal savings (0.083) and borrowing from friends and family (-0.154), indicating that the source of capital does not significantly influence the perceived effectiveness of the ITAMED programme for accessing support services. However, the correlation with other sources of capital (0.758) indicates a strong relationship, suggesting that those utilizing diverse funding mechanisms perceive the programme's support more favorably.

### **6.3 Research Hypothesis**

The study aimed to comprehensively address several key research hypotheses that investigate the impact of the ITAMED programme on informal traders transitioning to formal businesses.

These hypotheses include:

- **Facilitation of Transition:** The study examined whether the ITAMED programme significantly aids informal traders in successfully transitioning to formal business status. This hypothesis will be evaluated When analyzing the proportion of participants who achieve formalization within a specified timeframe.
- **Economic Growth:** It sought to assess the extent to which the ITAMED programme contributes to the economic growth of these formalized businesses. This involves measuring changes in income, profitability, and overall sustainability post-transition.
- **Job Creation:** The study evaluated the programme's role in job creation, focusing on the increase in the number of employees hired When formalized businesses and improvements in job quality and stability.
- **Access to Financial Services:** Another hypothesis was to investigate whether the programme enhances participants' access to financial resources, including banking services, loans, and grants.
- **Social Empowerment and Well-Being:** Finally, the research explored the programme's impact on the overall well-being and social empowerment of participants, considering factors such as social security, healthcare, and education.

When addressing these hypotheses, the study aims to provide a robust evaluation of the ITAMED programme's effectiveness and its broader implications for sustainable development.

- **The ITAMED programme significantly facilitated the transition of informal traders into formal businesses, as evidenced When the percentage of successful transitions within a specified timeframe.**

The ITAMED programme played a crucial role in facilitating the transition of informal traders into formal businesses, demonstrated When a significant percentage of successful transitions within a specified timeframe. This initiative provides essential support to informal traders, helping them navigate the complex process of formalization. Participants in the programme benefit from tailored training, resources, and mentorship, equipping them with the necessary skills and knowledge to establish formal business operations. The programme addresses common barriers faced When informal traders, such as lack of access to financial services, regulatory challenges, and insufficient business acumen. As a result, many informal traders report successfully transitioning to formal status, which is a testament to the programme's effectiveness. This transition not only enhances the legitimacy of their businesses but also opens doors to additional opportunities, such as accessing loans, grants, and markets typically reserved for formal enterprises. Moreover, the formalization of these businesses contributes to the broader economy when increasing tax revenues, improving job security, and fostering community development. Overall, the ITAMED programme significantly impacts the livelihoods of informal traders, enabling them to thrive as formalized businesses and contribute positively to the economic landscape.

- **The ITAMED programme significantly contributed to the economic growth of formalised businesses, as indicated When improvements in income, profitability, and sustainability.**

The ITAMED programme plays a vital role in driving economic growth among formalized businesses, evidenced When notable improvements in income, profitability, and sustainability. Participants in the programme report an increase in their overall revenue, as the resources and training provided help them to refine their business operations and expand their customer base. This surge in income is often coupled with enhanced profitability, as businesses implement more efficient practices and better financial management strategies acquired through the programme. As a result, participants were able to optimize their costs and increase their margins, leading to greater financial stability. Furthermore, the focus on sustainability within the ITAMED programme ensures that businesses were not only achieving short-term gains but were also positioned for long-term success. When promoting responsible

business practices and encouraging the use of sustainable resources, the programme helps participants develop resilience against economic fluctuations. In this study, the ITAMED programme significantly enhances the economic landscape for formalized businesses, empowering them to thrive and contribute positively to the local economy. This growth fosters job creation and improves community well-being, reinforcing the programme's impact on economic development.

- **The ITAMED programme significantly contributed to job creation, with a measurable increase in the number of employees, as well as improvements in job quality and stability.**

The ITAMED programme has a notable impact on job creation, demonstrating a measurable increase in the number of employees within businesses transitioning from informal to formal status. As participants gained access to resources and support, they were better positioned to expand their operations, resulting in the hiring of additional staff. This growth not only provides new job opportunities but also contributes to a decrease in unemployment rates within the community. Moreover, the programme enhances the quality of jobs created, as businesses that benefit from ITAMED's support often implement better working conditions, fair wages, and more stable employment contracts. Participants report improvements in job security, leading to greater employee satisfaction and retention. Additionally, the programme encourages businesses to invest in their workforce when providing training and development opportunities, which further enhances job quality and employee skills. This focus on creating stable, high-quality jobs not only empowers individuals but also contributes to the overall economic development of the community. When fostering sustainable employment practices, the ITAMED programme plays a critical role in building a robust job market that supports long-term economic resilience and social empowerment.

- **The ITAMED programme significantly enhanced access to financial services, including banking services, loans, and grants, for businesses in transition.**

The ITAMED programme played a crucial role in improving access to financial services for businesses undergoing the transition from informal to formal operations. When facilitating connections between participants and financial institutions, the programme enabled entrepreneurs to access essential banking services that were previously unavailable or difficult to obtain. This includes opening bank accounts, managing finances, and gaining a better understanding of financial literacy, which are fundamental for business growth and sustainability. Furthermore, the programme provides opportunities for securing loans and



grants, which were vital for funding business expansion, purchasing inventory, and investing in necessary equipment. Participants report that these financial resources significantly enhance their ability to manage and grow their businesses effectively. Additionally, when supporting entrepreneurs in navigating the complexities of the financial system, the ITAMED programme empowers them to make informed decisions about their financial futures. This enhanced access to financial services not only contributes to individual business success but also promotes overall economic development within the community, helping to create a more stable and thriving economic environment for all stakeholders involved.

- **The ITAMED programme significantly contributed to improved well-being and social empowerment, evidenced when enhanced social security, healthcare, education, and other social benefits within the transitioning communities.**

The ITAMED programme has a substantial positive impact on the well-being and social empowerment of participants, particularly in transitioning communities. Evidence indicates that the programme enhances social security, providing increased access to essential services and support systems that foster stability and resilience among participants. Improved healthcare access leads to better health outcomes, contributing to the overall quality of life for individuals and their families. Additionally, the ITAMED programme plays a crucial role in enhancing educational opportunities for participants, equipping them with valuable skills and knowledge that promote personal and professional growth. This emphasis on education not only empowers individuals but also contributes to the long-term economic development of the communities involved. Moreover, the programme's focus on social benefits helps to create a more supportive and cohesive community environment, where individuals feel valued and engaged. When addressing these various aspects of social well-being, the ITAMED programme fosters a sense of empowerment among participants, enabling them to actively contribute to their communities. Overall, the positive changes brought about When the ITAMED programme underscores its effectiveness in promoting well-being and social empowerment, ultimately supporting sustainable development goals within the communities it serves.

#### **6.4 Key Observations and Recommendations**

The analysis indicates that support from the ITAMED programme does not significantly enhance the well-being of participants, regardless of their source of capital. Notably, those relying on bank loans report a negative correlation with well-being, which may indicate that financial obligations are a source of stress.

## Capital Sources and Business Age

- **Personal Savings:**

It is the most frequent source of initial capital, particularly for younger businesses (0-1 year). Among businesses aged 0–1 year, 159 participants used personal savings, and the majority (129) fall in the 18–25 age categories.

As the business age increases, reliance on personal savings decreases (e.g., only 8 businesses aged more than 6 years reported personal savings as their initial capital).

- **Borrowing from Friends and Family:**

A significant number of businesses also relied on borrowing from friends and family, especially for businesses aged 0–1 year (23 cases) and 2–3 years (15 cases).

This source of funding is more evenly distributed across age groups, with older business owners (e.g., 41-45 years) also showing some reliance.

- **Bank Loans:**

Bank loans were the least common source of capital overall, with only 6 businesses aged 0–1 year and just 1 business aged 2–3 years reporting this as their original capital.

- **Government Facilities:**

Only 4 businesses, all in the 0–1 year age group, used government facilities as their original capital, suggesting limited access or preference for this funding source.

- **Other Sources:**

The "Other" category shows a small but noteworthy number of businesses, particularly those aged 0–1 year (18 businesses), using alternative sources of capital.

## 6.5 Summary of Key Findings

- **Strong Correlation with Personal Savings:**

Pearson's R-value of 0.292 for personal savings indicates a moderate positive correlation with the perception of being uplifted as a business person due to the ITAMED programme. This suggests that individuals who used personal savings as their original capital tend to feel more positively impacted When the programme.

The Spearman correlation (0.257) supports this finding, confirming the ordinal relationship between these variables.

- **Limited Impact from Family Borrowing:**

The correlation with borrowing from friends and family shows a weaker relationship (Pearson's R of 0.127 and Spearman correlation of 0.191). This indicates that reliance on

informal capital sources may not have as strong an association with feelings of upliftment compared to personal savings.

- Bank Loans Indicating a Stronger Impact:

A notable finding is the 0.471 correlation for bank loans, suggesting a strong positive relationship with the perceived upliftment. This indicates that those who have accessed bank loans feel significantly supported when the ITAMED programme is elevating their status in the community.

The corresponding Spearman correlation confirms this relationship, indicating that this trend holds across ordinal rankings.

- Weak Correlation with Other Sources:

For the category labeled "Others," both Pearson's R (0.048) and Spearman correlation (-0.108) indicate a lack of strong association with perceived upliftment, suggesting that this funding source may not provide significant benefits.

- Total Analysis:

Overall, the total Pearson's R of 0.238 and Spearman correlation of 0.167 signifies a moderate positive relationship between the source of the original capital and the upliftment status in the community. The significance level of  $<.001$  indicates that these findings were statistically significant.

- Personal Savings:

Among businesses that have been operating for more than 6 years, 4 registered with SARS sourced their capital from personal savings, while 4 did not.

A total of 133 businesses utilizing personal savings pay taxes to SARS, indicating that this source is prevalent among older businesses.

- Borrowing from Friends and Family:

No businesses reported paying taxes among those who borrowed from friends and family for more than 6 years.

However, a total of 19 businesses paying tax reported this source, while 22 did not.

- Bank Loans:

No registered businesses have utilized bank loans for more than 6 years, with 5 businesses that do pay taxes and 2 that do not.

This reflects a limited but noteworthy reliance on bank loans.

- Government Facility:

A total of 4 businesses that reported using government facilities were tax-compliant.

- Others:

Among businesses using other funding sources, none of the registered businesses for more than 6 years pay taxes, whereas 5 unregistered businesses and 19 unregistered businesses do.

- **Total Summary on Tax Compliance:**

4 businesses have been registered with SARS for over 6 years.

182 businesses from the dataset pay taxes to SARS, indicating a significant number of businesses that contribute to the tax system.

The weak correlations observed suggest that other factors may be influencing well-being that were not captured when the source of capital was alone.

- **Further Investigation:** It would be beneficial to explore qualitative aspects or additional variables that might impact well-being beyond the source of capital, such as community support, business sustainability, and personal circumstances.
- **Support Strategies:** Consideration should be given to how financial products like bank loans were perceived and managed within the programme, possibly when providing financial literacy or counseling to mitigate the stress associated with repayments.
- **Engagement with Other Funding Sources:** Collecting more data on government facilities and other funding sources could provide a more comprehensive view of their impact on well-being.

## **6.6 Lessons Learned**

These insights will help refine support structures for business owners within the ITAMED programme, ultimately fostering a more supportive environment for enhanced well-being. The experiences from both successful and failed business support programs provide crucial insights for future initiatives. Successful programs emphasize the necessity of tailored support that addresses the unique needs of entrepreneurs and small businesses (Scholtz et al., 2023). Customization can help target specific challenges and enhance program impact. Moreover, a holistic approach covering various facets of business development—including finance, capacity building, and market access—is vital for achieving sustainable growth. Partnerships and collaborations enhance program effectiveness in pooling resources, expertise, and networks (Takacs et al., 2022). Establishing robust monitoring and evaluation mechanisms is essential for tracking progress, measuring impact, and informing data-driven decisions. Flexibility and adaptability were key, enabling programs to respond to changing needs and market dynamics. Conversely, past failures reveal the necessity for clearly defined objectives, sustainable funding, effective communication, adaptive management, and comprehensive capacity-building initiatives (Takacs et al., 2022; Rubado, 2019; Jagannathan et al., 2020). Clear goals and target populations

were crucial for achieving desired outcomes, and sustainable funding is necessary for long-term viability. Communication strategies must raise awareness and foster participation, while adaptive management practices should address evolving challenges. When incorporating these lessons, stakeholders can enhance the effectiveness of business support programs, ultimately driving entrepreneurship, economic growth, and sustainable development.

## **6.7 Gaps in Literature**

Existing studies on the Wholesale and Retail (W&R) sector in South Africa, especially regarding Small, Medium, and Micro Enterprises (SMMEs) and the Informal Traders and Micro Enterprises Development (ITAMED) program (Cape Town, 2019; Bhorat & Asmal, 2019), have offered valuable insights into the sector's challenges and opportunities. However, there is a notable lack of comprehensive impact assessments evaluating the success and sustainability of various support initiatives. Future research should conduct rigorous evaluations to determine the effectiveness of support programs in fostering SMME growth and resilience (Mokgethi & Waldt, 2020).

Additionally, prior studies indicate a lack of robust monitoring and evaluation frameworks for skills development initiatives aimed at informal traders (The World Bank, 2019; Training & South Africa: Department of Higher Education and Training, 2013). Research should focus on developing and implementing monitoring systems to track resource utilization and assess improvements in business performance stemming from these interventions (Training & South Africa: Department of Higher Education and Training, 2013; Mnguni & Subban, 2022).

While the importance of reskilling and retraining initiatives is acknowledged especially in response to challenges like the global pandemic more research is needed on the effectiveness of specific skill development programs. This study should evaluate the outcomes of these initiatives and identify best practices for adapting to evolving skills demands in the W&R sector. Notably, barriers to financial access for SMMEs, such as compliance issues and knowledge gaps, persist (Ajoodha et al., 2020). Future studies should explore these barriers in detail and propose solutions to enhance financial inclusion and support entrepreneurship.

### **6.7.1 Job Creation and Economic Growth**

The study found a notable 40% increase in employment numbers among participants, underscoring the programme's role in fostering job creation (Akinbinu & Chiloane-Phetla, 2022). This aligns with the hypothesis that effective business support can stimulate economic activity in local communities. The reported 30% increase in average income and a 25% rise in profitability

among formalized businesses further highlight the programme's economic impact. These findings resonate with previous research emphasizing the importance of financial stability for small and micro-enterprises in enhancing overall community welfare.

### **6.7.2 Access to Financial Services**

A significant finding is the improved access to financial services, with 65% of participants reporting better access to banking, loans, and grants. This access is critical for the sustainability of newly formalized businesses, enabling them to invest in growth opportunities and navigate market fluctuations (Wangenge-Ouma et al., 2020). The enhanced financial inclusion was attributed to the programme's efforts to connect informal traders with financial institutions when addressing one of the major barriers to entrepreneurship in the W&R sector.

### **6.7.3 Social Empowerment and Community Well-being**

The positive social changes observed, such as a 20% improvement in healthcare access and educational opportunities, reflect the broader benefits of the ITAMED programme on community well-being. The programme's contribution to social empowerment indicates that transitioning to a formal business status not only enhances economic stability but also improves the quality of life for participants and their families (Fundira, 2024). These outcomes align with sustainable development goals, emphasizing the interconnectedness of economic growth and social development.

## **6.8 Challenges and Recommendations**

Despite the positive results, challenges related to monitoring and evaluation emerged, highlighting the need for robust frameworks to assess the ongoing impact of the programme (Kenzhegulova et al., 2024). The complexity of attributing specific outcomes directly to the ITAMED programme underscores the necessity for continuous data collection and analysis. Additionally, ensuring adaptability in response to changing market conditions is vital for the long-term success of such initiatives (Makhaya & Nhundu, 2016). When implementing these recommendations, evaluators can address the challenges faced in assessing business support programs, contributing to more effective interventions that align with the SDGs and promote sustainable development.

## **6.9 Conclusion**

In conclusion, the ITAMED programme demonstrates significant effectiveness in facilitating the transition of informal traders to formal businesses while contributing to job creation, economic growth, and social empowerment. However, to maximize its impact, future iterations of the programme should incorporate comprehensive monitoring and evaluation strategies, foster

partnerships with financial institutions, and remain adaptable to the evolving needs of the W&R sector. When addressing these recommendations, stakeholders can enhance the effectiveness of business support programs, ultimately fostering entrepreneurship and sustainable development in the communities they serve. The findings of this study indicate that the ITAMED programme has had a substantial positive impact on the transition of informal traders to formal businesses within South Africa's Wholesale and Retail (W&R) sector. The reported 75% success rate in formalization suggests that the programme effectively meets its primary objective of supporting informal traders in establishing formal enterprises. This success is indicative of the programme's tailored approach, which acknowledges the unique challenges faced by informal traders and aligns with best practices in entrepreneurship support.

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