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MPhil

FOSTERING ENTREPRENEURIAL MINDSETS IN UNDERSERVED COMMUNITIES – A MULTIPLE CASE STUDY OF CAPE FLATS IN WESTERN CAPE, SOUTH AFRICA

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LIST OF ABBREVIATIONS

ABBREVIATION	DEFINITION
AI	Artificial Intelligence
CBD	Central Business District
COVID-19	Coronavirus Disease 2019
EET	Entrepreneurship Education and Training
ILO	International Labour Organisation
NDP	National Development Plan
SANZAF	South African National Zakah Fund
SDG	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SME	Small- and Medium-sized Enterprises
WECBOF	Western Cape Business Opportunities Forum

GLOSSARY OF TERMS

TERM	DEFINITION
Artisanal Skills	Skills involving using one's hands to perform the job, for example being a carpenter, motorcar mechanic, plumber, hairdresser, and so on. It also involves selling a product/service, particularly the sale of food or drink that was prepared in a traditional or non-mechanised way.
Entrepreneurial Mindset	The inclination to discover, evaluate and exploit opportunities refers to the entrepreneurial mindset.
Livelihood	A means of securing the necessities of life.
Microbusiness	A business that runs on a small scale.
Other Opportunities	Ideas created that could be turned into possible micro businesses (e.g., social media marketing).
Underserved Communities	A town or municipality with most of its population under the poverty line, or struggling with opportunity or access to affordable housing, educational opportunities, jobs, food, and other quality-of-life factors.

ABSTRACT

Entrepreneurship is increasingly viewed as a solution for employment creation and poverty alleviation in developing countries, specifically underserved communities. In developed countries, individuals usually possess both entrepreneurial intentions and competencies and have access to various resources and opportunities to start and scale their businesses. However, those in developing countries do not have access to this. Those who engage in entrepreneurial activities do so for survival and are identified as being part of the informal economy.

This study aimed to evaluate a strategy that encourages entrepreneurial mindsets among individuals living in underserved communities on the Cape Flats in the Western Cape by examining three groups and their sustainability methods. To understand the different mindsets regarding entrepreneurship among people living in underserved communities, multiple case studies were conducted with three groups and analysed using thematic analysis. Group 1 was constantly seeking relief from daily life challenges, Group 2 were survivalist entrepreneurs, and Group 3 were opportunity-based or growth-oriented entrepreneurs. The goal was to develop a strategy informed by the experiences, attitudes, practices, and perspectives of individuals in Groups 2 and 3. By understanding their mindsets, we aimed to assist those in Group 1 by providing similar strategies to help them move forward.

The research revealed that participants in Group 1 wanted to change their environmental circumstances; however, owing to a lack of entrepreneurial training and resources, they felt trapped and helpless. Some managed to face challenges by starting small businesses, either self-taught or inheriting skills, which mainly consist of artisanal skills. The study suggests that an increase in informal learning in these communities could be a strategy to help lift people out of difficult situations. This approach was explored further by incorporating skill development and entrepreneurial training as constructive interventions facilitated by individuals or groups. These initiatives can help reduce unemployment and address various social issues.

Keywords: entrepreneurship, entrepreneurial mindsets, underserved communities, informal economy, micro business, livelihood, inclusive innovation

CHAPTER ONE: INTRODUCTION

1.1 Introduction

The existence of underserved communities in South Africa is a result of economic inequality and a lack of opportunities for previously marginalised communities (Pirtle, 2022). Pirtle (2022) stated that economic inequality and lack of opportunities are major contributors to unemployment in underserved communities. According to Mukherjee et al. (2023), unemployment, inflation, social difficulties, and poverty are not unique to South Africa but are global socioeconomic issues that many countries struggle to address. As of 2024, South Africa's unemployment rate stands at approximately 32.9%, with youth unemployment exceeding 60% (Statistics South Africa, 2024). These figures underscore the urgency of exploring alternative livelihood strategies, particularly in underserved communities.

The COVID-19 pandemic, which caused severe illness and death and led to a global economic crisis, exacerbated these problems in South Africa and the rest of the world (Lopes et al., 2021). The International Labour Organisation (ILO) estimated that the COVID-19 pandemic caused a worldwide loss of full-time employment, with the number of jobs lost ranging between 140 and 340 million (Das et al., 2023). This has had a disproportionate impact on low-wage labourers and informal workers, who had already been facing higher health risks and lower job security before the pandemic (Meyer & Schwarze, 2021).

Rehman et al. (2022) noted that despite differences in age and socioeconomic background, individuals have been affected differently by global events such as increased inequality, underemployment, and inflation. Additionally, increases in crime rates, government corruption, the mismanagement of public funds, and poor service delivery has often resulted in violent protests within a country, causing unrest and hindering the growth and prosperity of its communities (Bornman & Odendaal, 2018).

The increase in the unemployment rate in South Africa continues to be a cause for concern and calls for a deeper examination of the country's history, current challenges, and the root causes of the issue (Marumo & Sebolaaneng, 2019). The legacy of apartheid, a legalised system of division and control in South Africa before the advent of democracy just three decades ago, has had a profound and long-term effect on many individuals.

Owing to this history of the displacement of communities and racial segregation, communities continue to face multidimensional levels of poverty. This has influenced the mindset and behaviour of both individuals and communities alike and remains prevalent in the new political landscape, despite claims of an "inclusive society" (Marumo & Sebolaaneng, 2019). Consequently, within South Africa, it has become increasingly challenging to overcome socioeconomic challenges and close the inequality gap (Arendse, 2022). In underserved communities, differing perspectives have created complex challenges. The impact of segregation itself has made it difficult to find solutions to common challenges such as poor living conditions, the lack of opportunities, high unemployment rates that lead to high crime rates, underachievement in education, a poor education system, decreasing pass rates, and exclusion from higher education (Chauke, 2023). The low-quality education system within South Africa has been considered a poverty trap for many children (Hanusch, 2018). The World Bank Group (2018) argued that the early failure of the education system has had significant effects on labour market outcomes and, as a result, social mobility. This has led to communities that are unemployable, uneducated, and have few-to-no opportunities for self-empowerment, particularly in terms of self-reliance.

1.2 Pedagogy of Entrepreneurship

In his book, *The Pedagogy of the Oppressed*, Freire (2018) expounded that people were not taught to be liberated, and as a result of this they remained in a poverty mindset. The term pedagogy encompasses teaching methodology and practice. It includes the various approaches, methods, and tactics teachers employ to promote learning. The word's roots can be traced back to the Greek "paidagōgia," which translates to "guiding the child." Pedagogy extends beyond the mere act of instruction; it also involves examining how knowledge and skills are conveyed within educational settings, considering the dynamic between educators and students (Oxford English Dictionary, 2024). Individuals who have been previously marginalised and disadvantaged became accustomed to their situations and lost hope; therefore, neither seeking ways to improve their lives nor engaging in continuous learning opportunities to empower themselves. Due to the lack of educational opportunities, encouragement in their communities, or family support, these individuals are unable to imagine or conceive practical ways to improve their lives. Entrepreneurial strategies aim to provide individuals and communities with tools to improve their lives. Freire (2018) acknowledged that there must be individuals or groups that would initially mediate these strategies for those marginalised or disadvantaged.

The strategy implementation should therefore provide a foundation for individuals to actively and independently build on to improve their own circumstances. Those who possess entrepreneurial mindsets are constantly innovating and improving, as they wish to improve their lives and surroundings (Picken, 2017); however, in underserved communities, entrepreneurial activities exist for survival. This is because continuous learning or opportunities for self-reliance through entrepreneurship are either inaccessible to individuals from underserved communities or are non-existent (McKay, 2023). McKay (2023) described how low levels of entrepreneurship in both the formal and informal sectors had been linked to low literacy rates and poverty. Low levels of literacy resulted in many individuals being unemployable due to a fiercely competitive labour market where the number of available jobs was limited, or a lack of ambition and motivation to become self-reliant (Tracey et al., 2014). This study reported that individuals from underserved communities typically sought employment rather than striving for self-reliance, as entrepreneurship may also be a complex concept to grasp. Entrepreneurship is a challenging endeavour; however, for those who intend to pursue and start a business this is often viewed as a potential solution, particularly for those in underserved communities within countries experiencing an economic crisis. Of greater concern for individuals within these communities and countries is that they often do not have entrepreneurial intent (Liguori et al., 2019).

1.3 Bridging Entrepreneurial Gaps

Problem Statement: Despite entrepreneurship being widely promoted as a solution for poverty and unemployment, individuals in underserved communities often lack the intent, resources, and support to engage in entrepreneurial activities. This study investigates how entrepreneurial mindsets can be fostered in these contexts, starting from a position of zero.

Entrepreneurship, however, remains a possible solution for improving conditions for individuals in countries experiencing economic crises (Adeola, 2021; Si et al., 2019; Sutter et al., 2019). It is considered a potential solution to mitigate unemployment in low-income nations; however, there is a lack of empirical evidence demonstrating its successful implementation in countries experiencing economic crises. The present study therefore aimed to develop strategies for fostering entrepreneurial mindsets among individuals residing in underserved communities on the Cape Flats within the Western Cape.

This research investigates the entrepreneurial activities occurring within underserved communities and examines methods to enhance these activities through the establishment of learning communities, the cultivation of entrepreneurial mindsets via the provision and development of skills, and the exploration of additional entrepreneurial opportunities. The motivation behind this study is that, although entrepreneurship is regarded as a potential solution to many social problems, integrating this solution within underserved communities has not previously been successful (Sutter et al., 2019). This appeared to be a challenging task, as it would be difficult to find a single solution for segregated communities who, after apartheid, now have different views and methods of achieving success.

Despite the growing emphasis on entrepreneurship as a solution to unemployment and poverty, individuals in underserved communities often lack the intention, skills, and support to engage in entrepreneurial activities. Existing literature focuses primarily on those with entrepreneurial intent, overlooking those who are “based at zero.” This study addresses this gap by exploring how entrepreneurial mindsets can be fostered among individuals who do not initially identify as entrepreneurs. Individuals in underserved communities often have low education levels, diminished self-esteem, and reside in unfavourable living conditions within communities that lack purchasing power. Consequently, these individuals tend to initiate businesses not for profit, but for survival or necessity.

Entrepreneurship is often more successful in first-world countries, as individuals intend to start a business and have access to resources and linkages, which are not accessible to those in countries facing economic crises, where entrepreneurship often results in experiences of cultural dissonance (Nungsari et al., 2023). As per Freire (2018), projects to liberate individuals must be facilitated or mediated to achieve its success. Although situations in underserved communities are complex, there is an urgent need for interventions, albeit small, to solve the critical problems plaguing communities. Therefore, the present study argued that developing a strategy to create facilitated and mediated learning environments for skill development, such as artisanal skills, entrepreneurial skills, and access to other opportunities in the underserved communities of Cape Town, specifically within the Cape Flats, will lead to the development of entrepreneurial mindsets (Eglash et al., 2020). During the apartheid era, those from underserved communities within South Africa had to rely on their skills as tradesmen, artisans, or skilled labourers to survive (Blakemore, 2023).

According to Blakemore (2023), despite these challenging circumstances, they produced some of the best products and were often considered of the highest quality in their field. These skills were generational legacies passed on from parents to their children (Aronoff & Ward, 2016). Therefore, artisanal products such as handmade textiles are valued because of their human origin and therefore have some natural “immunity” to job losses due to artificial intelligence (AI; Eglash et al., 2020). Eglash et al. (2020) suggested that combining artisanal skills with technology could potentially help democratise the economy, allowing independent, small-scale businesses to thrive.

Many individuals from underserved communities have limited education or skills, and a lack of competency may hinder their entrepreneurial intentions (Tracey et al., 2014). Teaching entrepreneurial skills to individuals from underserved communities without helping them develop a product or service they can offer in the market would mean the failure of the entrepreneurial mission to solve unemployment and poverty (Eglash et al., 2020). Therefore, introducing business skills after teaching artisanal skills may assist in shifting their mindsets regarding micro-businesses as a means of supporting their livelihoods, which could potentially uplift them from poverty (Eglash et al., 2020). Creating accessible learning opportunities for all communities and increasing the potential for creating micro-businesses could lead to a significant shift in behaviour and possible eradication of many economic and social challenges communities face in areas such as Cape Flats.

According to the literature, entrepreneurship is often presented as a solution for the development of livelihoods in underserved communities or even countries facing economic crises (Si et al., 2019). Most of the literature on entrepreneurship in underserved communities focuses on individuals who already possess entrepreneurial intent and competencies or are already running a micro-business (Djemilou et al., 2019; Lahiri & Wadhwa, 2021; Si et al., 2019; Tunstall & Neergaard, 2022). There is very little research on strategies to implement or teach entrepreneurship to those from underserved communities who do not possess this entrepreneurial intent or competencies, despite South Africa being in desperate need of the development of more micro businesses (Botha et al., 2015). According to Botha et al. (2015), the lack of sufficient experience to successfully acquire the skills to operate a business is a challenge for startups and newcomers in the entrepreneurial arena.

Much research on entrepreneurship (Botha & Taljaard, 2019; 2021; Kusumawijaya & Astuti, 2021; Nungsari et al., 2023) focuses on individuals who intend to start a business, possess the necessary competencies, and have access to resources regardless of their age, race, or religion. This raises an important question: how can people from underserved communities who lack the intention to start a business employ entrepreneurship successfully?

According to McKay (2023), South Africa is a middle-income country with one foot each in the developed and the developing world. This is evident as some parts of the country are able to keep pace with the developed world, while other parts continue to struggle and face challenges similar to those in other developing countries. This phenomenon is often referred to as “poverty blindness,” where individuals or societies fail to recognise or address the pervasive and complex issues of poverty (Ventres et al., 2014). Reasons for this may be because those progressing out of poverty feel that it is no longer their problem, lack awareness, lack an understanding of the root causes of poverty and the multifaceted solutions required to address it, or experience desensitisation due to the constant exposure to poverty without effective intervention where they have become indifferent to the suffering of others. However, it is important to note that if half of the country is left behind, it affects the entire nation, as unemployment, poverty, and social challenges may result in a fast-paced ripple effect, impacting the whole country and not only underserved communities. Therefore, it is crucial to identify the root causes of the lack of successful entrepreneurship in underserved communities and develop strategies to close the gap to combat unemployment and its consequences.

Therefore, this dissertation considers the dynamics of underserved communities and examines their challenges, mindsets, and approaches to attaining livelihoods. It also examines the government’s efforts to address issues such as unemployment, poverty, and inequality. Most importantly, the present study explores various methods that would be effective in fostering an entrepreneurial mindset within communities, including entrepreneurship education in schools, entrepreneurship through generational legacies, and entrepreneurship through skills (Bekki et al., 2018). In the context of underserved communities, this study examines individuals who are based at zero (i.e., no education, no skills, and no employment) and how they can start micro-businesses (Nathan, 2022). It also investigates the entrepreneurial activities prevalent in underserved communities, ranging from the informal economy to identifying various types of entrepreneurs (Matos et al., 2019a).

Though conducting multiple case studies, a cross-investigation of individuals engaged in various entrepreneurial activities as well as those who are stuck at zero will be conducted (Yin, 2009). The aim was to understand why they are unable to move from zero and how strategies can be developed to foster entrepreneurial mindsets for livelihoods that would change and improve the conditions of people living in underserved communities. To achieve this objective, interpretive research was conducted using semi-structured questionnaires via Google Forms and subsidiary interviews, which were later analysed through thematic analysis. The context and meaning of individuals living in similar communities, going through comparable situations and environments, and their distinct approaches to life with a focus on their mindsets for livelihood, were investigated.

1.4 Research Questions

How can entrepreneurial mindsets be integrated into the underserved communities of the Cape Flats to foster micro-businesses for livelihood?

1.4.1 Sub Questions

- What are the dynamics of people living in underserved communities on the Cape Flats of Cape Town, Western Cape, and what are their levels of knowledge and skills? What does the government do regarding poverty and unemployment challenges?

To obtain an understanding of the:

- dynamics of underserved communities of the Cape Flats;
 - knowledge and skills of people in underserved communities; and
 - the government's attempt to alleviate poverty and unemployment in underserved communities.
-
- What is the perception of the people living on the Cape Flats regarding entrepreneurship and whether adopting an entrepreneurial mindset benefits the people of underserved communities?
- In respect of entrepreneurship:
- entrepreneurial intention, and entrepreneurial competencies;
 - in struggling economies
 - to combat the unemployment crisis in South Africa.

- What are the main influences that develop an entrepreneurial mindset?

To consider whether entrepreneurship:

- was introduced in schools;
- is motivated by generational legacies; and
- through artisanal skills or other opportunities.

1.5 Plan of Development

Chapter Two presents a narrative literature review that explores the experiences of individuals living in underserved communities and offers a broad understanding of entrepreneurship. Chapter Three outlines the study's methodology, while Chapter Four presents the findings from the three case studies. Following this, Chapter Five discusses the results in relation to the study's aims and objectives. Finally, Chapter Six summarises the study's main findings and offers recommendations for further research.

This study employed a qualitative, multiple-case study approach using grounded theory. Data were collected through semi-structured interviews with 30 participants across three groups: those based at zero, survivalist entrepreneurs, and growth-oriented entrepreneurs. Thematic analysis was used to interpret the data and develop a strategy for fostering entrepreneurial mindsets in underserved communities. As a nonprofit professional with over 15 years of direct experience working in underserved communities, my positionality in this research is deeply rooted in both lived observation and professional engagement. I have witnessed firsthand the systemic inequalities, persistent unemployment, and the reliance on temporary aid rather than sustainable empowerment. This proximity has shaped my understanding of the nuanced challenges these communities face and informed my commitment to exploring practical, community-driven solutions. My perspective is both empathetic and critical, aiming to amplify voices often marginalised while advocating for structural change through inclusive and tailored interventions.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This literature review seeks to offer a thorough overview of existing research regarding the residents of the Cape Flats within Cape Town. In the first section, the overarching challenges faced by the Cape Flats will be explored, focusing on the skills and knowledge of its inhabitants, their lifestyles, income levels, community dynamics, and social issues. Additionally, a succinct overview of government initiatives aimed at mitigating poverty and unemployment in these areas will be provided.

The second section delves into the multifaceted concept of entrepreneurship, offering an in-depth exploration of how it is understood and embraced within underserved communities. It highlights the transformative potential entrepreneurship holds for revitalising struggling economies, showcasing real-life examples, and the collective benefits that may arise from nurturing entrepreneurial spirit in these areas.

In the third section, the emphasis shifts to the ways in which entrepreneurship can be cultivated through various channels. It examines the powerful impact of generational legacies and cultural influences that inspire innovative thinking and risk-taking. Additionally, it discusses the crucial role that entrepreneurial education in schools plays in equipping young minds with the necessary skills and knowledge. This section also addresses the importance of skill development programmes that empower individuals to harness their creativity and turn their ideas into viable business ventures.

In the concluding section of the review, the insights and viewpoints of individuals from underserved communities regarding entrepreneurship will be presented with an aim to explore their experiences, challenges, and aspirations related to starting and managing businesses. Additionally, the various types of entrepreneurial activities that take place in these areas will be examined, shedding light on the unique dynamics and opportunities present within these communities. This focus will be central to the present study, highlighting the importance of understanding the entrepreneurial landscape in underserved regions.

2.2 Understanding the Underserved Communities of Cape Town, South Africa

Underserved communities within Cape Town are a result of apartheid, which created a population of restless, disenfranchised youngsters who lost their sense of identity and community (Chauke, 2023). The violent townships of the Cape Flats serve as a reminder of apartheid's spatial legacy of segregation and the forced mass removals that created areas notorious for gang-related crimes among a myriad of other criminal activities (Negri, 2022). Many individuals spend time in groups with little adult supervision and are subjected to the apartheid-era effects of violence, poverty, and unemployment, facing a sense of hopelessness in their knowledge that their chances of a fulfilling life are very low (Tracey et al., 2014). These communities, created in the aftermath of apartheid, are characterised by a lack of access to basic services, low levels of education, high levels of crime, and a lack of economic opportunities. Despite these challenges, people in these communities possess valuable skills and knowledge that can be leveraged to create economic opportunities and improve their quality of life (Heitmeyer et al., 2019b). Howell et al. (2019b) described the volatile aftermath of forced removals within South Africa, which led to the emergence of gangs and their ascent to power and allegiance.

The lack of economic opportunities and poor living conditions in these communities have resulted in widespread drug use, further exacerbating the situation. Turf wars have become a significant issue in marking the economic importance of territory, leading to the escalation of violence in these communities (Jensen, 2004). Many students in underserved communities within Cape Town struggle with underachievement in education, a problem often attributed to a poorly resourced education system (Sugiharti et al., 2023). Schools within these communities lack the necessary facilities and resources, hindering students from achieving their full potential. Students within these communities often encounter significant challenges outside school, such as poverty, violence, and limited access to basic services. These issues can negatively affect their academic performance, which in turn influences their employability and opportunities for further education. Typically, opportunities for employment or offers of admission to educational institutions are reserved for students with high academic achievement (Chauke, 2023).

Multidimensional poverty in underserved communities makes it difficult to determine which dimensions best represent the extent of poverty (Ntsalaze & Ikhida, 2018). Many developing countries, including Nigeria, face similar challenges, resulting in high rates of unemployment.

This widespread unemployment can lead to a rise in preventable social vices, such as violence and crime, particularly among the unemployed youth (Salami, 2019).

A study conducted by Sugiharti et al. (2023) in Indonesia emphasised that poverty and inequality are closely connected. The results demonstrated that higher income levels and greater economic disparities had been linked to higher crime rates. The wider and more severe the poverty gap, the higher the level of deprivation among the poor, leading to an increase in crime (Sugiharti et al., 2023). This study indicates that these challenges are experienced worldwide, as well as particularly within South Africa.

According to McKay (2023), South Africa continues to struggle with extreme poverty rates despite its advanced commercial and manufacturing infrastructure, high gross domestic product, and high gross national product. Almost half (49.2%) of South Africans live below the poverty line, with the Gauteng and Western Cape provinces having the lowest levels of poverty at 29.3% and 33.2%, respectively (Statistics South Africa, 2022). Despite South Africa's economic advancements, a significant portion of its population continues to live in poverty. These statistics highlight a stark contrast between the country's economic potential and the reality faced by many citizens who struggle to break the poverty cycle. Contributing factors include inequality, unemployment, the education and skills gap, and the socioeconomic divide left by apartheid, which continues to impact wealth and opportunity distribution.

2.3 Knowledge and Skills in Underserved Communities

South Africa's apartheid education system solidified white supremacist racialised European ideals, leaving a legacy of social, economic, and educational inequality. Although attempts to equalise education have been detailed, inequalities still exist within the educational system (Christian & Stambach, 2024). Christian and Stambach (2024) reported that neighbourhood violence and highly unequal funding for schools in different neighbourhoods adversely affected primary school children's education as well as their principals' abilities to lead because of context, overcrowding, and inequality. In addition to the repercussions of inequality - hunger, a lack of parental support, alcohol and drug misuse, and gang activity - teachers in underprivileged and underfunded schools must cope with the social-structural and apartheid legacies of racism left by white colonists (Christian & Sayed, 2023). According to Christian and Sayed (2023), these issues influence both teaching and learning; however, motivated teachers offer their students hope for a better future.

Schooling within South Africa is considered a poverty trap (Tracey et al., 2014). Spaul (2014) suggested that youth in underserved communities in South Africa will continue to be trapped in a cycle of low education, resulting in poverty mindsets, as they are unable to obtain university entrance or break into the labour market due to poor pass rates. Furthermore, these youth are not able to access resources or opportunities because they are either located outside their communities or it has been deemed too risky for learning centres to operate in these areas (Matos et al., 2019a). Therefore, most people in underserved communities have little or no skills and knowledge to help them become empowered and escape the poverty trap.

As seen in developing countries such as Nigeria, a significant number of graduates from tertiary institutions are unable to secure jobs (Salami, 2019). South Africans are starting to experience this as well, as more people from underserved communities are investing in excellent-quality education, only for their youth to end up unemployed. Youth are becoming increasingly educated but remain unemployable across low-income nations (Lakshmi, 2009). Unemployment can have a significant impact on youth, leading to feelings of depression and frustration. In some cases, this may lead to young people feeling despondent and turning to unfavourable activities such as drugs, crimes, or other social ills that are not necessarily in their best interest (Chauke, 2023). To address these issues, many countries are focusing on encouraging entrepreneurship among young people (Djemilou et al., 2019). In doing so, developing nations hope to provide young people with a viable alternative to traditional employment, which may help alleviate some of the pressures associated with unemployment (Bakator et al., 2018a).

Entrepreneurship has been increasingly viewed as a potential solution to unemployment issues in low-income nations. Many countries are developing policies and programmes to support entrepreneurship and small businesses to create new job opportunities and stimulate economic growth (Adeola, 2021). According to Adeola (2021), the African youth population is projected to increase to over 830 million by 2050, and it is estimated that approximately 263 million young people will not be gainfully employed by 2025. This increase in unemployment may result in increased social problems such as inadequate living conditions, high crime rates, social instability and unrest, mental health issues including depression and anxiety, as well as physical health problems due to a lack of access to healthcare.

2.4 The Governments Attempts to Alleviate Poverty and Unemployment in Underserved Communities

Welfare in South Africa existed before 1994; however, its distribution was fragmented and highly inequitable. One of the most noteworthy outcomes of a greater shift in welfare protection is the extension of social assistance (Blake, 2018). According to Blake (2018), the global movement towards social protection to prevent and reduce poverty, while addressing inequalities and promoting inclusion, led to more than 120 cash transfer programmes in at least 40 different countries on the African continent. This was so effective that the programme was included in the 2009 United Nations Sustainable Development Goals (SDGs).

Previous studies on the South African government's efforts to decrease the poverty gap through social assistance have reported that South Africa's social welfare system affords a form of assistance to over one-quarter of its 50 million citizens (Potts, 2012). According to Potts (2012), there is widespread concern that social assistance has reached an unsustainable level even though the government of South Africa has a constitutional obligation to guarantee the income security of its citizens. With an increase in inflation and unemployment, citizens must find sources of income other than social welfare (Naidu, 2022). The increase in inequality and unemployment, particularly among the youth, signifies that the need for social support will increase, raising the question of what will be done to alleviate these pressures of unemployment (Sugiharti et al., 2023).

Research has indicated that South Africa holds the distinction of being the most unequal country globally. This finding was highlighted in a comprehensive report released by the World Bank in March 2022 (Naidu, 2022). The report assessed inequality across 164 nations and ranked South Africa at the top of its global poverty database, underscoring the significant disparities in wealth and opportunity that have persisted within the country (Naidu, 2022). Naidu (2022) highlighted that, despite the implementation of progressive labour policies, insufficient progress had been made in addressing the high unemployment and poverty rates. As of 2021, the unemployment rate stood at 35.5%, with youth unemployment significantly higher at 65.5%. Furthermore, 25.2% of South Africans live below the extreme poverty line, while 55.5% fall below the upper boundary of the poverty line (Naidu, 2022).

In 2015, world leaders collectively set global milestones in the United Nations SDGs, aiming to lay a solid foundation for achieving long-term sustainable development by 2030 (Tulchinsky et al., 2023). Tulchinsky et al. (2023) reviewed SDG progress in Asia and indicated that many countries would not achieve the 2030 targets, and that the implementation and achievement of the SDGs had been interrupted by the COVID-19 pandemic, widening the existing gaps in achieving the 2030 targets. Underserved communities are typically characterised by a lack of access to essential resources, including financial services, educational opportunities, and economic infrastructure. These communities often face systemic barriers that limit their economic potential, such as inadequate access to capital, limited business networks, and insufficient mentorship opportunities.

Tackling these challenges necessitates a comprehensive strategy that considers the distinct needs and strengths of each community. This discussion delves into the critical obstacles encountered by underserved populations as they strive to create more inclusive, effective, and sustainable methods for addressing poverty and unemployment. By recognising the unique circumstances of various communities, tailored approaches that leverage local resources, foster collaboration among stakeholders, and empower residents can be better identified. This multifaceted approach is essential for developing long-term solutions that not only alleviate immediate hardships but also promote economic resilience and social equity in the future.

2.5 Entrepreneurship

2.5.1 Understanding Entrepreneurial Intent – Attitude, Ability, and Action of An Entrepreneur

Entrepreneurship is defined as “the activity of setting up a business or businesses, taking on financial risks in the hope of profit” according to the Oxford Dictionary (2024). Entrepreneurship has always been viewed as a career choice for starting a business (Liguori et al., 2019). According to Liguori et al. (2019), in contrast to the majority of traditional employment careers, starting a business is intentional and requires different levels of motivation, distinctive objectives, resource commitment, mindset, and support. To better understand the intention, one must consider the theory of planned behaviour (Ajzen, 1991). According to Ajzen’s (1991) theory of planned behaviour, behaviours are influenced by intentions, which are determined by three factors: attitudes, subjective norms, and perceived behavioural control.

According to contemporary, intention-based entrepreneurship models, the higher the entrepreneurial intention, the greater the possibility of action (Botha, 2020). According to Botha (2020), entrepreneurial framework competencies are categorised as entrepreneurial attitudes and personal characteristics as well as entrepreneurial motives. Entrepreneurship has been described as a subset of leadership that needs to convey a new vision for a new venture (Botha, 2020); this type of entrepreneur practices lifelong learning, self-direction, and builds nurturing relationships with others to achieve a common goal. Entrepreneurship has also been described as opportunity recognition and assessment, risk management, conveying a compelling vision, perseverance, creative problem-solving, leveraging resources, guerrilla skills, creating value through innovation, maintaining focus yet adapting, resilience, self-efficacy, and developing networks (Morris et al., 2013).

During the COVID-19 pandemic, many organisational closures resulted in job losses; however, this also led to the development of new businesses, either by companies pivoting their operations or through the emergence of completely new ventures. This is called creative entrepreneurship (Turoń & Kubik, 2021a). According to Turoń and Kubic (2021a), businesses were forced to implement new activities and practices to survive the COVID-19 pandemic. Entrepreneurs with diverse coping strategies are more resilient to challenges, as they can easily and swiftly pivot their current business or have a system in place in the event of a crisis (Segares, 2022). Segares (2022) claimed that the COVID-19 pandemic assisted in the growth of micro-businesses in the United States of America, with digital fluency or readiness to adopt modern technologies by accelerating consumer adoption of digital technology and the entrepreneurial shifts that were observed globally during the pandemic.

Encouraging entrepreneurship and promoting the rapid growth of creative small- and medium-sized enterprises (SMEs) are efficient ways to create employment, increase productivity, and alleviate poverty (Carruthers et al., 2019). Ajzen's (1991) theory of planned behaviour shows that entrepreneurs with intent (attitude), specific competencies (ability), and strong drive (action) are more likely to achieve their goals. The literature indicates that entrepreneurship is fundamentally rooted in the mindset required to start a business.

2.5.2 Entrepreneurship for Struggling Economies

When an economy is thriving, entrepreneurship is less encouraged under the notion of why risks are taken on something new and untested, and that entrepreneurship is important only when an economy is performing poorly (Kritikos, 2014). During periods of high unemployment and economic instability, there is a growing belief that fostering entrepreneurship may serve as a potential remedy for revitalising the economy. Entrepreneurs are often seen as agents of change who create value and provide innovative solutions to pressing problems. As such, there have been concerted efforts to integrate entrepreneurial initiatives within disadvantaged or underserved communities. By empowering individuals in these areas to start their own businesses, it is not only hoped that economic resilience will be built, but also that job creation and community development will follow. This approach acknowledges the significant role that entrepreneurship can play in addressing systemic issues and enables these communities to thrive despite economic challenges (Botha & Taljaard, 2021). More efforts are being made to grow entrepreneurship in countries battling economic crises due to the rise in unemployment, job scarcity, and the closures of big businesses, particularly in the wake of the COVID-19 pandemic (Adeola, 2021).

Based on the current unemployment crisis in South Africa, entrepreneurship is widely encouraged – it is taught in schools, and entrepreneurial courses and workshops are offered to school leavers and adults alike, including people from underserved communities, in the hope of economic upliftment (Frese et al., 2016). It is not only seen as an alleviator of financial constraints and an unemployment combatant but may also relieve various social ills (Sutter et al., 2019). The South African National Development Plan (NDP) Vision 2030 highlights the importance of ensuring that those from disadvantaged backgrounds are included in the country's economic growth (Planning Commission - The Presidency, 2011). Although South Africa acknowledges the benefits of entrepreneurship, it has been recognised as one of the least supportive countries for entrepreneurs. This situation may be attributed to factors such as inadequate education, corruption, and a restrictive regulatory environment (Botha & Taljaard, 2021). There is a pressing need for more comprehensive studies aimed at understanding the complex issues at play in fostering this mindset. It is essential to explore how these challenges affect not only underserved communities but also the perspectives of individuals in positions of power. By engaging both groups, effective strategies and solutions that encourage a greater prioritisation of these important issues may be uncovered.

This dual focus will help ensure that initiatives are inclusive and impactful, ultimately leading to meaningful change in society. The NDP proposes increasing employment and economic growth as follows:

Box 1: Excerpt of the National Development Plan Vision 2030

- Raise exports, focusing on those areas where South Africa already has the endowments and comparative advantage, such as mining, construction, mid-skill manufacturing, agriculture and agro-processing, tourism and business services.
- Increase the size and effectiveness of the innovation system and ensure closer alignment with companies that operate in sectors consistent with the growth strategy.
- Improve the functioning of the labour market to help the economy absorb more labour, through reforms and specific proposals concerning dispute resolution and discipline.
- Support small businesses through better coordination of activities in small business agencies, development finance institutions, and public private incubators.
- Improve the skills base through better education and vocational training.
- Increase investment in social and economic infrastructure to lower costs, raise productivity, and bring more people into the mainstream of the economy.
- Reduce the regulatory burden in sectors where the private sector is the main investor, such as broadband internet connectivity, to achieve greater capacity and lower prices.
- Improve the capacity of the state to effectively implement economic policy.

In considering the above, other possible reasons for this issue may include that the problem has not been prioritised by stakeholders in positions of power. Therefore, the present study may have an additional impact - that those in positions of power may recognise the cultural dissonance associated with entrepreneurship when attempting to incorporate or implement entrepreneurial initiatives in underserved communities. This impact may change the perceptions of entrepreneurship, creating a version that is tailored to our South African context. This would differ from the Western model, allowing for the development of our own unique approach.

2.6 Entrepreneurial Influences

2.6.1 Entrepreneurship in Schools

As noted previously, the African youth population is expected to rise significantly, potentially surpassing 830 million individuals by 2050. This alarming trend indicates that by 2025, approximately 263 million youths will be unemployed (Adeola, 2021).

This situation underscores the significant challenges for the continent as it seeks to harness the potential of its burgeoning youthful demographic (Adeola, 2021). In light of the rising unemployment rates, particularly among young people, there is an urgent need for effective interventions to address the issue of youth unemployment (Adeola, 2021). In response to this challenge, many educational institutions have introduced entrepreneurship as a key component of their curricula. This initiative aims to cultivate and nurture an entrepreneurial mindset among students from an early age. By integrating entrepreneurship into their education, schools hope to empower young individuals to embark on their journey towards self-reliance and economic independence. The underlying belief is that equipping the youth with entrepreneurial skills and fostering an innovative spirit, combined with their inherent technological talents, will significantly enhance their prospects of becoming successful entrepreneurs in the future. Through this proactive approach, educators aim to inspire the next generation to envision and pursue their entrepreneurial aspirations (Bakator et al., 2018b).

According to Adeola (2021), it is impractical to expect the government to generate employment for the millions of new job seekers entering the market each year. With thousands of young individuals either graduating from school or leaving education altogether on an annual basis, the sheer volume of individuals seeking employment makes it challenging for the government to offer job opportunities for everyone. This situation highlights the unsustainability of solely relying on government initiatives to meet the demands of the ever-growing workforce. Equipping youth with entrepreneurial skills promotes sustainability by transforming them into job creators instead of mere job seekers. Integrating advanced technology through training and appropriate tools can enable today's youth to become innovative entrepreneurs. With enough opportunities to shift their mindsets, they can easily launch and promote their businesses worldwide using resources such as online learning platforms, social media, and digital marketing tools (Adeola, 2021).

Adeola (2021) urged that African youth should cultivate a more creative mindset and reduce their consumer mindset, to beat the scourge of unemployment by being innovative and willing to start small. Additionally, adopting a more entrepreneurial mindset is essential to uplift low-income nations. Today's young entrepreneurs are more inclined to embrace risk, think creatively, and utilise technology to find unique solutions to problems. This approach can result in business models that are more agile and adaptable than traditional methods.

Nungsari (2023) reported that youth entrepreneurship had become the key driver for overcoming economic crises; however, he claimed that the understanding of youth entrepreneurship had been largely based on the experiences of high-income countries.

Governments and policymakers worldwide believe that increased youth entrepreneurship can be achieved through entrepreneurship education and training (Mejia et al., 2015). Entrepreneurship education and training is based on nurturing entrepreneurial mindsets, attitudes, and skills to assist individuals in taking responsibility for their economic situations by identifying opportunities and promoting an entrepreneurial culture.

In recent research, the youth in South Africa appear to be optimistic regarding entrepreneurship and the existence of new venture-creation opportunities; however, they also, and more so, appear to have high expectations for their future academic qualifications and therefore show less interest than would be expected in starting their businesses (Bakator et al., 2018a). Steenkamp et al. (2018a) further explained that a Grade 12 (matric) certificate did not guarantee employment for those seeking post-matric employment. Horn (2006) attributed the lack of preparedness among today's youth to several factors: an inadequate educational system, teachers who lack knowledge and motivation to impart essential workplace skills, a challenging economy that hampers job creation, and an overall negative attitude. According to Horn (2006), educational reform is needed to "bring school and work closer together" (p. 112) as only between 5% and 7% of successful Grade 12 candidates in South Africa find employment in the formal sector.

Steenkamp et al.'s (2018a) research also revealed that entrepreneurship education in the sampled schools was largely infrequent and without depth or focus. They further stressed that young students were expected to meaningfully take part in economic life after high school and that the goals of basic education should include the transfer of entrepreneurial knowledge and skills. This is a big concern as, while entrepreneurship is seen as a solution for youth unemployment, it appears that facilitators tasked with teaching entrepreneurship are not experienced in implementing or accelerating this intervention (Bakator et al., 2018a; Marumo & Sebolaneng, 2019).

Entrepreneurial education should include theory, practice, and technology to succeed in school youth programmes (Jokia et al., 2021). Jokia et al. (2021) explained that these curricula generally include a theory of how to become an entrepreneur but often exclude the practical application of entrepreneurship skills. The youth today are innovative, and with a combination of artisanal skills, entrepreneurial teachings, and the use of technology, they require a stronger foundation to build a start-up (Bakator et al., 2018a). Today's youth have a need-based attitude, and due to the lack of exposure to the practical application of skills in schools, it has been found that educated but unemployed youth post-high school are unable to be innovative (Bhandari et al., 2020a). The gap between theoretical education and practical application may hinder youth in their ability to innovate, become entrepreneurs, or secure employment. By addressing this gap, the youth may be better prepared for the workforce or develop entrepreneurial mindsets and enhance their capacity for innovation. Bridging this gap requires not only curriculum reform but also community-based learning models that reflect the lived realities of underserved populations.

2.6.2 Entrepreneurship Motivated by Generational Legacies

Entrepreneurial legacy is an important motivator that encourages current and future business owners to participate in strategic activities that encourage transgenerational entrepreneurship (Barbera et al., 2018). According to Nordqvist and Zellweger (2010), entrepreneurship is important not only for new business creation but also for the ability to sustain a firm's internal generational capabilities.

Children of self-employed parents often gain early exposure to business operations, which fosters relevant experience and cultivates an entrepreneurial mindset (Hoffmann et al., 2015). These children grow up with entrepreneurial mindsets and find the entrepreneurial journey easy to navigate (Barbera et al., 2018). According to Barbera et al. (2018), the connections and affiliations built allow these businesses to thrive and succeed.

Every generation is innovative and requires creativity to shift a business to suit current market demands (Samiyeva, 2021). According to Zapata-Cantu et al. (2023), the pandemic has shown that family businesses solve complex problems faster than non-family businesses because of their flexibility to transform and adapt due to their closeness to the firm. Zapata-Cantu et al. (2023) highlighted that family businesses prove personal values can influence professionalisation, succession, and innovation.

These values—rooted in emotional bonds and shared history, play a critical role in succession, innovation, and long-term sustainability (Aronoff & Ward, 2016). According to Aronoff and Ward (2016), business leaders understand that the financial success of any organisation rests on the culture and underlying values of the business's employees, much like how the values of families are deeply embedded in family members' emotional bonds, shared history, and blood links. Establishing strategies to develop entrepreneurial mindsets in underserved communities may lead to future generational legacies that will greatly help future generations. Establishing strategies to nurture entrepreneurial mindsets in underserved communities may lay the foundation for future generational legacies and inclusive economic growth.

2.6.3 Entrepreneurship Inspired by Artisanal Skills and Other Opportunities

Entrepreneurship is the backbone of a low-income nation's economic growth and development (Balarabe et al., 2023; Nzekwe, 2012). As a result, many families can uphold themselves and the livelihoods of their children through micro-enterprises. Basic artisanal skills that can be taught formally and/or informally include, among others, shoe making, cloth sewing, soap making, juice making, freelance writing, blogging, virtual assisting, home cleaning services, courier/errand services, social media influencing, hair styling, e-commerce retailing, web designing, baking, makeup artistry, event planning, car washing, personal training, yoga teaching, tutoring, graphic designing, housekeeping, proofreading, and language translation. According to Adeola (2021), the list is endless for young people to become involved in creating their SMEs that do not require much money to start.

Figure 1 below describes Adeola's (2021) concept of building entrepreneurial intention in low-income nations. When individuals acquire a new skill or enjoy a product or service, they frequently feel inspired to turn that unique expertise into a business opportunity. This pursuit not only enhances their personal growth but also cultivates a strong entrepreneurial mindset - a vital catalyst that can transform aspirations into tangible ventures. Entrepreneurs are often regarded as innovators and visionaries who generate fresh ideas and develop original solutions, while also providing valuable goods and services to the marketplace.

Young entrepreneurs have the potential to invigorate the economy, bringing energy, creativity, and novel perspectives that can lead to future growth and development. Their contributions may be essential in navigating economic challenges and fostering a vibrant business environment.

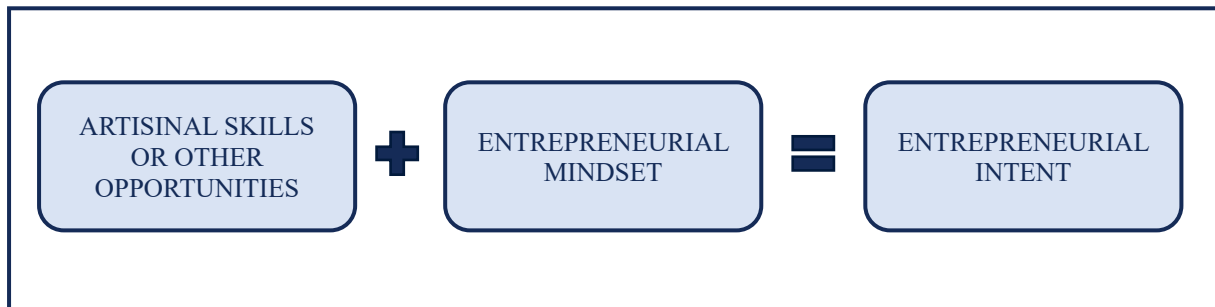


Figure 1. Entrepreneurial Intent.

Youth have been found to love the flexibility of time and resources and often turn simple businesses into niche artisanal enterprises (Eglash et al., 2020). Eglash et al. (2020) explained that artisanal products, such as handmade textiles, are valued because of human involvement (touch), which provides some natural “immunity” from job loss due to AI. They further explained that combining artisanal skills with technology could potentially help democratise the economy, allowing independent, small-scale businesses to thrive. It is known that if you can do something with your hands it could lead to empowerment, dignity, self-reliance, and overall economic strengthening and prosperity (Jokia et al., 2021).

However, to assist African youth in gaining artisanal skills to produce marketable products and develop entrepreneurial mindsets, they need to acquire certain qualities and business skills, which should be taught in formal educational settings in Africa (Nungsari et al., 2023). These skills should include financial and project management, marketing, effective communication, leadership, time management, networking, and an array of other business skills (Adeola, 2021). The COVID-19 pandemic accelerated this shift, increasing demand for personalised goods and sparking new business models (Dreger & Gros, 2021; Lin, 2023; Turoń & Kubik, 2021b). Handcrafted goods, such as artisanal textiles, derive their value specifically from their human-made nature; therefore, the combination of artisanal work and technological advancements could potentially lead to a more equitable economy, fostering the growth of small, independent businesses (Eglash et al., 2020).

Research has highlighted that the COVID-19 crisis illuminated the resilience of consumers, who continued to engage actively in the marketplace despite the challenges posed by the pandemic. During this unprecedented time, the intersection of artisanal craftsmanship and cutting-edge AI sparked the birth of numerous innovative businesses, as online shopping became the primary means of connection for people around the globe. This shift not only transformed how we purchase goods but also opened the door for creativity and entrepreneurship to flourish. In a similar vein, low-income nations have the potential to experience a surge of micro-businesses. By focusing on skill development and creating new opportunities for individuals, these regions can stimulate local economies and foster meaningful economic growth. Empowering communities with the tools and training necessary to develop their skills may lead to a vibrant landscape of small enterprises, enhancing livelihoods, and promoting sustainability. By equipping youth with these tools, communities can foster a vibrant ecosystem of micro-businesses that contribute to sustainable development and inclusive prosperity.

While this study focuses on the South African context, international literature also highlights the role of entrepreneurial mindsets in underserved communities. For example, in Brazil, Matos and Hall (2019b) reported that informal entrepreneurs often operate without recognising their own entrepreneurial identity, mirroring findings in the Cape Flats. Similarly in India, Bhandari et al. (2020b) explored how educated but unemployed youth turn to entrepreneurship out of necessity. These global parallels reinforce the need for context-sensitive strategies that support informal entrepreneurship in low-income settings.

2.7 Perception of People Living on the Cape Flats Regarding Entrepreneurship

It is widely recognised that entrepreneurship can serve as a powerful means for individuals living in poverty to break free from their circumstances. In many disadvantaged communities, numerous individuals are actively involved in entrepreneurial activities, often out of necessity. However, a significant number of these aspiring entrepreneurs remain unaware that they are engaging in entrepreneurship in its various forms. Unfortunately, despite their efforts, many struggle to create viable and sustainable businesses, leading to high rates of failure and ongoing economic hardship (Matos et al., 2019a). Research has revealed that despite various initiatives aimed at fostering entrepreneurship in underprivileged regions, individuals residing in these communities continue to face significant challenges in understanding and fully embracing the concept of entrepreneurship.

This lack of comprehension hampers their ability to effectively engage in entrepreneurial activities and impedes potential economic growth within their neighbourhoods (Jokia et al., 2021). The following table summarises key international case studies referenced in the dissertation. It highlights how entrepreneurial mindsets have been explored in underserved communities across different countries and draws relevance to the South African context.

Table 1. International Case Studies on Entrepreneurship in Underserved Communities.

COUNTRY AND AUTHOR	KEY FINDINGS	RELEVANCE TO SOUTH AFRICAN CONTEXT
Brazil Matos & Hall (2019)	Informal entrepreneurs often operate without recognising their entrepreneurial identity.	Similar to Cape Flats residents who engage in entrepreneurship out of necessity without self-identifying as entrepreneurs.
India Bhandari et al. (2020)	Educated but unemployed youth turn to entrepreneurship out of necessity.	Reflects South African youth who face unemployment despite educational attainment.
Nigeria Adeola (2021)	Entrepreneurship is promoted to address youth unemployment, but ventures often remain survivalist.	Highlights the need for support structures to move South African entrepreneurs beyond survivalist models.
Indonesia Sugiharti et al. (2023)	Poverty and inequality are linked to increased crime rates.	Supports the argument that entrepreneurship can be a tool to reduce social ills in South African underserved communities.
Global Segares (2022); Turoń & Kubik (2021)	COVID-19 led to new entrepreneurial models and increased micro-business activity.	Demonstrates resilience and adaptability of entrepreneurs in crisis, relevant to post-pandemic South Africa.
Global ILO (2018)	Informal sector employs over 2 billion people globally, accounting for more than 60% of the workforce.	Validates the importance of informal entrepreneurship in South Africa's economic landscape.

Individuals from underserved communities often face a myriad of challenges that hinder their ability to thrive in the fast-paced world of entrepreneurship. A significant factor contributing to this is the low rate of education prevalent in these areas, which results in a limited understanding of essential business concepts, financial literacy, and strategic planning. Additionally, the scarcity of opportunities further exacerbates this problem, as these communities may lack access to resources such as mentorship programmes, funding, and networks that are crucial for entrepreneurial success. Without the necessary skills, knowledge, and support systems, individuals from these backgrounds find it increasingly difficult to navigate the pressures and demands of launching and sustaining a successful business (Bekki et al., 2018).

For individuals from underserved communities, the entrepreneurs showcased on television or social media - figures such as Elon Musk or Mark Zuckerberg - often serve as symbols of success and inspiration. This phenomenon exists largely because the achievements of local small business owners frequently go unrecognised, despite their critical role in supporting their families and communities. In these environments, the collective struggle for economic stability and sustainability becomes a shared experience, diminishing the significance of personal triumph. As a result, the victories of those working tirelessly to build a better life for themselves often remain uncelebrated and overshadowed by the glamour associated with larger-than-life entrepreneurs. Individuals engaged in various forms of entrepreneurship often do so out of necessity or a basic need for survival. Many of them do not realise that their activities align with a specific level of entrepreneurship. This group, commonly referred to as informal traders, operates outside of the formal economy, frequently engaging in small-scale businesses that help support themselves and their families. Their work, driven by urgent financial requirements, highlights a resilient spirit and adaptability, even if they lack formal recognition or support (Ranyane, 2015).

Due to weak economic growth and ongoing urbanisation, an increasing number of migrant day labourers and desperate job seekers have become part of urban landscapes, contributing to the rise of the informal economy (Magidi, 2022). According to Magidi (2022), the informal economy often emerges as a crucial strategy for alleviating poverty, particularly in areas grappling with stagnant economic growth, soaring unemployment rates, and rapid urbanisation. Within this context, entrepreneurship holds immense potential as a powerful tool to combat poverty and foster economic resilience.

However, individuals living in disadvantaged neighbourhoods frequently encounter formidable challenges when attempting to launch and sustain profitable enterprises. These challenges are largely rooted in a survival mindset, shaped by their socio-economic circumstances, which can significantly limit their aspirations and willingness to develop thriving businesses. This mindset may lead to a primary focus on their immediate needs and the struggle for day-to-day survival, rather than allowing them to envision and pursue long-term success in their entrepreneurial endeavours. A lack of education and exposure to entrepreneurial culture significantly limits opportunities for individuals in these areas. Access to essential resources such as capital, training, and mentorship is often restricted. Consequently, recipients must step outside their comfort zones to seek out opportunities. When resources are available, the process of applying for necessary support - whether from the government or businesses - can be daunting. This intimidation may arise from language barriers or a limited understanding of the application process. Without adequate resources, it becomes difficult to scale and sustain a business (Adeola, 2021; Djemilou et al., 2019).

Educational barriers pose significant challenges for individuals and organisations attempting to develop robust business strategies and implement efficient management practices. A lack of formal education often means that entrepreneurs may not have access to essential knowledge in areas such as finance, marketing, and operations, which are critical for the formation and growth of successful businesses. Furthermore, without adequate business training, these individuals may struggle to understand key concepts such as market analysis, strategic planning, and performance evaluation, leading to misinformed decision-making.

The difficulty of expanding into broader markets is exacerbated by insufficient infrastructure, which includes limited access to transportation, communication technology, and logistics systems. These shortcomings may hinder the efficient distribution of products and services, making it challenging for businesses to effectively reach potential customers. Additionally, the absence of robust networks - both within specific industries and across broader business ecosystems - can restrict opportunities for collaboration, mentorship, and resource-sharing, which are often vital for growth and innovation.

Navigating complex legal and regulatory landscapes presents another formidable obstacle, particularly for entrepreneurs without formal training or a reliable support system. The intricacies of compliance, licensing, and taxation can be particularly daunting, leading to potential legal pitfalls that may threaten the viability of a business. Those lacking a solid foundation in business principles may find themselves overwhelmed by the requirements and nuances of legal obligations, ultimately stifling their ability to successfully operate and expand their ventures.

2.8 Sustainability within Underserved Communities

2.8.1 Concept of Zero to One in Underserved Communities

Figure 2 below explores possible entrepreneurial activities in underserved communities by examining the concept of “zero to one” (Theil & Masters, 2014). Theil and Masters (2014) referred to nascent entrepreneurs and stated that whenever something new is created, we begin from zero and progress towards one. This highlights that even a nascent entrepreneur starts with a clear entrepreneurial intent and moves from the ideation phase to realisation, which may often be a new and unfamiliar journey (Theil & Masters, 2014).

Using this statement in the context of underserved communities, where most people are situated at zero, facing daily social ills, unemployment, poverty, and no access to opportunities, begs the question of how would it be possible to introduce entrepreneurship to communities that have no intention to start a business and then move them to one? Entrepreneurship is seen as a value-creating and problem-solving solution for people from low-income nations; however, individuals from underserved nations are oblivious to this possible solution or do not understand how to integrate it into their communities and circumstances (Sutter et al., 2019).

Theil and Masters (2014) books, titled *Zero to One* and *How to Build the Future*, captured the essence of the state in which underserved communities find themselves. We, therefore, ask the question of how do you build a future for people who are based at zero and have no entrepreneurial intent, but the research claims (Billingsley et al., 2021; Matos et al., 2019a; Nzekwe, 2012; Radebe, 2019) that entrepreneurship would possibly move them out of economic crisis or provide solutions for low-income nations?

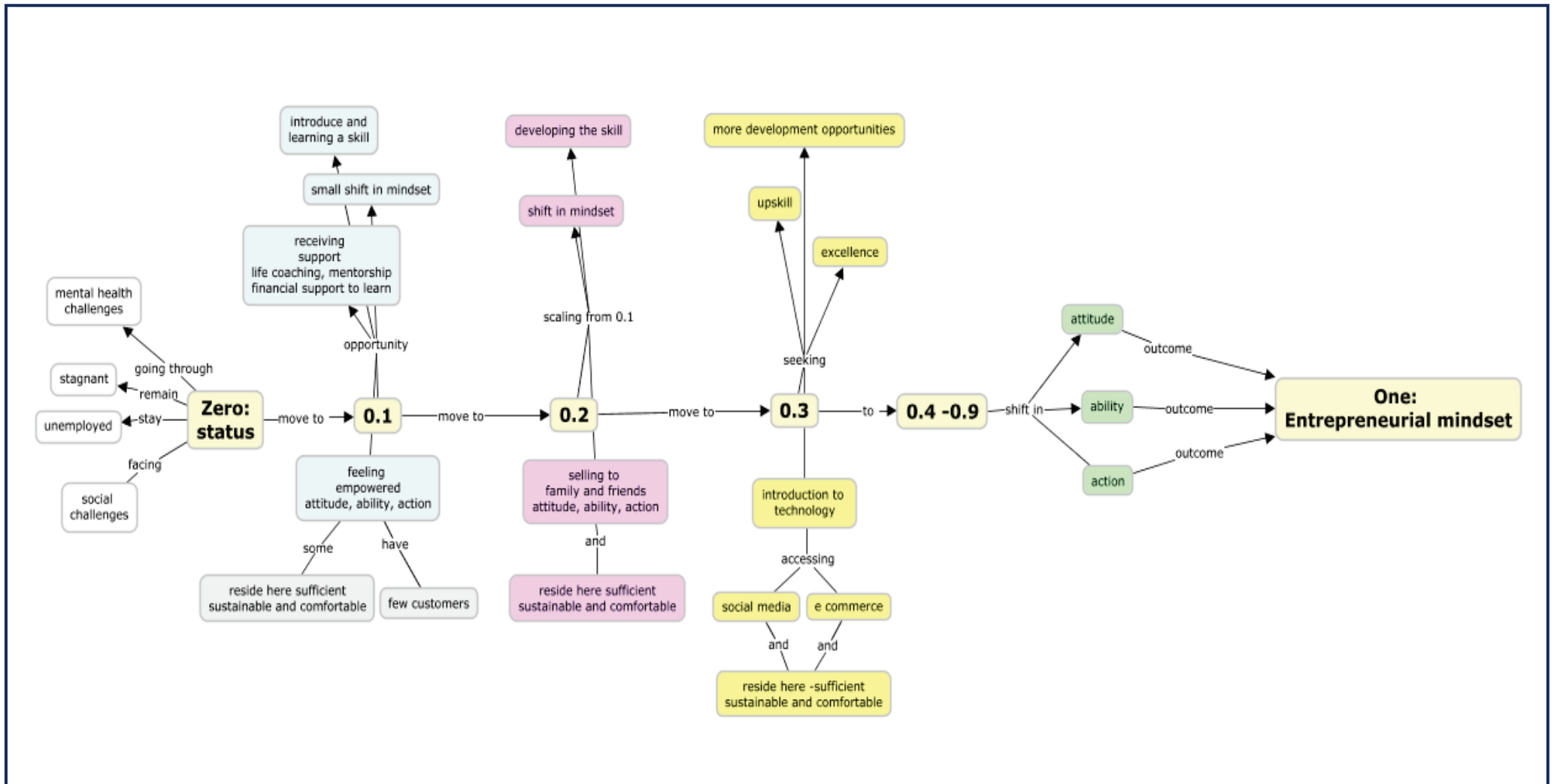


Figure 2. Zero to One.

Based on the research presented above, Figure 2 illustrates the possible journey of moving someone from a stagnant state (zero) to gaining skills, opportunities, and exposure, and possibly developing a growth mindset that moves the individual to one. This would require the same behavioural traits and processes required for entrepreneurship, which are determined by attitude (intent), abilities (competencies), and action (process); however, the process would need to be innovated to suit the context of underserved communities. This innovation would require a strategy to foster entrepreneurial mindsets in people living in underserved communities to develop micro-businesses that would support their livelihoods.

2.8.2 Based on Zero (Unemployed and Uneducated)

The historical and social significance of poverty has been noticed, and its most striking aspect is its invisibility; poverty is not removed from observation but rather from consciousness (Ventres et al., 2014). According to Ventres et al. (2014), poverty is not out of sight, but out of mind (consciousness), and this is due to subjective “poverty blindness” on the part of those who do not consider the poor, a phenomenon seen all over the world.

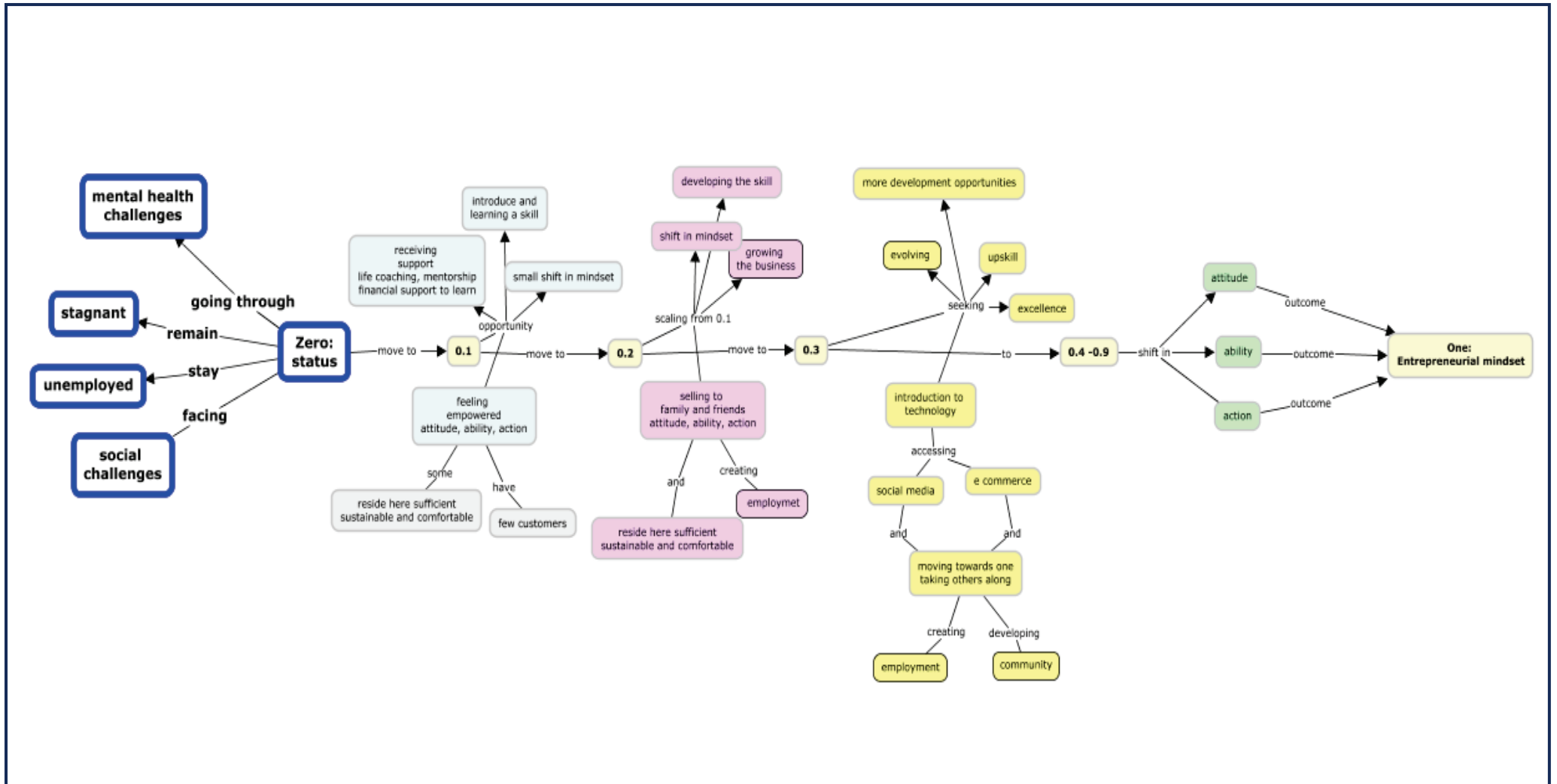


Figure 3. Based at Zero.

Figure 3 above illustrates the dire circumstances faced by underserved communities, particularly on the Cape Flats. Residents experience a sense of hopelessness and helplessness due to rising unemployment, increasing crime rates, persistent social issues, and a lack of opportunities. These communities are burdened by gangsterism and drug-related problems, and there is a noticeable absence of positive role models to help shape the mindsets of those living in these areas (Heitmeyer et al., 2019b).

Extortion by gangsters on the Cape Flats has prevented young people from gaining access to empowerment opportunities or starting their businesses and, as a result, from participating in the mainstream economy (Chauke, 2023). Chauke (2023) also described the fear that young people experience being attacked by gangs while walking to school. Most Cape Flats residents are neither criminals nor gangsters; however, most research uses a deficit paradigm, focusing only on the negative situations in these poor neighbourhoods (Stoffberg, 2023). Residents often feel trapped in their neighbourhoods, living in fear of exposure to criminals or gangsters. In some instances, these residents protect the criminals because they cater to the needs of the community. Aware of the residents' poverty, the criminals may buy groceries for them, but this is usually motivated by their agendas to mask their criminal activities (Heitmeyer et al., 2019b). Howell et al. (2019b) explained that the community tends to protect its own because many gang members grew up in the area and are acquainted with each other's families. This familiarity fosters a sense of loyalty and obligation to look out for one another, grounded in their familial ties and shared upbringing.

According to Spaul (2014), schooling in South Africa is a poverty trap, which means that the youth in South Africa's underserved communities will remain in the cycle of low education, which delivers low pass rates and creates a poverty mindset, disabling them from entering the labour market or gaining entry to tertiary educational institutions such as universities and colleges. The literature indicates that only between 5% and 7% of successful Grade 12 candidates in the country find employment in the formal sector (Horn, 2006). High school dropout rates are high, teenage pregnancies are common, and the population growth in underserved communities is ballooning due to social grants offering a source of income and relief (Potts, 2012). Potts (2012) described social grants as a curse rather than a solution, arguing that they incentivise individuals to have more children to receive benefits, rather than promoting a strong work ethic. In this perspective, caring for children becomes the primary responsibility, while the social grant acts as a form of payment.

Consequently, individuals can become entirely dependent on these grants and may lack the initiative to improve their circumstances.

Communities with no income, where people predominantly depend on social grants, face serious social repercussions: unemployed youth feel left out, leading to social exclusion, anxiety, and a lack of hope for the future (Jato, 2023). This can lead to societal vices, such as rape, prostitution, armed robbery, abduction, drug misuse, thuggery, and gangsterism, making combatting poverty extremely difficult. Zero is a dark place, and this situation was exacerbated when many people lost their jobs during the COVID-19 pandemic (Fryer, 2021).

A study conducted by Bhandari et al. (2020) in India exposed another unemployment crisis, this time among educated but unemployed youth, known as the missing middle. Parents from disadvantaged communities sacrifice for their offspring to have a better future by affording them quality education, only to find that they struggle to find employment after completing their studies (Bhandari et al., 2020a). Bhandari et al. (2020a) noted that this issue has become common in low-income countries, where parents send their children to receive the best education, yet many of them remain unemployed. This raises the question: does education adequately prepare youth for higher education or the workforce? Being unemployed can be a significant problem as it may lead to mental illness, social isolation, increased unemployment rates, and ongoing feelings of stagnation, which ultimately affect the community (Huikari et al., 2020). Many people in these communities have become accustomed to their situation, leading to poverty blindness (Ventres et al., 2014). They have become desensitised to their circumstances and continue with their daily lives.

2.8.3 Shifting from Zero to 0.1: Survivalist or Necessity Entrepreneur

Survivalist entrepreneurs, highlighted in Figure 4 below, are often seen as a valuable opportunity for boosting socioeconomic development due to their potential to create jobs and alleviate poverty. However, there is a lack of understanding of the reasons behind their limited growth and inability to significantly contribute to the economy (Iwu et al., 2019).

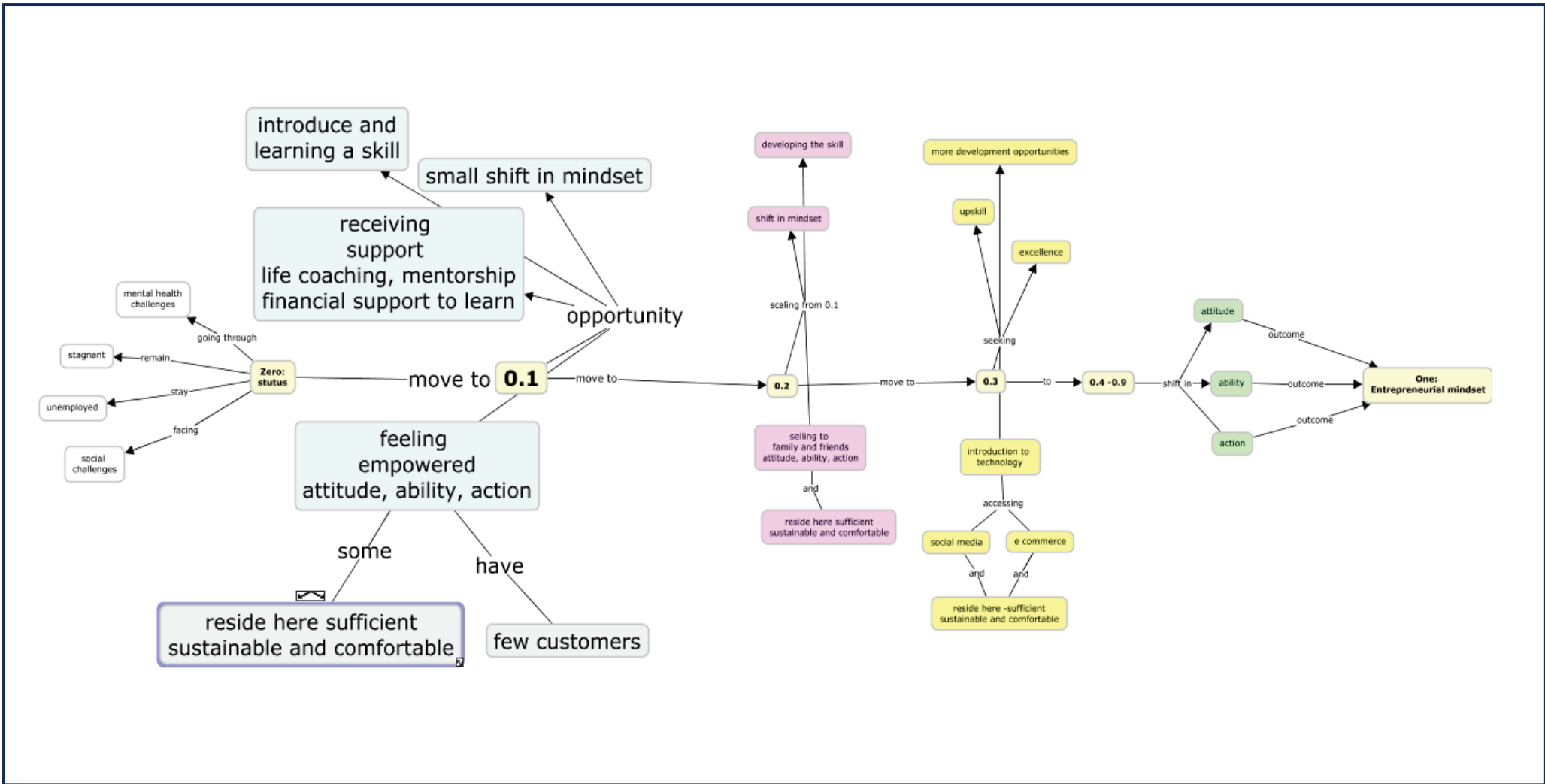


Figure 4. Survivalist Entrepreneurs.

A few people in underserved communities strive to improve their circumstances, moving them from zero to venture into business activities for daily survival (Iwu & Opute, 2019). Iwu and Opute (2019) identified survivalist entrepreneurs through the literature as three typologies: producers (i.e., shoemakers, dressmakers, tailors, subsistence farmers), distributors (i.e., hawkers, vendors, street traders), and service providers (i.e., taxi operators, bookkeepers, repair services, backyard mechanics).

Survivalist entrepreneurs are thought to have little or no effect on economic expansion. This was evaluated against studies of high-impact and well-established businesses, which are regarded as major vehicles for economic growth and development (Choto et al., 2014). There have been growing concerns that survivalist entrepreneurs do not grow; yet, most survivalist entrepreneurs venture into businesses primarily to obtain self-employment and sustain family needs (Tengeh et al., 2015). According to Tengeh and Choto (2015), due to the growing rate of unemployment and the economic crisis, it is important to support survivalist entrepreneurs, as they contribute to poverty alleviation and job creation.

Another group that falls under the survivalist grouping, often from underserved communities, are day labourers. Day labourers fall under the “disadvantaged” rubric of survivalist entrepreneurs (Valenzuela, 2001). Survivalist entrepreneurs and day labourers are considered vulnerable since they are undocumented, which supports political marginalisation and the exclusion from public services and basic legal rights, and they fall outside of the protection afforded to registered formal employees (Magidi, 2022). However, the literature indicates that survivalist entrepreneurs should not be discriminated against in entrepreneurship development programmes, but rather provide the necessary support, as the majority of communities rely on their goods and services, making them significant contributors to economic growth (Choto et al., 2014).

2.8.4 Stage 0.2: The Opportunity-Based or Growth-Oriented Entrepreneur

Opportunity-based entrepreneurs possess innovative ideas, as presented in Figure 5 below. They excel at identifying opportunities, implementing them effectively, and demonstrating moral responsibility (Fadlia et al., 2020). Opportunist entrepreneurs often refer to themselves as hustlers, to indicate the hard work and effort they put into a project (Stoffberg, 2023). They often have a certain level of entrepreneurial intent and competencies and can easily shift from one business to another (Fadlia et al., 2020).

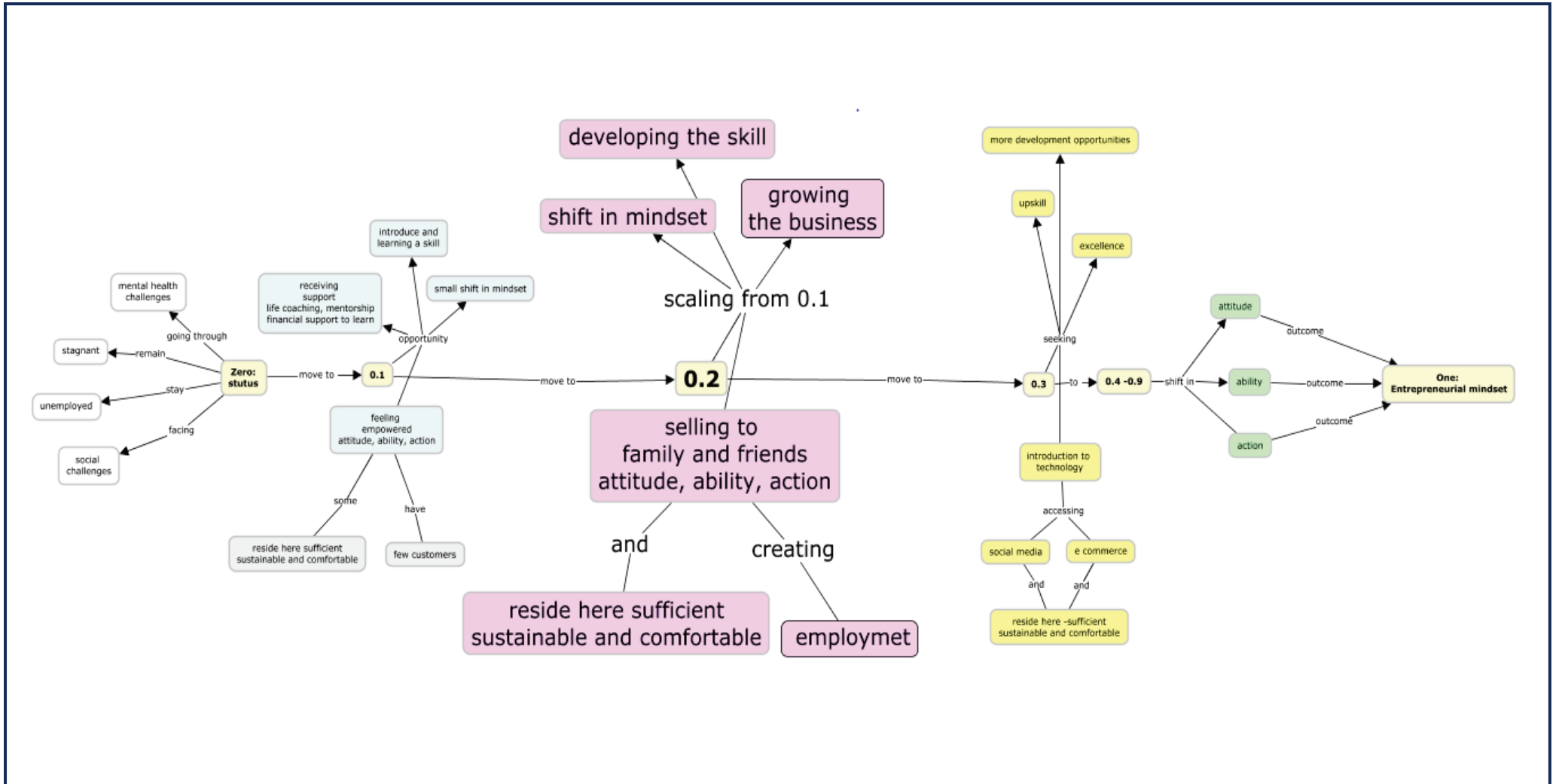


Figure 5. Opportunity-Based/Growth Entrepreneur.

Based on Figure 5 above, this positions the opportunist on the halfway mark towards one. The existence of an entrepreneur can benefit others, both consumers and the community in which the business is based (Fadlia et al., 2020). These entrepreneurs are constantly evolving and reinventing to create self-employment or employment for others. In underserved areas, this would be an asset to the community, as the opportunist believes in knowledge transfer, a beneficial empowerment tool should they employ people from the community.

2.8.5 Stage 0.3: The Innovator

The innovator is an entrepreneur with entrepreneurial intentions and competencies, as illustrated in Figure 6 below (Botha & Taljaard, 2021). It is said that innovative entrepreneurs can be distinguished by their ability and willingness to search for and create new economic opportunities (Block, et al., 2017). Self-employed individuals, particularly those who are innovative entrepreneurs, are essential for fostering economic growth in disadvantaged communities. Their contributions can create new opportunities, empower residents, and stimulate overall development, paving the way for a brighter future (Caliendo et al., 2014). Caliendo et al. (2014) emphasised that strong and dependable personality traits play a crucial role in increasing both the likelihood of becoming self-employed and achieving success in that venture.

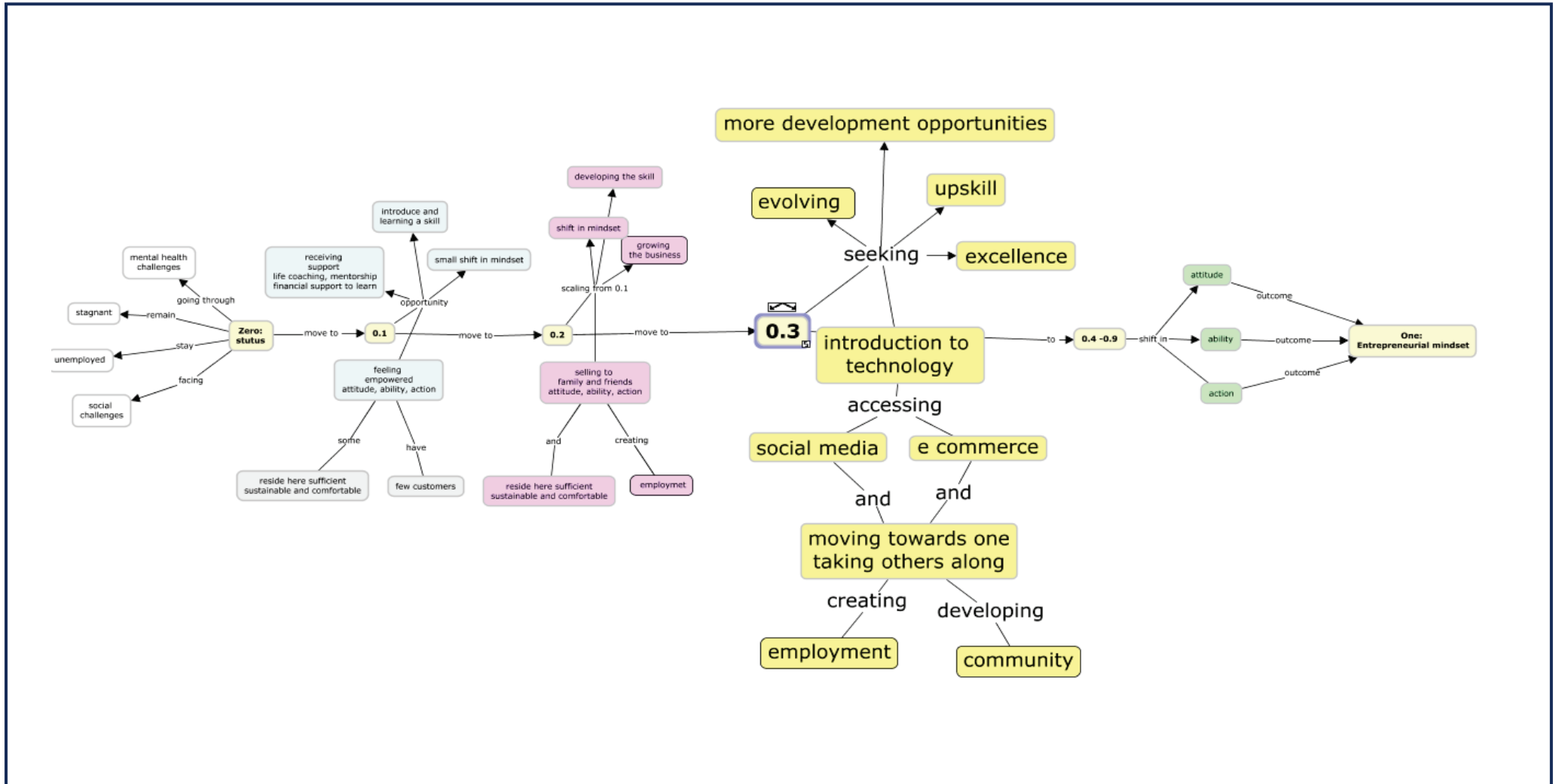


Figure 6. Innovator Entrepreneur.

An innovative entrepreneur can set up and create new business ideas intended to generate profit, aid the community, and achieve company goals. Innovative entrepreneurs develop business models to meet the needs of an organisation and improve their competitiveness in the market (Block et al., 2017). While this study may identify and classify entrepreneurial activities in underserved communities, individuals may struggle to understand its findings. Therefore, the aim is to elevate all entrepreneurs to innovators, including those who operate informally, to a higher level of business acumen. These individuals possess a strong determination to succeed, and their passion for entrepreneurship positions them to create substantial employment opportunities. By supporting their development, we can harness their potential to contribute significantly to their communities and the broader economy.

2.9 The Informal Economy – Microbusinesses to Small Businesses

The informal economy is the most important source of employment in poor nations and plays an essential role in creating work and a source of income for marginalised individuals in developed economies (Dell'Anno, 2022). According to Dell'Anno (2022), the informal sector employs over two billion individuals, accounting for more than 60% of the world's workforce. Regardless of the level of socioeconomic development, informality exists, particularly in developing nations. This is often not by choice, but rather as a result of a lack of opportunities in the formal sector and the absence of other means of sustaining livelihoods, according to the ILO (ILO, 2018). Based on the description and discussion of the three types of entrepreneurs, it is logical that they would all fall under an informal economy.

Not everyone who has a skill, is trading a product, or providing a service would want to be included in the formal economy (Jokia et al., 2021). Jokia et al.'s (2021) study on females weaving baskets in Tembisa, a township near Johannesburg in South Africa's Gauteng province, reported that while they were extraordinarily successful, they were not interested in becoming a formal business. This is very common in underserved communities, as often those who do run a small business do not do it to start a business but for survival or out of need (Ranyane, 2015). The informal economy plays a crucial role in moving people living in underserved communities from the constant cycle of poverty into the micro-business environment that enables them to create livelihoods, moving them from dependency to being self-reliant (Djemilou et al., 2019).

South Africa's informal economy employs 2.4 million people or roughly 13% of the labour force. The importance of the informal sector in reducing unemployment in the country and its contribution to the economy led the NDP to project that should the informal sector be effectively utilised, it has the potential to provide between 1.2 million and 2 million job opportunities by 2030 (Djemilou et al., 2019). This demonstrates how the informal economy is a crucial part of the daily lives of many individuals and families who depend on it for their livelihood (Magidi, 2022). Entrepreneurial activities in underserved communities, represented in Figure 2 as Stages 0.1 to 0.3, all form part of the informal economy. Unfortunately, neither the community nor the government recognises or supports these activities as contributions to the economy. Moreover, the entrepreneurs in these communities often fail to recognise their own value.

2.10 The Gap (Inclusive Innovation)

Entrepreneurship is generally considered to be both value-creating and problem-solving (Botha & Taljaard, 2019). Entrepreneurs have behavioural traits such as attitude, ability, and action, which means they possess levels of entrepreneurial intention and competencies to start and scale a business (Botha & Taljaard, 2021). Entrepreneurship is encouraged in countries facing economic crises as a relief of unemployment and poverty (Adeola, 2021).

Countries that face an economic crisis are often developing nations, with many underserved communities facing complex challenges (Huikari et al., 2020). To address the existing gap in the literature on integrating entrepreneurship in underserved communities, it is essential to examine the root problems and investigate why entrepreneurship is seemingly not taking off for many individuals in these areas. What are the possible reasons for the lack of academic research on developing entrepreneurial mindsets in the underserved communities of the Cape Flats? Could it be that these neighbourhoods are perceived as dangerous, making research challenging? Or perhaps the participants are less engaged in the process? Is the topic unappealing to researchers? Have they overlooked it in their studies, or have they failed to focus on the practical aspects of their research? Based on studies of apartheid, it appears that due to the segregation of these communities, there may not be a one-size-fits-all solution for fostering an entrepreneurial mindset across different areas. What are the dynamics and challenges faced by underserved communities?

What strategies, interventions, and innovations can be implemented to support these communities, particularly those starting from scratch, and help them embark on a positive journey of value creation and problem-solving (Rodriguez & Lieber, 2020)? Research on underserved communities in the Cape Flats typically concentrates on the root causes of social issues such as gangsterism, drug abuse, teenage pregnancy, low educational attainment, and high unemployment rates. However, it often overlooks strategies to address these challenges. Recent studies have identified entrepreneurship as a potential solution for unemployment within these communities, yet there is a lack of practical applications and strategies to effectively cultivate entrepreneurial mindsets in these areas.

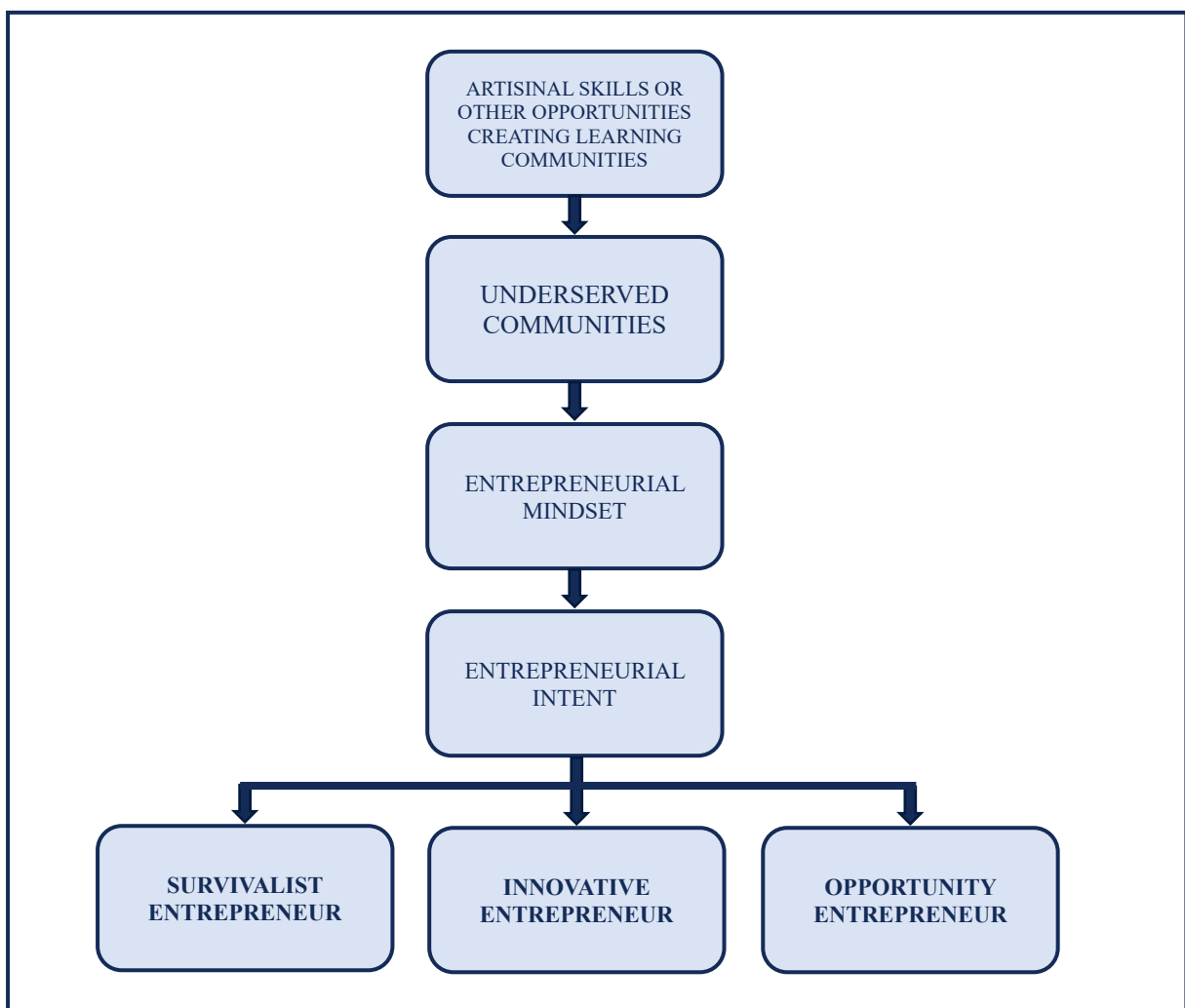


Figure 7. Developing Entrepreneurial Mindset in Underserved Communities.

Figure 7 above depicts what a developed strategy could look like if the goal is to foster entrepreneurial mindsets in underserved communities and move people out of zero (Thiel & Masters, 2014). According to Thiel and Masters (2014), everything starts with the unknown, therefore the starting point should be education, and continuous learning regardless of age. The idea of inclusive innovation emphasises creating opportunities and improving social and economic well-being for marginalised or underrepresented communities. It seeks to ensure that the advantages of innovation are available to everyone, not just a select few. Inclusive innovation in underserved communities could be the teaching of skills or services to underserved communities, thereby creating learning communities. Based on the literature, entrepreneurs should have the right set of skills and competencies as well as the intention to pursue entrepreneurial activities (Botha & Taljaard, 2019). According to Duncan et al. (2019), the informal economy is predicted to create 1.2 million and 2 million job opportunities by 2030, and it would therefore be crucial to foster and shift the mindsets of people in underserved communities to entrepreneurial ones. According to Dell'Anno (2022), the informal sector employs over 2 billion individuals, accounting for more than 60% of the world's workforce and continues to increase.

The notion of inclusive innovation concerning entrepreneurship in underserved communities is seen as problem-solving and value creation for low-income nations (Das et al., 2023). However, the literature indicates that individuals from underserved communities are often not exposed to good-quality education, programmes, or teachings. Instead, they receive low-quality education which is often described as the poverty trap (Tracey et al., 2014). According to Spaul (2014), to overcome low-quality education, we must focus on early childhood learning to break the cycle of poor academic performance. Without this focus, children will continue to face inequalities. Grasping foundational concepts early is essential for progress, as once they reach secondary education, significant improvements are often too late. In underserved communities, this situation is often unrealistic. Individuals face numerous social challenges compounded by a lack of access to quality education. Parents also struggle to support their children with the current school curriculum. Additionally, schools in low-income areas are often overcrowded, making it difficult for teachers to provide the individualised attention that students need to succeed.

Unemployed adults need to be empowered to create a positive ripple effect in their families and communities. Based on the literature, artisanal skills or services require little training and needs very little money to start some form of entrepreneurial opportunity that is often classified as the informal economy (Eglash et al., 2020). Figure 7 above illustrated how the teaching of artisanal skills or other opportunities to the underserved could lead to the development of entrepreneurial mindsets, setting off entrepreneurial intent.

In struggling economies, particularly underserved communities, entrepreneurial activities are often undertaken out of necessity or as a means to survive, and these efforts are not considered entrepreneurship (Berner et al., 2012). Entrepreneurship is influenced and fostered through various avenues such as in schools, inheritance, family, and society, among other means. Crises are another means of propelling entrepreneurship, the most recent boom in startups being due to the COVID-19 pandemic that forced many business closures, resulting in massive job losses.

The present study aims to investigate the different mindsets of individuals living in underserved communities, those who practise entrepreneurial activities, and those based at zero. It aims to unravel and develop an understanding of why individuals from the same community, facing similar challenges and dynamics, have different mindsets; and unlike previous studies, what strategies would need to be developed and deployed to move people from base zero into a positive terrain. The study further aims to argue that the re-introduction of artisanal skills or other start-up opportunities to underserved communities, would spark entrepreneurial mindsets, leading to entrepreneurial intention and possibly developing the three types of entrepreneurs discussed in the sections above on underserved communities. Moving people from base zero and helping them develop micro-businesses to support their livelihoods can lead to sustainable communities, vastly reduce unemployment, and possibly reduce and eliminate social ills. Many businesses closed during the COVID-19 pandemic and many people shifted to artisanal skills or other opportunities to survive, but this has hardly been reported in the literature (Segares, 2022).

The gap in the literature is in addressing integrating entrepreneurship in underserved communities. The literature claims that entrepreneurship is a solution for unemployment and poverty reduction in developing countries, but it predominantly focuses on entrepreneurial intention and competencies, and not on individuals who do not have entrepreneurial intention, such as those from underserved communities, but only intention for survival (Adeola, 2021; Choto et al., 2014; Si et al., 2019; Sutter et al., 2019). This highlights the need for context-sensitive strategies that go beyond intention and focus on capability development within institutional constraints. Unemployment remains a growing concern in underserved communities, and the literature asserts that entrepreneurship is the solution for fighting joblessness in developing nations; however, there is no evidence in the literature of the successful integration and outcome for these communities or other developing countries. Based on the literature, most of the research on entrepreneurial intentions has been carried out with youth from developed countries or individuals with the intention to become entrepreneurs. South Africa, as a developing country, faces unique challenges that makes it difficult to apply findings from other studies to its specific research questions. Therefore, this study is essential for developing strategies tailored to the needs of underserved communities, aiming to foster an entrepreneurial mindset and the intention to start a business.

2.11 Summary

The present study aimed to develop a strategy to foster entrepreneurial mindsets among individuals living in underserved communities on the Cape Flats in the Western Cape through the provision and development of artisanal skills and/or other entrepreneurial opportunities. Entrepreneurship is seen as the solution for many developing countries facing economic crises, as it is seen as value-creating and problem-solving. Therefore, developing entrepreneurial mindsets in underserved communities to create micro-businesses to sustain livelihoods could be the game changer. The discussion presented above also considered the benefits of entrepreneurship, why it is encouraged, as well as how it is perceived in developing nations (Bekki et al., 2018).

The first section of this literature review focused on the motivation behind the present study, which is to understand the mindsets of individuals residing in the underserved communities of Cape Flats in the Western Cape and their reasons for striving to survive in the face of increasing unemployment rates. Through the literature, a brief understanding of the dynamics within underserved communities of the Cape Flats was presented.

The Cape Flats has many complex problems, and through the literature, the negative impact of unemployment on these communities, including social problems, challenges, and influences was explored (Marumo & Sebolaaneng, 2019). The present study, therefore, aims to assess the knowledge and skills of individuals and how it affects their lives. Additionally, the researcher provided a brief overview of the government's initiatives to uplift underserved communities from their negative circumstances.

The second aspect of the literature discussed entrepreneurship and its focus on individuals who possess entrepreneurial intent, competencies, and skills, and who opt for entrepreneurship as a career choice. It examined the strengths and weaknesses of entrepreneurs, their ability to adapt to challenging situations, as well as their potential for business growth (Liguori et al., 2019). The first section on entrepreneurial intent shed light on the requirements for encouraging people in underserved communities to develop a mindset for entrepreneurship. It also presented the interventions and strategies necessary for successfully integrating entrepreneurship into underserved communities.

The literature examined the potential advantages of entrepreneurship in disadvantaged communities and its impact on such communities. It also explored the perception of individuals in underserved areas regarding entrepreneurship. Furthermore, the section explored various forms of learning entrepreneurship, including entrepreneurship in schools, generational legacies, and artisanal skills.

In the third section of the literature review, we explored how entrepreneurship is received in underserved communities. The literature on introducing entrepreneurship in schools highlighted a common issue of excessive focus on theory and insufficient practical experience. Additionally, the quality of education is often low, and facilitators lack the necessary skills to teach entrepreneurship to students. This is not their fault, but rather a result of treating entrepreneurship education as a mere box to check off in the curriculum (Adams, 2012). Many learners seem interested in entrepreneurship but ultimately end up pursuing higher education or seeking employment. The harsh reality is that their poor academic results often leave them ill-equipped for the job market or unable to access further education. Additionally, starting a successful business requires more than just knowledge; it also demands skills, resources, and funding that most young school leavers lack.

However, young people possess incredible potential, and with the right motivation, exposure, and access to technology and entrepreneurial opportunities, they could start their businesses.

Entrepreneurial mindsets have a significant impact on generational legacies. Young people who grow up in a business-oriented environment tend to develop a business-oriented mindset. During the apartheid era, marginalised communities with limited access to education and professional opportunities learnt their skills from their families. These skills were then passed down from generation to generation. Sadly, this practice has waned over time and is now only evident among well-established family businesses (Barbera et al., 2018). Over time, the commercialisation of imported products weakened generational legacies in underserved communities.

This chapter examined the impact of entrepreneurial mindsets developed through artisanal skills or other opportunities. While it is predicted that AI will eliminate millions of jobs, including those in finance, artisanal handmade products are likely to retain value due to their human involvement and originality. This quality gives them inherent immunity from job losses caused by AI (Eglash et al., 2020). Due to business closures and job losses caused by the COVID-19 pandemic, many individuals turned to artisanal entrepreneurship as a means of survival. As a result, a new artisanal economy emerged as a huge success (Segares, 2022).

Understanding the situation in underserved communities and the persistent social ills that underserved people face daily, is the driver for urgent interventions to take place and shift the mindsets of these communities. Coming out of a crisis that left half the world unemployed, the poor communities are poorer, and while the economic recovery time is uncertain, there is a need for more opportunities to shift the underserved (Dreger & Gros, 2021). New strategies need to be developed to get the underserved or any country in an economic crisis crisis-ready, as the post-COVID-19 literature indicates there may be ripple effects that could kick-start other crises (Fryer, 2021). Therefore, based on the research, a possible process for underserved communities to develop entrepreneurial mindsets would be to develop a solution to move people from base zero to base one, where they would be in a position of self-reliance.

Developing micro-businesses in underserved communities can reduce unemployment and social ills, leading to economic growth. The concluding section of this literature review focused on developing entrepreneurial mindsets and establishing broader opportunity platforms to support expansion. It also examined the perceptions of individuals from underserved communities and their understanding of entrepreneurship, based on the existing literature. We examined the relationship between entrepreneurship, sustainability practices, and the types of traders present in underserved communities. Of importance, Figure 2 above presented the possible entrepreneurial activities for sustainability in underserved communities by looking at the concept of “zero to one” (Thiel & Masters, 2014).

CHAPTER THREE: METHODOLOGY

This chapter aims to provide a detailed overview of the design and methodology employed for the present study, highlighting the selected research sites and the methods used to sample participants. A multiple case study design was selected using qualitative research methods and an inductive theoretical approach to thoroughly investigate and understand the nuances of each case. This exploration allowed the researcher to draw meaningful insights from the diverse contexts and experiences of the study's participants.

3.1 Research Approach

The presents study aimed to investigate the integration of entrepreneurial mindsets into underserved communities of the Cape Flats in Cape Town, to promote micro-businesses that can support livelihoods. The context was to achieve this amid ongoing challenges that hinder the creation of sustainable communities, particularly on the Cape Flats (Olivier & Heinecken, 2017). The Cape Flats is a community known for facing significant socioeconomic challenges such as gangsterism, crime, low levels of education, high levels of school dropouts, rising unemployment, and high numbers of unskilled individuals because it has been continually marginalised over the years (Bowers Du Toit, 2014). Bowers Du Toit (2014) described the Cape Flats as a pandemic closely tied to a deprivation trap of poverty, marginalisation, isolation, unemployment and, ultimately, powerlessness. South Africans have become accustomed to living in an age of problems, indicating that individuals do suffer from “problem blindness” (Pandey & Pandey, 2015). Many have become complacent in their situations, feeling trapped and overlooked. These challenges have marginalised communities for years, making sustainable development challenging.

To address the research questions effectively, the present study utilised a qualitative methodology that employed inductive reasoning, focusing on conducting multiple case studies (Yin, 2009). According to Yin (2009), a case study is appropriate when research questions seek to explain a current situation or require a detailed and in-depth description of social phenomena. This approach often involves “how” or “why” questions, particularly in situations where the researcher has limited or no control over the variables. When conducting multiple case studies, researchers can use a comparative case method to analyse the differences and similarities between each case.

Therefore, the case studies conducted for the present study offered insights into the mindset and behaviours of individuals living in underserved communities, such as those on the Cape Flats, which continually face social crises (Chauke, 2023). Qualitative data allows for a deeper understanding of the context in which it is taking place, why things are happening, and how it's unfolding (Creswell, 2009). This study focussed on gathering and analysing qualitative data to gain insights into the social reality of individuals in underserved communities. Quantitative data, based on numbers and statistics, would be inadequate to capture the situational complexities of these individuals. Questions regarding sentiment, thoughts, and feelings often need a more nuanced and qualitative approach. This involves focusing on subjective experiences and perspectives that are not easily quantified. For example, examining personal stories, opinions, and emotional responses would be more appropriate rather than relying solely on numbers or hard data. This method can yield a richer and more comprehensive understanding of the topic.

The case studies conducted aimed to determine whether individuals from underserved communities could overcome socioeconomic and social crises by gaining access to learning opportunities such as artisanal skills, training, or other opportunities for means of becoming self-sustainable (Adams, 2012). Adams (2012) made a compelling case that skills development encompasses various providers and represents a more holistic concept. However, in underserved communities, the current solutions to assist individuals in poverty-stricken communities often come in the form of social grants provided by the government or relief assistance from agencies, which are both considered unsustainable, and the question often arises, whether social grants and handouts are causing or curing poverty (Potts, 2012). This situation may arise because individuals become overly dependent on social grants and assistance from relief organisations, leading them to make little or no effort to improve their circumstances.

Potts (2012) believes that social problems in these areas are worsening, with demand outpacing available resources. Social problems in underserved communities may be contributing to increased crime rates, resulting in a safety crisis that affects multiple communities (Sugiharti et al., 2023). All communities face threats that affect not only the community itself but also the entire country. Unemployment is a major social issue, particularly for young people in underserved communities.

The government is unable to support the thousands of school leavers each year through social grants, and the job market is too competitive for those from underserved communities who graduate with low pass rates (Chauke, 2023). Entrepreneurship is viewed as a global solution for low-income nations to reduce unemployment and solve social problems (Adeola, 2021). The findings of this research indicated that urgent interventions are necessary to help individuals transition from a mindset of poverty to one of abundance. It appears that entrepreneurship can offer hope for many countries experiencing an economic crisis, but this is only possible when the appropriate strategies and implementation methods have been identified.

In this multiple case study, a cross-case analysis was conducted to examine the mindsets and behaviours of individuals from underserved communities, including the unemployed and those involved in entrepreneurial activities such as survivalists, opportunists, and innovative entrepreneurs operating as informal traders (Yin, 2009). According to Yin's (2009) findings, case studies can encompass multiple cases and yield a single set of cross-case conclusions. Therefore, the study outcomes cannot be anticipated before gathering, processing, and interpreting the data of each case. Additionally, the researcher should try and understand the environment of the participants to better understand the situation (Yin, 2012).

For the present study, a multiple case study methodology based on community studies was employed. The focus was on describing and analysing patterns of the main behavioural aspects of one or more individuals living in underserved communities. This was to understand the different mindsets of individuals from similar types of communities facing the same economic and social challenges and their approach to sustainability or self-reliance (Billingsley et al., 2021). A cross-case analysis was utilised, covering more than one case, to learn more about the phenomena, population, or conditions to reflect the various mindsets of individuals from underserved communities regarding their approach to a better livelihood (Yin, 2012).

The study methodology used inductive theory-building research to examine the development of entrepreneurial mindsets and behaviour in underserved communities (Yin, 2009). This involves collecting specific data, identifying commonalities or trends, and formulating preliminary conclusions or generalisations when there is little to no existing literature or theory on a topic. Yin (2012) employed a multiple case study approach to examine how innovations were used in different organisational settings, which was also employed in the present study.

The participants were divided into three groups based on their affiliation with organisations that provide relief or support for growth and development. Group 1 consists of individuals seeking support from a relief agency, Group 2 consists of participants who are not associated with entrepreneur development agencies and were recruited through recommendations, while Group 3 comprises of individuals affiliated with an entrepreneur support agency.

3.1.1 Descriptions of the Case Studies and Sample Size

Organisations have different dynamics and intervention methods in which they develop their recipients. The recipients, therefore, have different perspectives and receive different opportunities that may or may not equip them to plan towards their goals.

The first case study, Group 1, focusses on 10 individuals from underserved communities who depended on government grants and sought assistance from relief agencies for their basic needs. These participants have made multiple attempts to sell items to sustain themselves but have failed due to various complex issues. This group is currently based at zero, and the objective is to help them progress, even if only to 0.1. These participants find it very hard to improve their lives, their situation is extremely complex, and the solution to assist them is not clear.

The second case study, Group 2, focusses on 10 individuals from underserved communities who have started an informal business and are now selling their goods at various flea markets or from their homes, without realising they are a micro business. These participants endure similar challenges as Group 1, but due to their perseverance and tenacity, their goal is more than survival. They have been at zero before and are more determined not to go back there. These participants do not identify themselves as entrepreneurs and mostly strive for survival. Their motivation to start businesses may be due to the complex situations they face within their communities, but this will only become clear through the data collection.

The third case study, Group 3, focusses on 10 individuals receiving support from an organisation for entrepreneurial development. This involves promoting entrepreneurship among people from underserved communities. The participants in this group have faced similar challenges as those in both Group 1 and Group 2, but they have persevered and started their businesses despite these challenges. These difficulties may have motivated them to grow and develop themselves and their businesses to overcome their situations.

We will explore this further during the data collection process. They have since relocated to areas with fewer social issues than the Cape Flats underserved communities.

A case study investigates whether the implementation of a project or programme operates as intended and assesses its impact (Rodriguez & Lieber, 2020). This study is deeply rooted in ethnographic methods, emphasising the importance of the cultural context and long-term engagement with the community (Caulfield, 2023). This immersive approach can provide rich, nuanced insights that are often missed in more detached research methods. By being closely connected with the participants, the researcher can capture the lived experiences and perspectives of individuals in underserved communities, potentially leading to meaningful changes in how these communities are understood and represented.

The purpose of this study is to cultivate entrepreneurial mindsets in underserved communities through research. This can be accomplished by leveraging artisanal skills and other opportunities to ignite entrepreneurial potential and uplift individuals out of poverty. The study included three case studies and tracked the progress of Group 2 and Group 3 to understand their actions in improving their circumstances. This information will assist in developing strategies to foster an entrepreneurial mindset for Group 1.

Table 2. Participants of Multiple Case Studies.

	EXPECTED PARTICIPANT CATEGORIES	EXPECTED PARTICIPANTS	METHOD
CASE STUDY 1	<ul style="list-style-type: none"> • People from underserved communities are not educated, employed, or trained seeking relief. 	10	<ul style="list-style-type: none"> • Questionnaire • Supplementary questions
	<ul style="list-style-type: none"> • Development and relief agency 	1	<ul style="list-style-type: none"> • Organisation overview
CASE STUDY 2	<ul style="list-style-type: none"> • Survivalist entrepreneurs or informal traders from an underserved community. • These entrepreneurs can be found at trade fairs or informal markets. 	10	<ul style="list-style-type: none"> • Questionnaire • Supplementary questions
CASE STUDY 3	<ul style="list-style-type: none"> • Entrepreneurs with intent from an underserved community who operate their own small, formal businesses. 	10	<ul style="list-style-type: none"> • Questionnaire • Supplementary questions
	<ul style="list-style-type: none"> • Organisations creating support hubs for start-ups and entrepreneurs with the intent. 	1	<ul style="list-style-type: none"> • Organisation overview

The study employed interpretive methods, utilising questionnaires and supplementary interviews. *Interpretivism* is a research approach in the social sciences that focuses on understanding social phenomena from the viewpoint of the individuals involved (Creswell, 2014). Researchers acknowledge that individuals' unique backgrounds influence their interpretations, and they position themselves in the research to recognise how their interpretations stem from their personal, cultural, and historical experiences (Creswell, 2014). Interpretivism acknowledges the complexity of human life and emphasises context and individual perspectives.

The multiple case studies were conducted with three separate groups of individuals from underserved communities using grounded theory, as data is collected, and ideas and concepts will become apparent during the research. *Grounded Theory* can be used to formulate theoretical explanations about fostering entrepreneurial mindsets in underserved communities since the reviewed literature did not contain any pre-existing hypotheses about this phenomenon.

Grounded Theory, according to Walker and Myrick (2016), is a research approach from sociology where the researcher develops a broad, abstract theory of a process, action, or interaction based on the perspectives of participants. This method includes multiple stages of data collection and the refining and interconnecting of categories of information (Corbin & Strauss, 1990). Qualitative data gathering is a crucial aspect when conducting Grounded Theory studies. As the data is analysed, new concepts and ideas will emerge which will aid in gaining deep insights into the context of underprivileged communities, their obstacles, and how entrepreneurial thinking can help in solving their persistent issues. Unlike traditional theory studies that begin with pre-existing theories and work to prove them, Grounded Theory studies start with the subject matter and allow relevant findings to surface (Dyer et al., 2008). The present research aims to study individuals living in underserved communities and their behaviour when offered programmes to improve their entrepreneurial mindset and abilities, starting from the ground up (Frese et al., 2016).

The effects of apartheid have caused diverse thinking among individuals in underserved communities across South Africa regarding livelihoods. Some people strive to survive independently while others rely on government support (Potts, 2012). The Grounded Theory would therefore involve the application of inductive reasoning to form general conclusions based on the existing knowledge from past experiences and its current impact on communities (Dyer et al., 2008). In the post-apartheid era, the pedagogy of the oppressed persists in many underserved communities where people were not educated regarding the real essence of freedom (Freire, 2018).

In addition to Freire's (2018) critical pedagogy and Ajzen's (1991) theory of planned behaviour, this study is also informed by Human Capital Theory, which posits that individuals' skills and knowledge are key drivers of economic productivity (Becker, 1964). In underserved communities, where formal education is often limited, informal learning and artisanal skills become crucial forms of human capital. Furthermore, Social Cognitive Theory (Bandura, 1986) supports the idea that entrepreneurial behaviour is shaped by self-efficacy and observational learning—both of which are evident in generational entrepreneurship and community-based skill transfer. These theoretical perspectives collectively inform the study's understanding of how entrepreneurial mindsets are formed and sustained. Building on this, Ajzen's (1991) Theory of Planned Behaviour offers a psychological lens to explore how intention, attitude, and perceived control influence entrepreneurial action.

A total sample of 30 participants were interviewed with 10 in each group, using a questionnaire and supplementary interviews. All participants were from underserved communities on the Cape Flats, facing similar challenges and circumstances but responding to them in different ways. The goal was to understand the factors that lead to the development of entrepreneurial mindsets and behaviours, and how individuals transition into various levels of entrepreneurship, such as survivalist/necessity, opportunism, and innovation. While two-thirds of the participants did not consider themselves entrepreneurs, for this research, they were classified into different levels of entrepreneurship.

Interviews were conducted using three Google Forms questionnaires. According to Pandey and Pandey (2015), a questionnaire is the most commonly used and misused research instrument due to its ease of preparation and administration. Due to the complex situations of underserved communities, the questionnaire is organised into themes to help identify, analyse, and interpret patterns of shared meaning (themes) within qualitative data sets, to obtain answers related to the research topic and question. Google Forms allows participants to respond to open-ended questions in their own comfortable environment. They were also able to ask follow-up questions via WhatsApp or have supplementary one-on-one interviews with those who preferred to complete the questionnaire face-to-face. The questionnaires were the same for all three groups up to a certain point. As Group 1 would be unable to answer entrepreneurial-related questions, these were omitted from their questionnaire. A few questions were repeated but phrased differently to observe whether participants' answers would differ. Entrepreneurship growth in underserved communities is hindered by numerous factors, including the segregation and displacement resulting from apartheid. To gain deeper insights, open-ended questionnaires with follow-up questions and supplementary interviews were conducted, which led to the process of inductive reasoning to draw general conclusions based on past and current experiences.

A total of over 60 individuals were approached to take part in the study, with a target of 10 participants for each group; however, only 30 individuals participated. Initially, each group was provided with 50 questions covering demographics, education, work experience, and entrepreneurial knowledge. However, the number of interview questions for Group 1 had to be reduced as they struggled with the entrepreneurship-related questions, which made up half of the questionnaire. Additionally, most participants in Group 1 expressed a preference for face-to-face interviews in case they had trouble understanding any of the questions.

Participants in Group 1 tended to respond more effectively when they knew their answers would not be recorded. In these cases, they often provided brief "yes" or "no" responses rather than detailed answers. When they realised their responses were not being documented, they engaged more freely in the discussion. The questionnaire helped to guide their responses, as some members of Group 1 tended to go off-topic or preferred to take control of the interview themselves. Additionally, all participants were required to complete consent forms before taking part in the study. By examining three case studies, the researcher could effectively evaluate themes and draw comparisons within each case. Although case studies offer a detailed and comprehensive collection of data, it is vital to consider both the advantages and disadvantages. These studies have the potential to strengthen research or create generalisations, particularly when managing multifaceted or conflicting perspectives (Yin, 2009).

3.1.2 Case Study 1 – Based at Zero

A case study was conducted on individuals facing challenging social situations and residing in impoverished or underserved communities. This study was conducted in collaboration with the South African National Zakah Fund (SANZAF), see Box 2 below, a local organisation that has been providing relief and development assistance to these communities. For 50 years, the organisation's objective has been to provide relief, but it has realised that the situation is worsening, and relief efforts have not been sustainable. Individuals whom the organisation assists face multiple barriers, such as a lack of skills and limited access to learning opportunities, leading to inherited limiting beliefs within their communities. These limiting beliefs create a cycle of a generational poverty mindset, causing these individuals to feel helpless and hopeless with no belief in the opportunities available to them. This cycle leads to a constant need for relief assistance, which becomes a disservice to communities, and relief organisations therefore constantly seek new interventions to break the poverty cycle.

Box 2: Case Study 1

ORGANISATION: SOUTH AFRICAN NATIONAL ZAKAH FUND (SANZAF)

- For more than 45 years, SANZAF has been a source of hope to those in need. SANZAF works proactively in sectors such as welfare and development, education, emergency relief, food aid and shelter for the needy. With the help of the community, the organisation has positively shaped the lives of many and has instilled hope for the future.
- Due to the increase in unemployment over the years and increasingly more people seeking relief, SANZAF has decided to empower more people through skills development and entrepreneurship.
- COVID-19 has caused an increase in business closures and the organisation needs interventions to create long-term sustainable solutions for communities in need and not just solutions to offer short-term relief.

Due to the sensitive nature of the research with this group, SANZAF requested that participants remain anonymous, and all information only be used for research purposes. The questionnaire for Group 1 was reduced as they were unable to answer questions about entrepreneurship. Due to the lack of understanding of the questions, the questions needed to be explained to them individually. The individuals were able to ask follow-up questions face-to-face or via WhatsApp; however, Group 1 preferred completing the questionnaire in a face-to-face setting. Ten out of 22 participants agreed to participate in the study.

3.1.3 Case Study 2 – Identifying as Survivalist Entrepreneurs or Necessity Entrepreneurs

Individuals residing in underserved communities who sold products as a means of providing a livelihood were eligible for inclusion. These individuals, also known as survivalists or necessity entrepreneurs, make a significant impact to the economy despite being unrecognised for their contributions. These individuals often showcase their talents at local flea markets or run home-based businesses where they offer a diverse array of products. Their stalls feature lovingly crafted handmade items, creatively upcycled goods, and carefully selected second-hand treasures, including unique textiles, eye-catching jewellery, handcrafted pottery, and delicious homemade food.

Although they are actively involved in entrepreneurial activities, many of them do not see themselves as traditional entrepreneurs. Their businesses operate informally and lack official recognition from the government, meaning they are not registered and do not contribute taxes.

For a deeper understanding of this informal economy, please refer to Box 3 below, which provides a brief overview.

Box 3: Case Study 2

INFORMAL ECONOMY

An informal economy (informal sector or grey economy) is part of any economy that is neither taxed nor monitored by any form of government. Although the informal sector makes up a sizeable portion of the economies in developing countries, it is sometimes stigmatised as troublesome and unmanageable. However, the informal sector provides critical economic opportunities for the poor and has been expanding rapidly since the 1960s. Integrating the informal economy into the formal sector is an important policy challenge (Becker, 2004; Carr & Chen, 2001).

A questionnaire consisting of 50 questions was sent to 25 individuals, of which 13 participated. Only four of the 13 had basic follow-up questions, confirming whether they understood the questions correctly, which were communicated via WhatsApp. Some questions were repeated uniquely, and participants were questioned to gain a better understanding and to determine whether their replies would be different or the same. It took approximately one week to receive the completed forms after sending follow-up reminders. Collecting data from Group 2 was relatively problem-free.

3.1.4 Case Study 3 – Opportunity-Based or Growth-Oriented Entrepreneurs

This scenario involved individuals from underserved communities who possessed entrepreneurial aspirations or ideas that could help them transition into entrepreneurship. They acquired skills through generational legacies, self-education, or attending various programmes. This type of entrepreneur aimed to improve their lives by providing better support for their families or helping them overcome tricky situations. Growth-oriented entrepreneurs are either opportunists or innovators and typically develop into formal businesses. In this case, interviews were conducted with an organisation that encourages the advancement of these types of entrepreneurs and their potential candidates.

The same questionnaire, comprised of 50 questions, was sent to 15 individuals with formal small businesses. Many admitted their businesses had not been registered and fell into Group 2.

The researcher assumed the organisation only hosted registered businesses, consequently they hosted both formal and informal business types. The informal businesses they hosted comprised promising candidates who would eventually transition to formal business.

Another challenge was finding registered businesses residing in underserved communities to participate in the research. Only a few individuals still resided in underserved communities, and the researcher, therefore, opted to find participants from previously underserved communities, running formal businesses by approaching the Western Cape Business Opportunities Forum (WECBOF); see Box 4 below on the organisation. The researcher did not receive any follow-up questions from Group 3 as they seemed to have understood the questions. Only nine participants partook completed the questionnaire.

Box 4: Case Study 3

ORGANISATION: WESTERN CAPE BUSINESS OPPORTUNITIES FORUM (WECBOF)

WECBOF is widely recognised and respected as a powerful voice for business in the Western Cape and sees itself as a provincial service organisation with its focus and attention firmly on the national and international business pulse. It provides a platform for businesses to establish and maintain contact with fellow entrepreneurs; have access to opportunities, information, and training; and have representation on several relevant forums of government and other associations focused on growing and enhancing the commercial sector, with a specific focus on small, micro and medium-sized enterprises (SMMEs).

WECBOF has access to channels for information on how to grow and develop its member businesses and is an enabler for its members to access new business opportunities. It keeps abreast of business, economic and other relevant trends and forecasts for the benefit of its members, and it ensures representation on the boards of relevant associations and affiliations to ensure that its members are well-represented and that opportunities are filtered through for the benefit of its members.

WECBOF therefore plays a critical role in the advancement of business in the Western Cape.

WECBOF says it is particularly passionate about assisting with growing and developing businesses in the SMME sector; this sector is the backbone of any economy, and it contributes to the country's national product through either manufacturing goods of value or through the provision of services to both consumers and/or other enterprises. Importantly, SMMEs have the potential to create employment and upgrade human capital over time.

The goal of this research was to identify the steps needed for individuals to transition from a state of having nothing to creating something, and to foster an entrepreneurial mindset. The objective was to develop a strategy that would empower individuals in underserved communities to become self-sustainable without relying on relief agencies or the government.

Therefore, for this study, the different levels of entrepreneurial activities that take place in the community at each group level was explored to understand them and conduct a thorough analysis.

3.2 Data Collection Methods

In qualitative studies, interviews, questionnaires, and field notes are valid methods of data collection. For this multiple case study, open-ended questionnaires were used as the primary instrument, supplemented with interviews. Open-ended questionnaires serve as an effective method for collecting comprehensive and meaningful feedback from survey participants. In contrast to closed-ended questions, which restrict responses to predetermined choices, open-ended inquiries enable respondents to articulate their opinions, emotions, and personal experiences using their own language.

The questionnaire was a simple, cost-effective, and a convenient method, distributed through Google Forms, allowing participants to remain anonymous. This method was chosen due to the large sampling size and the various groups that needed to be reached. It allowed the researcher to include participants from across the Cape Flats. Although the participants from two of the groups were identified through organisations, they could only create links with the individuals and were able arrange a joint meeting at a common venue at the same time. A few of the participants in Group 1 preferred meeting face-to-face. This method facilitated open communication for follow-up subsidiary questions among the three participant groups. The open-ended questions allowed participants to answer them with appropriate responses in their own words. The questions were broad and allowed participants to answer from their point of view. Questionnaires and follow-up interviews were transcribed and coded manually using Microsoft Excel and stored on Microsoft One Drive.

Interviews need to be planned on how they will be recorded, based on the seven-stage interview process by (Kvale & Brinkmann, 2009):

1. *Thematising*: clarifying the purpose of the interviews to the participants and the concepts that are going to be investigated for the research. The thematic analysis provides a clear explanation and interpretation of a data set's themes and patterns.
2. *Designing*: offering clear, easy-to-understand guidance on designing qualitative research – the process and procedures that will be followed to achieve the goal of answering the research questions.

3. *Interviewing*: conduct interviews with the right participants to gain insight into the problem leading to the questions.
4. *Transcribing*: conduct interviews via audio or video recording and using software to transcribe them.
5. *Analysing*: adopting one or more approaches to the analysis to determine the meaning of the data gathered in terms of the purpose of the research.
6. *Verifying*: checking the reliability and validity of the evidence gathered through the interviews.
7. *Reporting*: communicating the results of the study to others for future research (Kvale & Brinkmann, 2009).

In summary, three different participant groups from underserved communities were studied:

- those seeking development or relief and based at zero;
- participants selling products for survival; and
- participants with the intent to become entrepreneurs.

Interviews were conducted with participants at all three levels, based on the literature from zero to one (Thiel & Masters, 2014). Thiel and Masters (2014) argued that whenever we create something new, we are going from zero to one. They further explained that the act and moment of creation are unique, resulting in something fresh and strange. Applying Thiel and Masters' (2014) concept to underserved communities, where most people are at zero, the present research aimed to identify the barriers keeping people at zero and explore how they can develop a survivalist or entrepreneurial mindset for their livelihood.

3.2.1 Sampling

Convenience sampling was used in the selection of participants, being selected from the organisation from which they were seeking assistance, rather than a larger sample within the underserved community. Convenience sampling is a non-probability sampling method where units are selected for inclusion in the sample because they are the easiest for the researcher to access (Nikolopoulou, 2014). According to Nikolopoulou (2014), this could be because people are nearby, available at a certain time, or willing to participate in the research.

Convenience sampling is also described as a type of non-random sampling that is sometimes referred to as accidental sampling. Participants were therefore those willing to participate in the research or beneficiaries from the organisation's database who were contactable and seen as a fit by the organisation for the research. The participants were informed that there were no incentives and that the interviews would be for the benefit of research only. Interviews were conducted at various times, at the location of the organisation, and on various days.

Non-probability sampling uses a non-random selection technique for the sake of convenience, allowing data to be easily collected without including the entire population (Jokia et al., 2021). Since there is no sampling frame, qualitative heterogeneity, a non-probability sampling method, was also used as the primary interest of the research was to obtain a broad spectrum of ideas. This form of sampling aims to develop an initial understanding of this under-researched area of an underserved community to determine whether a mindset difference exists in the different communities as well as to gain their thoughts on an opportunity to learn skills, develop entrepreneurial mindsets, and form micro-businesses to sustain their livelihood.

Table 3. Education Levels of the Three Groups.

EDUCATION	GROUP 1	GROUP 2	GROUP 3
Grade 6		1	
Grade 7	1	1	
Grade 9/Std 8	1		
Grade 10		1	
Grade 11	3		
Matric	4	7	7
NQF Level 4		1	
NQF5 Banking	1		
Diploma		1	
Degree			3
TOTAL	10	13	10

3.2.2 Ethical Considerations

In research, ethical considerations arise regarding the collection of data on individuals. In qualitative research, the researcher asks questions, takes notes, and records sensitive information shared by the participants. The concern is more what happens to the information that is shared than is the thoughts and feelings of the participants.

It is therefore important that the participants stay anonymous, and a consent form must be signed before initiating the research (Creswell, 2014). The participant must be clearly informed regarding the purpose of the research. The participant must also be clear that the research is for academic purposes only. Permission was obtained from each participant to participate in the study. With Group 1, SANZAF clarified that the participant's information should remain confidential and only be used for research purposes. In Groups 2 and 3, those who did not want to participate did not complete the questionnaire; therefore, more than the required 20 participants were approached. Participation for all three groups was completely voluntary, and participants could also withdraw during the data collection process without prejudice, which only a few did.

The researcher was responsible for personally completing the questionnaires and transcribing the interviews. All gathered information was stored for future reference and data credibility. The analysis would involve categorising the data and looking for consistencies, differences, and complementarities between the information from the questionnaires and interviews. This analysis would be related to the existing literature and expert consultations. By examining how individual characteristics and the institutional environment interact, a deeper understanding of how entrepreneurial mindsets are integrated into underserved communities could be understood (Matos et al., 2019a).

A standardised set of interview questions, through a questionnaire, provided direct insights into the participants' demographics, such as race, religion, and age. In the first case study for Group 1, the interviewer had greater control over the interview locations, question respondents, and question order. It is important to note that several individuals from underserved communities were not comfortable with written questions, so most participants in the Group 1 preferred to have the questions read to them, as they may have misunderstood or found the questions intimidating (Tracey et al., 2014). The interviews were carried out in a setting they felt comfortable with, arranged by SANZAF at their offices.

The researcher initially requested a focus group to go through the questions; however, the participants did not feel comfortable and preferred meeting one on one. During the one-on-one sessions, it became clear that the participants felt embarrassed by their situations. They felt their stories were personal and were not willing to share in front of others.

3.2.3 Limitations

Group 1 was recruited through a relief agency called SANZAF. However, they had very little knowledge of entrepreneurship or any entrepreneurial activity, and therefore, they could not complete the full questionnaire. They also had difficulty understanding the questions and preferred to have the questions read out to them. They felt embarrassed and intimidated and were reluctant to be in a focus group. They only agreed to one session, which took a considerable amount of time to complete. The researcher had to be cautious to ensure that the questions were not leading. The participants did not respond well to being recorded and often veered off-topic when they knew they were not being recorded. They wanted to share personal stories and unrelated problems, feeling it was an opportunity to be heard. As underserved communities face numerous challenges, everyone had something different they wanted to share, and they felt it was important to be heard. The researcher had to gently guide them back to the questionnaire and encourage them to write their answers rather than discuss them. They were allowed to ask questions to help them better understand the questions.

Finding an organisation willing to collaborate with informal traders for the research in Group 2 was challenging. Two organisations initially agreed but did not respond when it was time to conduct the research, causing a delay. Participants were eventually identified at local markets and events and came through recommendations. It took time for Group 2 participants to agree to complete the questionnaire, and some who initially agreed did not end up participating. Those who did participate had many questions about the purpose of the research and expressed concerns about sharing their information. After thorough explanations to the first few candidates, the rest became easier as they completed the questionnaire based on the recommendations. Two participants gave feedback that the questionnaire made them deeply consider how they viewed their business, as many participants had never thought about the vision and mission of their business until they had to answer the questionnaire.

Group 3 was recruited through WECBOF, a support agency. Over 15 businesses were contacted, and almost all of them agreed to participate, although only nine ultimately did.

Participants expressed enthusiasm for the project but claimed they lacked the time to complete the questionnaires. Reminders from the host company proved unsuccessful in prompting this group to act. To overcome this, the host company sent out emails to their members, emphasising the value of the exercise in evaluating their current standing and comparing it to their past performance.

3.3 Semi-Structured Interview Guide/Research Instrument

The approach used in this multiple case study allowed for the collection of *descriptive data* to develop an understanding of the mindset and behaviour required to develop entrepreneurship in the underserved communities of Cape Town. The data collection method used was to generate data through questionnaires and supplementary interviews with people concerning their day-to-day dealings and their current method of earning a livelihood.

The research aimed to understand exactly why and what made Group 1 come to a relief agency and what efforts they put in to change their circumstances. Case studies of Group 2 and Group 3 would allow the researcher to interpret why people from the same community, with the same circumstances, think and act differently. During the data collection phase, a framework must be provided for the research as it unfolds; therefore, topics emerging from the literature were employed to guide the semi-structured interviews (Choto et al., 2014). This comparative study aimed to identify why people from the same area managed to shift out from their circumstances and break their poverty cycle, while also developing an understanding of why others feel trapped due to the same situation.

Multiple case studies consisting of a semi-structured questionnaire and supplementary interviews were used as the instruments to collect data. It was important to first understand the ethnography of all the participants as it provides context about their cultural backgrounds, social practices, and lived experiences, given this study's focus on developing a strategy to foster entrepreneurial mindsets for people in underserved communities (Balarabe et al., 2023; Botha, 2020). The data was manually analysed, recording the responses of the participants in an Excel spreadsheet.

The intention of using multiple case studies was to unpack the three different groups and look at any entrepreneurial activities taking place, then to perform a cross-analysis to determine whether a strategy could be developed to foster entrepreneurial mindsets in the underserved communities of the Cape Flats, in Cape Town. The research aimed to determine why people in underserved communities are stuck at zero. The investigation in the second case study, Group 2, included survivalist entrepreneurs and opportunity or growth entrepreneurs, and the case study of Group 3 (i.e., innovators) would reveal how they could move from being based at zero and hopefully determine a strategy to develop entrepreneurial mindsets among people based at zero.

3.4 Data Analysis

The process of data analysis is an integral part of research and involves the examination of data collected from participants. To carry out data analysis, several steps must be followed, such as organising and preparing the data, reviewing it carefully, coding the data to identify patterns, and developing a description of the themes from the coded data (Creswell, 2014). Various software programmes can also be used to assist with the analysis.

The data collection process commenced at the end of 2023, where data was collected from the three distinct groups, all originating from similar communities and backgrounds, yet possessing differing mindsets. Due to the decision to conduct multiple case studies and comparative research, each group had to be analysed individually, followed by a comparison (Creswell, 2014).

The data for this study was therefore manually analysed, with participant responses documented in an Excel spreadsheet. Each response was reviewed multiple times to grasp the data fully and identify recurring ideas. Key phrases and concepts were coded and organised into broader categories to uncover themes across the three groups, providing insights into the mindsets and behaviours of individuals in underserved communities.

Themes emerged naturally from the data rather than being predetermined, keeping our analysis grounded in participants' experiences. Categories were then developed such as “entrepreneurial motivation,” “barriers to growth,” and “community dynamics” through repeated analysis. To ensure credibility, we included direct quotes for each theme and checked for consistency across cases.

Saturation was reached when no new themes emerged after interviewing the tenth participant. Responses began to repeat, indicating that the data collected was sufficient to support the study's findings.

It was crucial to understand each group's mindset and behaviour and their similarities, as they shared the same background and circumstances. It was also essential to gain their perspective on their family dynamics, community dynamics, and their circumstances. The data obtained from qualitative research studies is descriptive and represented in words rather than numbers, as in quantitative studies.

To enhance the credibility of the theme development, the researcher faithfully adhered to the participants' responses. The accuracy of the data was ensured by verifying whether the presented report corresponded with the participant's original response. To guarantee dependability in data analysis, the participants' precise quotes were utilised.

Case studies and ethnographic research entails providing a comprehensive description of the environment and the entrepreneur's activities, followed by an examination of the data to identify recurring themes. The process of organising data involves segmenting text or image portions and assigning category labels in the margins, which is known as coding (Creswell, 2014). Data were thematically analysed using the following guidelines elucidated by Braun and Clarke (2006): familiarising oneself with the data, constructing initial codes from the data, searching for themes, and defining and naming themes.

With a deep understanding of the Cape Flats context, the researcher is acutely aware of the numerous challenges faced by individuals living in these environments. Over the past 15 years, the researcher actively participated in the non-profit sector and has had the opportunity to work closely with underserved communities on the Cape Flats, and as a result, encountered these social challenges daily. Before apartheid, the community the researcher was from also identified as underserved, and after apartheid, certain areas were designated as previously disadvantaged. Unfortunately, the challenges of unemployment, poverty, gangsterism, drugs, crime, and other social ills have persisted in these areas, leading to a state of “poverty blindness” among those who have moved forward. However, in recent years, these social ills have begun to spill over and now affect not only other communities but also our entire country.

“Poverty blindness” remains prevalent across the nation, and the prevailing belief is that individuals from underserved communities have become accustomed to their way of life and have no desire to improve their circumstances. This blindness has led to the rest of the country not recognising that “their problem” has become “our problem,” as unemployment, crime, gangsterism, and drugs affect the entire community. The problem has merely been covered up with a band-aid, and the wound continues to fester. Those who witness the challenges blame the government's failure and opt to emigrate rather than work together to address the crisis. As an entrepreneur, the researcher understands the potential advantages of entrepreneurship for low-income nations, and how it could potentially decrease unemployment. However, implementing entrepreneurial programmes and strategies is extremely difficult for communities grappling with complex issues. Nevertheless, it is essential to attempt such initiatives. By conducting this research, we can identify which communities are overcoming their circumstances, examining their mindsets and behaviour, and then developing a strategy based on the research to cultivate entrepreneurial mindsets in underserved communities, enabling everyone to progress from a state of zero.

Due to the complexity and challenges faced in underserved communities, and in carrying out the multiple case studies of the three groups, the decision was taken to formulate a questionnaire with approximately 50 questions covering a multitude of topics including participant demographics, family dynamics, education, neighbourhood, work experience, entrepreneurial knowledge, and any other activities of significance that regularly take place within these settings. The aim was to delve directly into the research study of entrepreneurial mindsets and the behaviour of people within underserved communities and structure the questions already in coded form. This was also due to the sample size being large and the questionnaire being a common research instrument used in qualitative studies. Based on the lack of understanding of entrepreneurship in Group 1, the questionnaire was shortened. Group 1 also preferred the questions to be read out and explained in the form of an interview in a comfortable setting.

In conclusion, the methodology employed in this study—grounded theory and multiple case studies—was chosen to explore the lived realities of individuals in underserved communities. The use of semi-structured interviews and thematic analysis enabled a nuanced understanding of entrepreneurial mindsets across three distinct groups.

This approach ensured that the research remained contextually grounded, ethically sound, and aligned with the study's aim of developing inclusive, community-driven strategies.

CHAPTER FOUR: RESEARCH FINDINGS

4.1 Introduction

This research study aimed to develop a strategy on how to integrate entrepreneurial mindsets into the underserved communities of the Cape Flats to foster micro-businesses for livelihood. Based on the literature, formerly oppressed minorities, or the underserved, appear to be time-locked regarding entrepreneurship (Billingsley et al., 2021). Billingsley et al. (2021) explained that this is due to the lack of attention given to debilitating mindsets after segregation in a modernising world. This is specifically the case within South Africa as well. After apartheid, individuals were not taught to be liberated; instead, western solutions were brought in to solve African problems and resulted in little success to show for it. A study carried out in Brazil reported that even though entrepreneurship is said to be the solution for poor communities, many people from these communities are found to engage in entrepreneurial activities, but many fail to develop successful businesses (Matos et al., 2019a). Therefore, it is essential to comprehend the perceptions that are influenced by preconceived notions and beliefs that entrepreneurship can be integrated into underserved communities without understanding the mindset of these individuals.

As previously stated, entrepreneurship for people from underserved communities is daunting, and even though it is widely claimed to be a solution for low-income nations, it has been an ongoing struggle to integrate into underserved communities (Adeola, 2021). Due to the complexity of underserved communities, particularly on the Cape Flats, a direct deep dive was conducted to understand the phenomenon and its context to address the main research questions. The focus was to develop entrepreneurial mindsets in underserved communities to foster micro businesses for livelihood. The main findings will be presented in terms of how they address the fundamental research questions.

Sub Questions

- What are the dynamics of people living in underserved communities on the Cape Flats of Cape Town, Western Cape, and what are their levels of knowledge and skills? What does the government do regarding poverty and unemployment challenges?

To obtain an understanding of the:

- dynamics of underserved communities of the Cape Flats;
- knowledge and skills of people in underserved communities; and

- the government's attempt to alleviate poverty and unemployment in underserved communities.
- What is the perception of the people living on the Cape Flats regarding entrepreneurship and whether adopting an entrepreneurial mindset benefits the people of underserved communities?

In respect of entrepreneurship:

- entrepreneurial intention, and entrepreneurial competencies;
 - in struggling economies; and
 - to combat the unemployment crisis in South Africa.
 - What are the main influences that develop an entrepreneurial mindset?
- To consider whether entrepreneurship:
- was introduced in schools;
 - is motivated by generational legacies; and
 - through artisanal skills or other opportunities.

Multiple case studies were conducted using Grounded Theory and thematic analysis. We thoroughly examined each case to understand its context before comparing them and trying to develop a strategy to help people who are stuck at zero. This study focused on three groups from underserved communities in the Cape Flats and their efforts towards sustainability. Despite their challenging backgrounds and dynamics, two of the groups were able to make determined shifts either for survival or to improve their own lives as well as the lives of those around them.

According to Figure 2 presented above, this project involved three groups:

Group 1: This segment of the population depended on government assistance and charitable organisations for support. Although they attempted to better their circumstances through various entrepreneurial endeavours, they consistently fail to make progress. Multiple factors may have contributed to this lack of advancement, including their surroundings and mental outlook. Most individuals in Group 1 lacked specialised skills or consistent services to offer; instead, their business activities fluctuated daily or adapt to meet the current needs of their community. According to the diagram, they are positioned at the zero point.

Group 2: Individuals in this category pursued entrepreneurial endeavours due to necessity or as a means of survival. They devised a method to progress from a state of destitution and could operate within this realm without reverting to their previous condition. A small number of Group 2 participants possessed specific skills or offered services, and are recognised within their community for their distinct business activities or service offerings. The majority of Group 2 members originated from a state of poverty and were determined not to return to it, nor did they aspire to advance to Group 3. According to Figure 2, these individuals are survivalist entrepreneurs based at 0.1 and opportunity-based or growth entrepreneurs based at 0.2.

Group 3: This group were either approaching the end of their precarious circumstances or had already transitioned out of them, and now actively pursued entrepreneurial ventures with clear intent. The third group exhibited a growth-oriented mindset, continuously enhancing themselves and their enterprises. While they faced their own challenges, they possessed a distinct vision and objectives for their future. Having experienced both the informal business sector and starting from scratch, this group appreciated the advantages of operating a formal business. They acquired the necessary expertise and capabilities to sustain their current venture or establish new ones. Additionally, members of this group were motivated to generate employment opportunities for others. Based on Figure 2, these are innovators based at position 0.3 and above.

In this chapter, a cross-case analysis is presented to understand the mindsets of people in underserved communities regarding sustainability. Through thematic analysis of the questionnaires and supplementary interviews, various themes that align with the theoretical framework in the literature were identified.

4.2 Case Study Findings: Group 1

This section presents the findings for Group 1, focusing on their demographic profile, entrepreneurial activities, and perceived barriers to sustainability. The case studies revealed various themes related to social, economic, cultural, and environmental influences. While common themes were observed across all three groups, Groups 2 and 3 exhibited more similarities. The identified themes facilitated pattern recognition, which in turn offered more profound insights into the studies. The emerging patterns from the data analysis contributed to a more comprehensive understanding of the research, which will be examined by group. Subsequently, the researcher will conduct a cross-case analysis after presenting the findings.

4.2.1 Demographics

Table 4. Demographics of Group 1.

AGE	GENDER	PEOPLE IN HOUSEHOLD	DESCRIBE COMMUNITY
23–35	7 Females	6, 2, 3, 4, 9, 6, 8	<ul style="list-style-type: none"> • Crime, violence, unsafe
36–47	3 Males	8,5, 8	<ul style="list-style-type: none"> • Community misunderstood • Quiet, but home invasions

Group 1 comprised of 10 participants, seven females aged 23-35 and three males aged 36-47. The findings showed that females were more likely to participate in the study compared to males. It was also more common for females to seek assistance from the relief agency than males. The participants originated from various underserved communities on the Cape Flats, and all of them sought relief, support, or opportunity from SANZAF, a local agency that assists with food, clothing, rent, bursaries, vocational training, and more. The agency not only provides food parcels but is also focused on community development. The number of people living in each household ranged from a minimum of two to a maximum of nine.

It was important to ascertain how many individuals resided in each household, as well as the age of the participants and their dependents, as social grants are also a means of income if you have children of a certain age. The homes in underserved communities are generally small and consist of one or two bedrooms. Some participants live in what is known as a "wendy house," which is a back dwelling of the family residence. Participant 9, whose household comprised of eight individuals, noted:

Dad is self-employed and works now and then. Mom is a stay-at-home wife. Four siblings are dependent on the parents. My wife is a stay-at-home mom looking after my two kids. I buy and sell items to get an income.

When asked about the situation in the community, Participant 9 elaborated that *“it’s a very dangerous and negative environment. Not a lot of room to grow and be positive.”*

The findings indicate that even though the participants originated from different underserved communities, their situations were similar and described unsafe, crime-ridden areas facing many social ills. Most of the participants seeking aid were considered youth and three were considered the missing middle. The circumstances in the community affected everyone, where most of the participants had overcrowded homes and unsafe environments.

Multi-dimensional poverty and complex challenges in the environment seemed to hinder the progress of Group 1. Participant 4 noted:

The community is okay. There are a lot of gang-related things happening however it is not as bad as people think or assume it to be. It's also not the area where we live that's bad, it's the youngsters that make it like that.

Participant 4's statement emphasises the community's desensitisation to poverty, resulting in what some refer to as "poverty blindness."

4.2.2 Education

Table 5. Education Level of Group 1.

EDUCATION	GROUP 1
Grade 7	1
Grade 9	1
Grade 11	3
Matric	4
Post Matric	1
TOTAL	10

Only four of the participants had achieved matric and one post-matric. Having achieved a matric in underserved communities is a massive achievement, and those who cannot find employment, or access educational institutes, after high school quickly realise that a pass rate of 30% is not sustainable as competition for these positions. Those who did not finish schooling provided explanations such as drug addiction, teenage pregnancy, getting a job, failing matric, pursuing other studies, failing a grade and being too embarrassed to return, and a few did not provide any reasons as to why they did not complete school. When asked whether they ever received opportunities for further studies, only three out of the 10 said yes.

One received the opportunity but had no funds to pursue further studies. No one in this sample spoke about blockages due to gangsterism and crime, or how the school became a hotspot for gang recruitment as per the literature. This may be because they are accustomed to their environment and situation, and they are unable to see the complexity of the problems that exist in their community. One of the factors contributing to the high dropout rate may be that schools are no longer a safe environment.

4.2.3 Entrepreneurial Activities

When participants were asked whether they ever tried to sell anything to assist with sustainability, only one said no. A few participants responded on this issue by suggesting they had difficulties and lacked knowledge on how best to trade their goods, an example being Participant 5 who said that *“I tried but I did not know how to sell.”* They also sold assorted items and kept changing to what was available to sell, or the need at a specific time. Participant 6 explained: *“I tried selling clothing and shoes, but people in my area often ask to pay at month-end. When they don’t pay, I can’t restock. It’s hard because I want to grow, but I feel stuck. I don’t know how to move forward.”* Most of these entrepreneurial activities took place from their residences. Participants explained that they would supply products on terms, allowing until month end to pay for the goods, but then customers would default on payment. At the time when they sold the item, they would be happy with the sale, knowing full well the risk of not receiving their due payment at month end. This cycle would repeat itself monthly, where one or two customers default on their payment terms.

4.2.4 Entrepreneurial Knowledge

Many of the participants were aware of entrepreneurs but could not comprehend that they could also be considered as such, and this was a common statement among them, with Participant 1 noting that *“I heard about it but never knew that I’m also an entrepreneur as I thought it’s just big companies.”* When asked whether they knew any business owners, only Participants 5 and 6 responded negatively. This indicates that the communities are generally aware of entrepreneurial activities occurring around them. However, for those who are unaware, it may be because they do not recognise the value of the businesses operating in their areas. Their understanding of entrepreneurship is limited, as their primary focus is on immediate survival. They do not view entrepreneurship as a viable solution to their challenges; instead, they are primarily concerned with meeting their basic needs. As a result, they have no intention of building a business or investing in their personal development.

4.2.5 Skills

The participants were asked about employment or starting a business and only one participant stated that they wanted to be employed, another participant was conflicted, and eight participants stated that they would love to start their own business. Many participants from the underserved communities preferred conventional employment, as starting and being consistent with a small business is not easy. Participant 3 shared: *“I’ve always wanted to open a salon.”*

I even started doing hair from home, but I don't have the equipment or training. People support me, but only when they can afford it. Most of the time, I just wait and hope.” Nine out of the ten participants possessed a skill. Three of the participants had inherited skills which were passed on to them by family members and were taught to them by generations before. Four of the participants had the opportunity to gain further education where they learned their skills. Two participants picked up skills from previous employers and one participant was self-taught. The level of their skills is unknown, as to date they had not been enough to build successful businesses. The participants were aware of the skills development they would require starting a business but were not formally trained, had limiting beliefs to start a business, and did not consider themselves to have the potential to grow or start a business. They were also unmotivated due to the circumstances in their community but often tried out of desperation to earn an income as most of them were unemployed and their biggest support was social grants.

4.2.6 Support Structure

In asking whether the participants thought that the community would support them if they started a business, seven participants agreed while three participants disagreed. One participant indicated that it would be difficult for their community to support them as they could not afford to do so, even though they would love to. As a result of the lack of flow of money in the community, it kept the community from developing and growing.

We examined how they perceived the success of other small businesses in their community, and Participant 1 shared: *“Many people have small businesses just to survive. I've thought about starting something too, but I don't feel confident. It's easier to rely on the relief agencies, at least I know I'll get help when I need it. Starting a business feels risky when people around you can't afford to support it.”* The participants were aware that many small businesses in their community existed for survival, and they noted not having the confidence to take the step to start something that would assist them in their survival, instead, they found comfort in knowing that they could rely on relief agencies to support them. The participants were aware of organisations such as SANZAF for support, and knew of several other relief agencies and feeding schemes they could turn to.

4.2.7 Income Structure

The income for Group 1 varied, with one participant's only income being R350 from a social grant. The R350 social grant came into effect during the COVID-19 pandemic, when unemployment increased drastically due to business closures. The maximum income in Group 1 was R 12 000 for a household of six, ranging from various social grants and selling products.

All the participants in Group 1 received social grants. In the literature, research on social grants questioned whether this was a cure or cause of poverty. Individuals have become so dependent on the government and relief agencies that their efforts for sustainability have decreased. Although opportunities have become more readily available, it appears to remain out of reach for those from underserved communities.

4.2.8 Work Experience

Only one participant had not been previously employed, while the rest of the participants had long work services and left their last employer for distinct reasons, including retrenchments, a new job, starting a family, a contract ending, personal reasons, and one participant became terminally ill. Those who were retrenched, or whose contracts had ended, struggled to find employment for many years, which led them to attempt to start micro businesses.

In summary, participants in Group 1 showed a strong desire to enhance their circumstances, yet they remained trapped in a cycle of survival. Despite several attempts to start small businesses, they lacked consistent skills, entrepreneurial intent, and community support. Their efforts were more reactive than strategic, and their reliance on social grants and relief agencies indicated a need for targeted interventions. These interventions could help shift their mindset and build sustainable livelihoods.

4.3 Case Study Findings: Group 2

4.3.1 Demographics

Table 6. Demographics of Group 2.

AGE	GENDER	PEOPLE IN HOUSEHOLD	DESCRIBE COMMUNITY
4 Participants 20-35	11 Females 3 Preferred not to say	3, 3, 3, 5, 5, 9, 8, 7, 4, 6, 4	<ul style="list-style-type: none"> • Poverty-stricken, drug problems, crime • Middle-class community that has access to all basic services and amenities
5 Participants 40 -56			
4 Participants			
Preferred not to say			

This section presents the findings for Group 2, focusing on their demographic profile, entrepreneurial activities, and perceived barriers to sustainability. In Group 2, 13 individuals were invited to participate, but only 11 provided their demographic information, all of whom were female. Of the nine participants who shared their ages, four were between 20 and 35 years old, and five were between 40 and 56 years old. The remaining participants were not comfortable sharing their ages. The researcher initially requested participation from over 20 individuals, including males, but ultimately only 13 females participated. Some of the men who attempted to participate were hesitant to share certain information.

The findings indicated that participants originated from various parts of the Cape Flats, including areas that are still very disadvantaged, and a few that were previously considered disadvantaged. A few participants described their community as poverty-stricken, with drug problems, and high levels of crime. Some participants indicated that their area was slightly better off, with Participant 12 noting that *“I live in a middle-class community with a majority-coloured population. We have access to all basic services and amenities.”*

The average household size ranged from three to nine people. In Group 2, individuals involved in entrepreneurial activities ranged in age from 20 to 57 years, with a wide range of businesses found on various trade platforms, from flea markets to home-based operations.

4.3.2 Education

Table 7. Education of Group 2.

EDUCATION	GROUP 2
Grade 6	2
Grade 7	1
Grade 10	1
Matric	7
Post Matric	1
Diploma	1
TOTAL	13

Based on the findings, seven participants from Group 2 completed their matric, one participant achieved a post-matric qualification, and one participant attained a post-matric diploma. Four participants left school in the early phase for distinct reasons, with Participant 4 noting that *"I felt the need to help my single mom... My mom was sick, and I had to look after the family business."* Only five participants in Group 2 received opportunities for further studies, while eight did not receive any opportunities. One participant mentioned receiving an opportunity but did not consider it important to pursue further studies at the time and was not encouraged to do so either. This may be due to low levels of education where students are not encouraged to pursue further studies for the betterment of themselves and their community. Based on education received for entrepreneurship, three participants said they had received training which they searched for themselves, and seven participants said they had not received any training, and that it was either learned on their own through various methods, inherited skills, or taught within their community. Three participants claimed to be self-taught.

4.3.3 Entrepreneurial Activities

The questions for Group 2 were the same as for Group 1, but at this point, entrepreneurial activities were only fully practised by participants in Group 2 and Group 3. These questions investigated whether the mindsets regarding entrepreneurship or general trading were the same, and how these participants viewed themselves within their community. Groups 2 and 3 also comprised of informal traders, who can often be found in different underserved communities. The findings indicated that individuals running micro-businesses had varying levels of awareness regarding the impact they had on their community.

While some acknowledged and appreciated the difference they made by fulfilling a need, providing convenience, and adding value, others did not fully recognise their significance. A few participants believed that their businesses offered amazing services, and some felt that they contributed to the upskilling and motivation of their community. One participant resided in an underserved community but did not sell to their own community. Another participant did not consider that their micro business impacted their community, while another participant indicated that their business only impacted those linked to them.

When asked whether more people should start micro businesses, the response was overwhelmingly positive. The reasons why more people should start businesses were as follows: due to job scarcity, it would help them grow and earn, the community would assist one another, it provides empowerment, own income, and own time, it frees oneself from corporate slavery, small businesses are affordable and create jobs, and many creatives are not strong in academics and will be successful startups.

Some participants provided additional insights into the situation, with Participant 12 noting that *“there is a beautiful support system among small businesses, and small businesses are key in building up previously disadvantaged areas.”* Participant 4 explained that *“it's rewarding, better than doing nothing and expecting handouts.”* Further, Participant 11 noted that *“most of the people are very poor. It would be of great help to the community, as small businesses are usually affordable and create job opportunities.”* Participant 13 added that *“I think so because I believe we have many creatives who did not go through the academic route that can make a success of themselves if they just decided to start a small business.”*

The findings revealed that while most participants were familiar with the process of business registration in South Africa, they lacked an understanding of its importance or relevance. A few participants expressed disinterest in business registration and were content to continue operating informally. Most participants had been in business for three to 30 years and showed no inclination to formalise their operations.

One of the biggest questions asked was why the participants started their small business. Participant 1 stated that it was a *“passion and dream,”* while Participant 9 explained that it had been a *“hobby turned into a small business.”* Participant 13 explained that they had *“started something part-time while rewriting their matric exam, and it later became their business.”*

For Participant 4, *"my husband was diagnosed with cancer, was bedridden for eight years with four kids and a house to run, I had to do something to survive."* Participant 11 explained that *"I had to generate an income to help my husband, as he's a pensioner and we're financially struggling."* Participant 3 did so for a *"source of income... I have two boys. Couldn't find work."* Nine participants indicated that it was out of a need for income. The motivation to start a small business was mostly out of necessity.

When asked about the state of their businesses, participants universally reported that business was not doing well. Some mentioned struggling to recover after the COVID-19 pandemic, while a few explained that their businesses required them to sell through various markets and platforms, which was not always profitable. Others mentioned that their business was successful but did not provide a consistent income, and one participant mentioned running out of capital to reboot their business. The findings indicated that despite the challenges, these small businesses are resilient.

Group 2 explained that within their communities, they were recognised as small businesses. A variety of entrepreneurial activities are found in underserved communities, including clothing, food, carpentry, upholstery, various artisanal crafts, buying and selling, local stores, and various service providers. One participant described that you could find everything in underserved communities. Feedback from Group 2 indicated that most participants were engaged in entrepreneurial activities primarily for survival, with little intention of developing formal businesses that could empower their communities. However, their entrepreneurial efforts were actively contributing to and transforming their communities, families, and surroundings; they just struggled to recognise their contributions to society.

4.3.4 Entrepreneurial Knowledge

The literature revealed that most people intentionally start their small businesses due to their desire, knowledge of their environment, and necessary skills. Intention is therefore a significant aspect of starting a business. In the case of Group 2, most of the participants understood what was required to become an entrepreneur but were still unsure and started their business due to survival. Many only scaled when they found the gap. According to Participant 2, to be an entrepreneur, one must be *"determined, focused, be an ambitious person, and never give up."*

Less than half of the participants indicated that they did not know much about entrepreneurship and its processes and were just going about their business. All of the participants considered themselves entrepreneurs and identified others who traded around them as entrepreneurs. Their reasons for considering themselves entrepreneurs included that *“I am creating entrepreneurs now through skills and experience”* (Participant 1). Participant 5 noted that *“I create work for others.”* Participant 9 considered *“generating additional income is entrepreneurial,”* and Participant 11 reasoned that *“as I am creative, and always thinking of new ideas to make affordable and sustainable products.”*

They described other business owners they knew in their community in an incredibly positive light. Participant 11 highlighted that *“she is humble, down-to-earth, and always encourages and motivates a person to acquire knowledge and skills. She teaches us how to fish so we can be able to be fed for a lifetime.”* Further, Participant 12 explained:

The business owners I know are almost always good businesspeople with regards to their morals and commitment to the community, but not necessarily good businesspeople when it comes to managing finances and making their business profitable. However, there are quite a few who are 'good' in both regards.

The research findings show that participants in this group are consistently striving to empower themselves through workshops and courses. Those who hadn't attended workshops often used self-empowerment tools such as reading or seeking mentorship from family and friends. Some mentioned that they couldn't attend workshops due to financial constraints or lack of access. Others indicated that they had never actively sought knowledge for self-empowerment and instead learned as they went along. Participants expressed a need for more courses to empower themselves, such as social media marketing, entrepreneurial skills, business skills, management skills, and marketing. Some mentioned the desire to learn how to create and sell products and the importance of various skills in creating business opportunities in their communities. Others were interested in the basics of business and economics, cross-cultural communication, local, national, and international trade law, and transformative leadership. Group 2 demonstrated an ardent desire for knowledge and self-improvement to benefit themselves, their businesses, and their communities.

4.3.5 Opportunities

When asked, most participants in Group 2 preferred running their own business and gaining more knowledge and skills for its success, rather than seeking permanent employment.

One participant mentioned the need for employment to build capital for their business and gain more knowledge and skills, while only one preferred a fixed job. The question was restated to identify who would alter their response, and only Participant 4 switched to employment, stating *“as unemployment is widespread in my community. I would prefer to be an employee.”*

Participants were asked where they saw their business in five years, and the responses were mostly positive. They expressed their aspirations to be successful, grow, create employment, supply stores, and open bigger premises.

The participants' vision for their future business was inspiring and admirable. The participants all felt that they could be business owners, as they could recognise opportunities and solve problems by serving the needs of their communities. They saw themselves as having leadership and communication skills, as starting a business in their communities took a lot of courage. They considered themselves innovative and able to adapt and develop products and services as the need arose. They could shift their business in a crisis due to their flexibility and knowledge of their community and its needs. Their ability to network and bring products into their communities through professional contacts had been a skill they have had for generations. The ambition of Group 2 was to leave a legacy and create employment in their community. They aimed to build successful brands. Participant 12 expressed that *“I hope to be greatly successful, which to me would mean being considered the best in my field in my area and someone who is continuously creating opportunities that benefit the community's health and well-being.”*

4.3.6 Support Structure

Group 2 possessed little to no knowledge of the support available to assist with their businesses. Participant 2 mentioned government agencies such as the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA) but were not fully aware of the role they played in the country or communities and their benefits.

All participants indicated that they launched their businesses from the ground up, using funding from various sources such as their spouses, personal savings, unemployment benefits, borrowed money, advance payments for services, or clients requesting services and paying a deposit. Half of the participants said they received support from their families and communities for their businesses, while the other half said they did not.

Participant 13 mentioned that this lack of support was due to the elevated levels of unemployment in their community, where people could not afford to purchase local products. As a result, they sold their products to other communities via social media platforms.

Participants also felt that their businesses did not impact their culture negatively; instead, it liberated them, and they believed that more small businesses should incorporate culture into their operations. Participant 13 expressed *"not necessarily me. I grew up with a mom who always had a small business or unique hobby. I feel as if we didn't grow up with many cultural barriers."* Most of the participants believed that success in their work environment was achievable through perseverance and hard work. Maintaining the right mindset is crucial for the success of a business, particularly considering the unpredictable nature of each day; they felt it was important to appreciate their blessings. Furthermore, meeting the needs of the community and filling a gap was considered as another key to success. While some participants acknowledged that it was not easy and that every day presented new challenges, none of them appeared ready to give up just yet.

4.3.7 Sustainability

Based on the findings, most of the participants were self-employed, running small businesses in their communities or externally. A few participants were also employed while running a supplementary business. Their income ranged from between R 2 500 to R 80 000 per month, derived from selling products, working and selling products, receiving social grants, and selling products and services. Only a few participants had never been employed due to their early age, but the majority had work experience exceeding five years.

Participants in Group 2 demonstrated resilience and determination by moving beyond mere survival to establish informal businesses. Although they did not always identify as entrepreneurs, their actions exhibited entrepreneurial behaviour and intent. They actively sought out opportunities, developed unique offerings, and made meaningful contributions to their communities. While their informal status did not limit their impact, their potential for growth could be further enhanced through targeted support and access to resources.

4.4 Case Study Findings: Group 3

The same questionnaire was administered to participants in Group 3 as with Group 2, with the only difference in that Group 3 participants were formal businesses or were in the process of becoming formally registered businesses.

4.4.1 Demographics

Table 8. Demographics of Group 3.

AGE	GENDER	PEOPLE IN HOUSEHOLD	DESCRIBE COMMUNITY
34-66	8 Females	2-7	• Advantaged community, middle class
24	1 Male	6	• Farm area no community

This section presents the findings for Group 3, focusing on their demographic profile, entrepreneurial activities, and perceived barriers to sustainability. The findings revealed that some individuals in this group had started their businesses and relocated from underserved areas for various reasons, particularly after the apartheid era. Three participants indicated they were from middle-class areas, and these areas are considered previously disadvantaged. As individuals improve their circumstances, the status of these areas also changes. Participants over the age of 50 faced more challenges when starting a business due to the ongoing apartheid system, which made opportunities for starting a business less accessible compared to today. The number of people in each household ranged from two to seven individuals.

Participants described their communities differently. For example, a female participant from an advantaged area described her area as being too expensive. The middle-class participant described their area as highly educated, caring, supportive, quiet, and relatively modern, although they would like a bit more safety. Another participant described their middle-class community as a neighbourhood with 50/50 unemployment, and not as safe as they would like it to be. Participants still residing in underserved communities described the community as having potential, but that they would rather stay behind closed gates: *“it's a thriving community, unfortunately, ridden with ills to the like of substance abuse and youth unemployment”* (Participant 3).

4.4.2 Education

Table 9. Education of Group 3.

EDUCATION	GROUP 2
Matric	6
Degree	3
TOTAL	9

In Group 3, all participants had completed schooling, and three participants had obtained a post-matric qualification. Everyone had the opportunity to pursue further education after completing their matric. In terms of business education, eight participants were self-taught and did not receive any formal business training, and one participant received training from individuals who came to the community to teach. Five participants mentioned taking part in various workshops or online education but did not receive formal business training. Participant 1 confirmed that they had "*acquired my experiences by networking with businesspeople.*"

4.4.3 Entrepreneurial Activity

The majority of participants in Group 3 believed it would benefit more people to start businesses in their communities. They believed that it would help individuals, create employment opportunities, and regulate prices if the right niches were targeted. Additionally, they expressed that talented young people facing unemployment should consider starting a business. They voiced concern about the state of the country's economy, noting that public sector institutions were collapsing, and the government lacked the funds to create employment. Participants also mentioned that the private sector had been implementing a quota system that marginalised their communities, leaving them to become self-sufficient entrepreneurs. Two participants recommended against starting a business, stating that it was not easy due to the need for capital and excessive red tape, and that they would recommend others find employment instead.

All participants in Group 3 understood the business registration process. Those who did not enlisted the services of professionals to manage the registration for them, as they recognised its importance.

Some feedback on the importance of business registration included the following points: being a responsible citizen and accessing better government opportunities by completing all the necessary paperwork, ensuring compliance with due diligence requirements, recognising the importance of registering the business once it reaches a certain stage, acknowledging that a registered business operated under different rules compared to an unregistered one which works in the business owner's favour, recognising the benefits of business registration for tax purposes, understanding that registration can provide growth opportunities particularly for minority groups, and dispelling the misconception that registered businesses have substantial wealth, emphasising that registration enhances professionalism and opens doors to collaborations with larger organisations.

Group 3 also acknowledged the positive impact small businesses can have on their community. They believed that small businesses create wealth, contribute to the economy, help develop skills, and generate job opportunities. They also inspire others to pursue entrepreneurship. Small businesses play a significant role in promoting growth, as they both employ and educate people. The participants noted prioritising supporting other small businesses over large retail companies. This not only helps put food on the table but also creates job opportunities and provides essential services in the community, leading to quicker turnaround times for those services. Participant 7 noted that *“as someone from a rural area, I understand that when we talk about local business owners, it often refers to individuals who own small farms and sell produce.”*

Participants were asked whether starting and maintaining a business in their environment would be easy, and five participants indicated that it would not be easy, but with the right support and perseverance, it would benefit businesses that have existed for three or more years. The other participants felt strongly that it would be too challenging and that because very few resources were available in their communities, they would not start a business there. Participants 8 and 9 were new to their businesses, eager and determined, and admitted that while it had been difficult, they were committed to keeping their business going even though they had not yet been profitable. All participants reported that their businesses had been doing well, and some felt that they could do even better. Everyone would choose to be an entrepreneur, learning more skills and improving their business, rather than being employed.

From a safety perspective, most participants considered that running their businesses in their environment was not risky, but a few did mention that depending on the type of business, some risk could be present.

4.4.4 Entrepreneurial Knowledge

Group 3 comprehensively understood entrepreneurship and its benefits. Entrepreneurship is described as the heart and soul of any growing economy in the world. The entrepreneurial journey is tough, with high risks, but passion drives individuals to overcome challenges. Sacrifices are made, but they come with rewards. Encouraging entrepreneurship and fostering more startups in communities is essential. Entrepreneurship can be learned through experience. This group identified as entrepreneurs because they generate profits, transfer skills, and create opportunities. They constantly take risks and know how to start new businesses if needed.

They began their businesses from scratch, formed multiple partnerships, created jobs, and established a strong business reputation. They maintained a consistent mindset and intention, regardless of the size of the business. The growth of entrepreneurship contributes to a stronger economy. Participant 9 expressed that they did not consider themselves an entrepreneur as yet, as they were still a start-up and believed they needed to create employment for at least two people before referring to themselves as entrepreneurs. They all knew other entrepreneurs doing very well due to their strong work ethic and ability to sustain profitable businesses.

The businesses in this group were started for different reasons. Participant 1 was retired and knew to start her entrepreneurial journey, while another three participants had skills and business knowledge that naturally led them to start their businesses. However, five of the participants started their businesses out of necessity, either due to retrenchment or for survival.

4.4.5 Opportunities

The participants in this group valued other entrepreneurs or those who had careers and choose either for their community. All participants considered themselves to have the capacity to be business owners because they were able to recognise opportunities, solve problems, possess leadership and communication skills, develop new products and services, and network to make professional contacts. Participant 9 expressed that she had the capacity to be a business owner as *"I think I do. I have a growth mindset, and because of that, I know how to take myself out of my comfort zone and learn the necessary skills to be a successful business owner."*

The members of this group were highly ambitious and deeply desired success. They were determined to achieve their goals and aspire for their businesses to leave a lasting impact, attain financial freedom, gain industry recognition, expand, find peace of mind, and create job opportunities. One participant mentioned that they preferred not to grow their business too large as they would like to personally oversee it and employ two to three other people.

The participants had engaged in various business development activities such as networking, meeting like-minded individuals, and being open to learning. They had pursued business studies, attended seminars, workshops, and training courses, and taken advantage of networking and event opportunities. Participant 4 mentioned they had *"taken multiple paid and free courses, watched numerous YouTube videos, read dozens of books, and learned from experienced individuals."* Further, Participant 1 emphasised:

My focus has been on social media courses and networking sessions, and I also have a business coach. I am constantly learning how to elevate my business to the next level. The desired goal is to either be self-employed or to run a small to large firm.

A very important question was asked about which business education courses were considered important for developing more businesses in the community. The responses varied, with some suggesting that marketing, social media, networking, and customer service were crucial. Others emphasised the importance of understanding skills and turning them into businesses, business compliance, financial management, and client services. Participants also highlighted the significance of sales, exceeding company targets, and sector-driven information sessions. Additionally, business ethics was mentioned as an area where many businesses seem to be lacking. The start-up business owners indicated that they did not know exactly what was important to start with.

4.4.6 Support Structure

All participants were aware of support structures available to assist and grow their businesses, from private to government agencies. Their expectations of the agency WECBOF was that they would be informed about business affairs, provided networking opportunities, be inspired to expand their network greatly, given access to support and assistance with administrative and financial matters, and offered additional training as lectures. They also sought support to provide entrepreneurs with exposure to government Requests for Quotes (RFQs), tender exposure, and assistance for six months to a year in that aspect.

Additionally, they desired opportunities to network and mingle with like-minded entrepreneurs who had similar experience in their entrepreneurship journeys.

All the participants started their businesses from scratch with support such as their savings, help from their husbands, a R 200 loan from their parents, assistance from family and the unemployment fund, and self-starting. Participant 4 described her situation as *“I was broken, but my best asset was and will always be myself, so I worked for free to build relationships and credibility and eventually started charging clients.”* During their business journeys, most of the participants received support from their community except three of the participants, as their businesses were located outside of their communities.

The participants held similar views in that their businesses provided support to the community by being a role model and leaving a legacy. They created employment opportunities and educated and served their communities by providing skills and knowledge regarding services that community members were not previously aware of. Additionally, they exposed the community to products and services they would not find in conventional malls, creating awareness of what businesses were available and accessible to the community. They also aimed to raise awareness among youth about what can be achieved in their community. Therefore, within their communities, they were recognised as developed businesses.

The participants all had a five-year business plan and a future vision. They were clear about what they want to achieve and how to reach their goals. Participant 1 noted that *“I have no succession plan as I work alone, and nobody wants to do what I do. I will continue with my work and focus on nurturing young entrepreneurs in the next five years.”* While Participant 2 indicated that their intention was *“expanding and selling shares to employees.”* For Participant 3, their goal was *“to become a market leader in the Halal tourism sector,”* while Participant 4 wanted *“to easily make six figures.”* Participant 6 dreamed *“to have more staff, aiming to make a million per annum within the next five years.”* Participant 7 realised their *“need for capital to support their envisioned growth, viewing it as a niche market with premises catering to women who want to enjoy morning shopping with tea and friends.”* Participant 8 was planning for their business *“to supply colleges and small enterprises, providing quality services that customers could rely on.”* With ambition, Participant 9 wanted to be *“running a solar farm as an Independent Power Producer.”*

4.4.7 Sustainability

All of the participants in Group 3 were self-employed and either had employees or utilised the services of the community, family, or friends for their businesses. A few also had additional sources of income, such as pensions, social grants, or other side businesses. Their income ranged from between R 20 000 to R 120 000 per month. Five of the participants had never been formally employed and had always operated a business, while four participants had been previously employed for varying lengths of time, ranging from between one to more than five years.

All Group 3 participants had completed high school and pursued further education, continually striving for self-improvement. Although they did not work in their fields of study, they possessed self-taught abilities alike with Group 2. The key distinction was that after starting from nothing and operating in an environment of progress and advancement, these participants were keen to establish formal businesses. They believed that all skilled and talented unemployed youth should develop entrepreneurial abilities and become business owners, as this would help reduce joblessness and economic hardship. Group 3 participants were consistently searching for ways to enhance their knowledge and capabilities. They aimed to transition towards creating formal businesses.

4.5 Cross-Comparison over Three Groups

The following section compares the three groups to identify shared patterns and key differences in entrepreneurial mindset, capability, and support structures.

4.5.1 Demographics

For this study, all three groups were selected for participation because they came from underserved or previously disadvantaged communities. The participants from all three groups come from similar communities across Cape Town, known as the Cape Flats, and experienced similar distress such as unemployment, crime, various types of abuse, and other social ills. The participants of Groups 1 and 2 continued to reside in these communities whereas the participants of Group 3 started businesses in their communities but had since relocated. The number of people in each household varied from between two to eight individuals, some with more than two families in a small home or residing on the property in a unit known as a “wendy house.” A few participants in Group 3 had moved out of their areas due to various reasons. Participants were of all ages, from youth to pensioners.

Most of the participants were happy with the people in their community, their neighbours, and those they had close bonds with, just not the circumstances.

4.5.2 Education

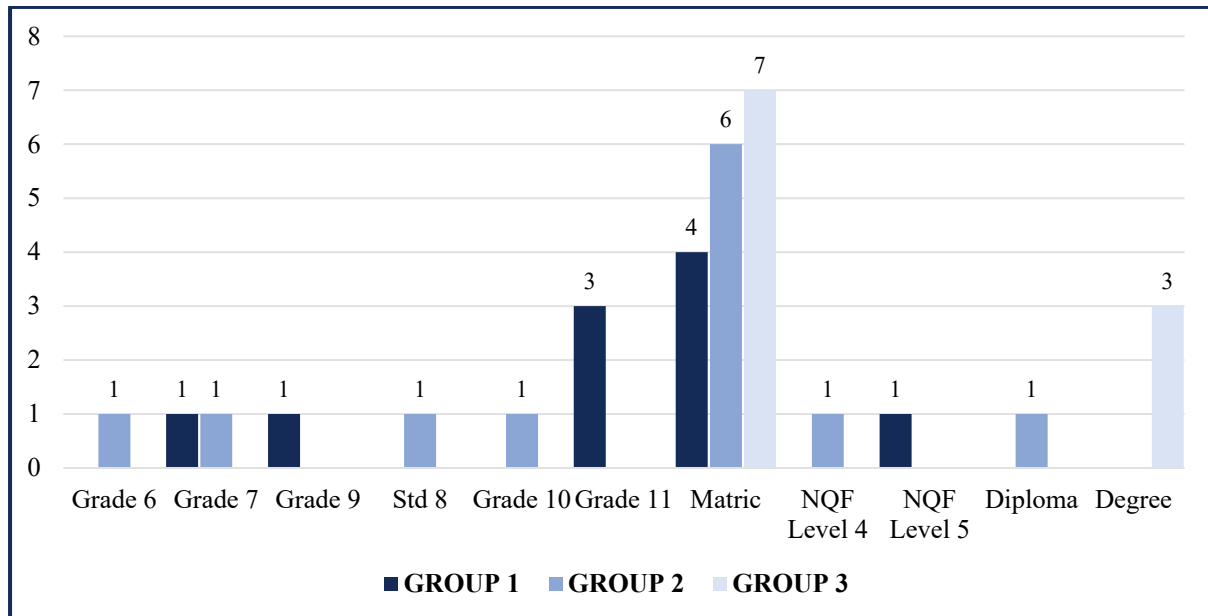


Figure 8. Education Levels Amongst Three Groups.

The matric pass rate of the three groups differed slightly, with a larger difference between Groups 1 and 3. Group 3, however, had the highest number of degree achievements. Groups 1 and 2 had five and four participants who had dropped out of high school, respectively. When participants were asked reasons for leaving school, they ranged from being forced to find employment to support their families, substance abuse, and embarrassment to return after failing a grade. This indicated that society and circumstances played a major role in the lives of youth development; however, from the responses from Group 3, this may not be the case, as these participants came from similar circumstances but managed to have more matriculants and no high school dropouts. The matric pass rate was average, and one must wonder if this is due to the low benchmark set for the matric pass rate for more students to strive to complete schooling. Only one participant in Groups 1 and 2 had post-matric education, while three participants in Group 3 held degrees.

Two participants pursued further education in Group 1, four participants from Group 2, and three participants from Group 3, as the opportunity was presented to them. Few received opportunities but were financially constrained and could not pursue further education.

The rest of Groups 2 and 3 all sought opportunities to start micro businesses for their livelihoods. Based on the research, demographically, all three groups had similar circumstances, but differed regarding education.

4.5.3 Entrepreneurial Activity

Group 1 exhibited extremely limited entrepreneurial activity. The goal of the study was to contrast Groups 2 and 3 and to identify the factors that enabled them to transition from inactivity to entrepreneurship, so as to develop a comparable strategy for Group 1. The participants in Group 1 expressed a strong desire to start businesses yet lacked knowledge about the initial steps and procedures. When asked about the necessary components, the participants universally replied "*capital*." While a few mentioned the need for skills, one mentioned the requirement for business registration knowledge, and another mentioned the need for a plan. It was evident from their responses that they were unaware of what entrepreneurship entailed beyond assumptions and hearsay. The Group 1 participants did engage in some entrepreneurial activities, such as selling products, clothes, goods, and gadgets. One participant explained that they sold anything they could, but lacked the ability, intention, and behaviour to grow and develop a business. Instead, they operated out of a need for survival.

Participants in both Groups 2 and 3 felt that their small businesses made a difference within their communities. Both groups respected and encouraged the mindset around the importance of running a small business and its effect on the community. The services they provided were with the community in mind, from creating employment, providing good services, inspiration, motivation, and affordability, etc. Only two participants noted having their clientele outside their community, while the majority sold to their community and surroundings. These groups also believed that starting small businesses would reduce unemployment due to job scarcity. Communities will improve, prices will be competitive, and people will support each other when they see the growth and development of the community.

Table 10. Benefits of Being a Small Business in an Underserved Community.

GROUP 2	GROUP 3
• Upskilling and motivating people	• Inspire to aspire
• Adding Value	• Contribute towards growth
• Bring Convenience to the community	• Recognition as a business owner
• Assisting where needed	• Puts food on the table
• Products Essential for Community	• Employ and educate
• People not by the means can have a payment plan	• Support other small business
• Bargains to the community	• Bargains to the community
• Amazing services to the community	• Professional services in and around the community
• Sharing culture through food with the community	• Create employment
• Providing need to community	• Providing need to community
• Reduced cost for the community	• Reduce time when sourced locally
• Hope to community youth that you can run a successful business	• Create Wealth, help with the economy and create skills and jobs

When the discussion on business registration commenced, the majority of the Group 2 participants were aware of the concept but had not registered their own businesses. They were not aware of the processes involved, or the purpose of being a registered business. Most participants started their business out of necessity, could not find work or were forced to work due to illness, for income, started a hobby because they could not study further and it became a business, or due to financial constraints, etc. None of the participants in Group 2 started their entrepreneurial journey out of choice.

Group 3 understood business registration and its purpose for compliance, being a good citizen, professionalism, and growth. Some Group 3 participants started out of a need to start a business, and some were out of choice. A few participants started businesses after retirement, using intellectual property, with one describing it as desperation, unemployment, extra income, and due to being bullied at work. A few participants wanted freedom from corporations, scalability, independence, and the choice to be their own boss.

When asked about business performance, all participants in Group 2 agreed that their businesses were not doing well, or that business had been slow since the COVID-19 pandemic.

Participants further agreed that greater effort needed to be put in to boost their businesses, marketing needed to be increased, and more platforms used to sell products, from local events, flea markets, and social media platforms. Three participants in Group 2 felt their business had the potential to grow and was successful but not yet consistent. All the participants felt their business was doing good or could do better with more capital. The participants with the start-up new businesses noted not yet being profitable. Group 2 seemed to face a greater number of obstacles than Group 3, whose circumstances as well as some of their products and services appeared to be largely similar.

4.5.4 Entrepreneurial Knowledge

Participants from Group 1 were familiar with the concept of entrepreneurship but did not recognise their potential as entrepreneurs, instead, they viewed entrepreneurship as a pursuit for big business owners. Most Group 1 participants were interested in starting a micro business, but only a small number would prefer to have a traditional job. Many of these individuals possessed artisanal skills that they had learned from their communities, whether through inheritance, seeking, or being taught by others. They were aware that local businesses in their area could also be considered entrepreneurial, but this term was not commonly used in their context. The participants of Group 1 possessed limited knowledge regarding entrepreneurship and did not consider it to be relevant to their endeavours.

In contrast, participants from Groups 2 and 3 were predominantly self-taught in their business practices, seeking knowledge and opportunities either online, through workshops, or from other entrepreneurs. Three individuals from each group pursued formal business education to enhance their learning.

Group 2 individuals were familiar with entrepreneurship but had little desire to formalise their business due to the perceived bureaucracy and rules associated with doing so. Despite this, they were content with the way they currently conducted their businesses. Group 3 participants understood the risks and rewards associated with entrepreneurship, viewing it as the driving force behind a thriving economy. They recognised the benefits of increased entrepreneurship within their community and were passion-driven in their pursuit of business ventures.

The results revealed that Groups 2 and 3 had contrasting opinions when asked about the business education courses necessary for fostering more entrepreneurs in their community.

Both groups mentioned topics such as social media marketing, business skills, and entrepreneurial skills. Group 2 highlighted the importance of skills development and using existing resources to create something marketable. One participant suggested practical skills courses such as woodwork and sewing, as well as training in cross-cultural communication, local and international trade law, and transformational leadership. Group 2's responses reflected their personal experiences of starting from scratch and the need to move beyond that point.

In contrast, Group 3's responses were based on their current position and experience in formal businesses. While their answers were similar to Group 2's, there were subtle differences. Group 3 emphasised the importance of networking, learning a skill completely, and turning it into a business. They also highlighted the need for business compliance, customer service, and sector-driven information sessions to help establish a niche. Group 3's responses were grounded in their experience and knowledge of the benefits of being a formal business. They believed that topics such as sales, targets, accounts, cash flows, manufacturing, profits, and business ethics were essential for start-up businesses.

4.5.5 Opportunities

A few questions were repeated to the participants in a slightly altered form, to gauge their responses. When presented with the choice between continuing with their current business or learning new skills, the majority opted to stay in business and acquire additional skills, regardless of the challenges that may arise. They believed that continuous learning would enhance their business acumen and provide them with a sense of empowerment. Furthermore, they viewed owning a business as a symbol of freedom. The subsequent question inquired whether they would prefer to have a career or remain a business owner if given the choice. The majority expressed a preference for a career, as they perceived it to be more secure and stable. They believed that their circumstances had made them well-suited to become business owners, given the country's unemployment crisis. Both groups shared similar sentiments. If given the chance, both groups would acquire more skills and expand their businesses, as they now possess the necessary knowledge and experience.

Only two participants in Group 2 preferred to be employed. Both groups felt that they possessed the following qualities within their businesses: opportunity recognition, creativity, problem-solving skills, leadership, communication skills, the ability to develop new products and services, and the ability to network and make professional connections. Both groups held the ambition to be highly successful, to leave lasting legacies, create employment opportunities, and achieve financial freedom.

Although the five-year visions of both groups were distinct, they exhibited comparable levels of ambition and perseverance in their pursuit of business growth. Group 2 possessed grand aspirations, which necessitated formal registration as a business, making their objectives somewhat idealistic. Nevertheless, their determination to achieve their goals is commendable, and they may discover that certain actions would be necessary for expanding their businesses according to their vision. In contrast, Group 3 possessed clear, practical objectives and a vision. Their five-year plan was more attainable than Group 2's, largely due to their comprehensive understanding of entrepreneurship.

The Group 2 participants' approach to enhancing and strengthening their businesses involved extending business hours and learning within the organisation. Some participants attended short-term business training, leadership training, and various workshops. Participants asserted that they gained a significant amount of guidance from those who had started before them, family, and friends. Reading, online courses, and other resources also contributed to their business development.

Group 3 chose a more strategic path to grow and develop their businesses by attending networking sessions, interacting with like-minded individuals, participating in seminars, workshops, courses, and events, both paid and free, watching entrepreneurial videos, continuously studying and improving, and having a business coach to guide them towards success. Group 3 invested more time, effort, and resources into growing their businesses compared to Group 2.

4.5.6 Support Structure

Participants in Group 1 had the support of the community when selling items, but affordability had always been an issue. The community was given payment option plans, but when it came time to pay, they would fail to do so.

At the time, participants desperately wanted to support their community, until circumstances change for them. This led to small businesses in the community not being able to grow and the support chain ultimately being broken.

However, they still believed that if situations were different their community would support them, as there were some businesses in their opinion that do very well. As for support organisations, the reasons they sought assistance from the relief agencies were predominantly for support with rent, support for family, financial assistance, and food parcels. Four participants indicated they sought assistance to learn a skill to start a micro business as they were aware that the organisation sponsored vocational skills.

Several participants in Group 2 were aware of organisations that assisted local entrepreneurs in growing and developing their businesses, but they were unaware of how to access them or the benefits they offered. Additionally, many of these organisations only work with registered businesses. Some participants believed that support organisations were non-profit entities, soup kitchens, or training schools. Participants in Group 2 did not attempt to access these support organisations because they were content with their current business practices and did not express a desire to become formal businesses. When asked what type of support they would expect from a support body, they mentioned needs such as capital, the purchase of resources, or payment for exhibition stands. However, the expectations they had of support bodies required them to be compliant to receive business growth and support.

Group 3 participants, on the other hand, were well-acquainted with support organisations, as evident from the fact that a few participants confirmed they were members. This group knew who and how to access support bodies based on their specific requirements. They expected these support bodies to keep them informed and updated on opportunities related to networking, funding, business development, and other relevant areas. There was no expectation of product purchases or exhibition fees to be covered.

Both groups received support from their community, family, and friends. Those who were not supported by their community did not sell their products there. Two participants from Group 2 mentioned that their community could not afford their products, so they sourced clients from social media.

In both groups, they were recognised as small business owners within their communities. Therefore, small business owners play a vital role in their respective communities, regardless of whether they belonged to Group 2 or 3.

4.5.7 Sustainability

Most participants in Group 1 were supported through social grants, selling items, and working. The earnings in this group ranged from R 2000 to R 12 000 per month, with these amounts including the complete household income, which ranged between two to nine people per household. The majority of Group 1 was in previous employment and left for various reasons. One participant said after working for five years her husband told her to stay at home, but she did not disclose the reason. Several participants were retrenched and could not find other employment. All the participants in Group 2 were self-employed. Most of them employed staff from between one to eight employees. Their staff were either family members or people from the community. Those who did not directly employ staff used the services of other service providers that formed part of their business processes, such as the cut-make-trim (CMT) process, courier services, printing of labels, etc.

Their income ranged from R 2 500 for a student or small start-up home business, to R 80 000 for a business. Their income was derived from product sales, supplying or selling on various platforms, flea markets, pop-up events, online services, and the home industry. Their income also included some social grants, rental income, etc. The amounts recorded were based on the collective amount of the household income. Most of the participants indicated that they were previously employed and left for various reasons including retrenchment or choosing to start a business. Group 3 participants were all self-employed, with one or more employees; however, everyone in the group used the services of other service providers, either from their family or community. Group 3's lowest earner earned R 23 000 per month, and the highest earner earned R 120 000 per month.

4.6 Discussion on Findings

4.6.1 Demographics

The individuals selected for the study were from communities that had been historically underserved or marginalised. These participants shared similar socioeconomic backgrounds and familial relationships.

They had the same amount of people in their household which may consist of one family per room and extra dwellings on the same property with extra family members.

Only a few participants had a small family on one property. The study revealed that some found their surroundings to be hostile and unsafe, while others perceived the community to be cohesive and supportive despite the presence of social issues. Some participants were so used to the crime and social ills in their environment that they became accustomed to such a lifestyle. They did not see any way out of their situations and rather accepted their lives and that they should make the most of it. They described their community as being tolerable despite having many gang-related incidences, that it was not as bad as people thought as an indication that they want to convince themselves that social ills were something to become accustomed to living a normal life.

Many individuals found themselves dissatisfied with their circumstances, feeling confined and resentful. They were frustrated by their limited educational attainment, the scarcity of job opportunities, high crime rates, and the pervasive poverty that seemed to envelop them. These participants perceived themselves as being stuck in a situation with no apparent means of escape. A feeling of being held hostage in the same cycle of gangsterism, drug abuse, gender-based violence, alcoholism, and all types of social ills, a real poverty trap that was bursting and overflowing, affecting other communities. Unfortunately, a few would not do anything about their environment or situation due to fear for their lives and the lives of those in their community who are peace-loving people. This is what those who cause the disruption relies on, that many would not stand up to their bullying, causing communities to suffer and never prosper. Many of the participants in Group 1 appeared to be stuck in their circumstances, despite their attempts to improve their situations. Outside factors appeared to continually hinder their progress. One participant described their situation as being a *“multi-family household, and most of the people in my community are low-income households or single-income homes. Lots of drug users and abandoned kids.”*

On the other hand, Group 2, faced with the same challenges and multidimensional poverty, demonstrated resilience and adaptability by finding ways to sell products that were either needed within their communities or to customers outside of it, despite deeming their environment to be unsafe. Group 2 appeared to be more proactive in their community with their personal and business lives.

One participant noted that even though it may not be safe, your community is what you make of it. This reflects two things: this group comes from being based at zero and does not wish to find themselves there again. They have tasted what it is like being out of the situation of being based at zero, feeling helpless, facing unemployment, stagnant, facing mental challenges, and seeking various social support such as food parcels, clothing, and financial assistance from relief agencies. They will not let their environment affect them completely, and it's a strength they build, which allows them to be able to work within their environment despite the challenges. This group is constantly in survival mode and striving to improve their situations, their family, and their communities. One cannot clearly determine whether Group 2 has become blind to poverty and its circumstances and is now walking around with blinkers on, or whether they genuinely feel that their community and its circumstances are not that bad.

Those who managed to move out of underserved communities felt that there was nothing they could do about the social ills in that area and needed to move on and not look back. However, the reality is that social ills snowball and eventually roll into other areas previously considered safe. These individuals have initiated businesses within their respective communities but have opted to move away once they had the means to do so or when it became a necessity for the sake of their families' safety and the betterment of their businesses. Often, they started the business when they lived in the community, but the community was never their target audience.

Some still reside in underserved areas and have also discovered that their community is not their target market, and they sell their products outside of their community, either through social media platforms or other event platforms. These individuals do not mind living in underserved communities as they have been there all their lives, and it is affordable, but conduct business outside of their community.

Most participants in Group 3 either sold their products outside of their community or had moved out of underserved areas. Group 3 participants did not want their environment to dictate how and where they conduct their business activities.

Even though some participants had moved to what they described as the "*middle class*," they considered their areas unsafe and would rather stay behind closed doors. Despite moving to these middle-class communities, they now had high-rise fences with electric fencing and various security measures in place.

4.6.2 Education

All three groups had similar educational levels, comprising of matriculants and a few with post-matric qualifications (refer to Figure 11 above). One difference was that Group 3 did not have any high-school dropouts, like with Groups 1 and 2. However, although Group 3 had a higher matric pass rate, only two post-matric participants had businesses stemming from their education. All the participants, whether school drop-outs or completed school, in Groups 2 and 3, ran small to medium businesses, that were started from scratch. Despite the challenges Group 1 faced, they continuously attempted to start a business for survival, not from knowledge they received at the school, but either self-taught or inherited.

Group 3 indicated that they received opportunities to pursue further studies after school, but not all of them took up the opportunity. Their education levels do not prove that it contributed to them starting their businesses. There is also no evidence that the schooling system taught them anything that would give them a head start or knowledge about running a business. Instead, the schooling system in South Africa is designed to let people conform to what they want people to learn, which has no benefit to those who face unemployment after school, while those in power want us to think the way they want us to think. There are no real-life skills that allow school leavers to become temporarily sustainable whilst waiting for more opportunities and most artisanal skills have been removed from schools.

Entrepreneurial skills of running a business have been brought into schools at a primary school level; therefore, while students now know about business practices and processes, they do not have a product or services to offer with their entrepreneurial skills. They also live in communities where opportunities are very minimal. The government cannot assist the thousands of matriculants leaving the schooling system each year, and we sit with a backlog of unemployed youth, where this unemployment leads to many unfavourable situations.

Regarding the high school dropouts, unemployed, and uneducated, part of this could be due to the schooling system in South Africa allowing students who do not perform well to be condoned into the next grade, regardless of if they have failed. This may be part of the reason why dropout rates are high in underserved communities, as the higher in grade they go, the more they are unable to cope with the work. Humans are passive recipients of knowledge; we trust and rely on a system that will fail most of its citizens.

We believe in this system of the school journey and post-school education for our career with a mindset that we will be walking into a job, but instead we find many unemployed educated individuals, forced to start small businesses for survival as they cannot find employment, or taking skilled labour out of our country, enriching other countries.

As for education relating to starting a small business, most participants indicated that they were self-taught. They either learned from family members as inherited skills, or from the community who may be in that field and passed on the knowledge. A few of the participants in Group 2 indicated they learnt from online courses and attended short workshops to empower themselves.

Group 3 attended many courses online and face-to-face and constantly tried to enhance themselves and their community. The education they sought to start their business was not based on their level of school education but on their living situation and needs. Participants from Groups 1 and 2 did not credit the schooling system for starting their business ventures, or their post-matric education, and the motivation in starting their business did not rely on what level of schooling they received but on their needs, to start the entrepreneurial journey. There is no evidence that those with matric or post-matric have more successful businesses than the high school dropouts. The difference is that Group 2 participants run informal businesses and Group 3 runs formal businesses; however, from a business standpoint, one cannot tell if formal is better than informal as the income is almost similar. Participants in Groups 2 and 3 started businesses due to necessity and kept consistency. This shows the intention to start a business, for whatever reason, and behaviour to keep it going.

4.6.3 Entrepreneurial Activities

Participants in Group 1 were always attempting to start a business. They would sell various items for survival and constantly changed what they sold. Their businesses changed daily, based on what they could find to resell, for the season, for a need, or on the situation in the community. If something was trending, most participants in Group 1 would try to sell that same product. They were not consistent and found selling very challenging in their community and to their families. Group 1 had a strong desire to start businesses and indicated that having capital would help establish lucrative businesses. There was no indication of what the capital would be used for and what investment plan there was for the business. They did not indicate any specific skills or services they would like to invest in to grow a sustainable business.

Only one participant indicated they would need a skill. Group 1 operated from a survival mode, from hand to mouth, with no system to grow the business. Group 1 constantly found themselves reaching out to relief agencies to assist with their livelihood and always found themselves back at zero and found it challenging to move out from here. Group 1 participants were recipients who were based at zero, found a way out, and were now attempting not to fall back into that situation. They found a gap in the market where they could provide a product or a service.

Group 2 was consistent, they would not have more than two businesses, but the second would only start due to their know-how and experience of starting one before and seeing that they were capable. Group 2 participants had no intention of becoming a formal business as they found government procedures to be tedious and too much red tape. They also did not wish to pay taxes on their earnings and keep their businesses small, manageable, and off the radar. Group 2 participants were resilient and hardworking. They believed that entrepreneurial activities in their homes and communities would improve their communities. They persisted despite the social ills in their communities. Most of the participants received social grants but realised that it was not sustainable and that they would have to do something to their livelihood, to shift themselves and their families.

Group 2 often involved their entire families in their businesses and created employment for families, friends, and community members. This group went to many lengths to sell their products or services, their clients were often their families and communities, used external events to sell their products, and lately, they expanded their businesses by selling products online. With access to courier services, there was no reason for them to say they cannot grow and develop their business due to the area they reside in.

The participant in Group 2 who felt they could not grow in their community provided a service, even though they would have to provide services where the customer felt comfortable to go. Group 2 seemed willing to do whatever it took to run their business. It was not always great, but they did not give up. Group 3 had similar mindsets as Group 2, except that they moved their businesses out of their communities and turned them into formal businesses. Their vision is different to Group 2 as per how big they wanted their businesses to scale, and the type of opportunities they wished to access which required them to operate as a formal business. Group 3 had set products, intentions, and behaviour in what and how they wanted to conduct business.

4.6.4 Entrepreneurial Knowledge

Group 1 had knowledge about entrepreneurship but when they described what it was, they spoke about entrepreneurship as if it was something they were unable to achieve, and as if it was only for high-profiled businesspeople. Entrepreneurship for those based at zero is hard to comprehend, as it is synonymous with successful businesses, and people with intention and abilities. Even though entrepreneurship is part of the school curriculum, some of the participants admitted to not knowing about it. The skills that could form part of entrepreneurial knowledge were either inherited, sought out, or taught by the community. This would be the actual skills or ability to provide services, but they were not aware that it could lead to entrepreneurship.

Group 2 had extensive knowledge about entrepreneurship, including the processes and procedures involved. However, they chose not to establish formal businesses. They were highly active in selling products and services and their businesses were as successful as Group 3's. Group 2 participants were well-versed in their target market and had sought out a vast amount of entrepreneurial knowledge through self-teaching. Group 2, who took advantage of free resources to enhance and empower themselves, constantly sought knowledge for their businesses, whether through mentorship programmes or online resources. Although they did not have formal businesses, they could effectively run their businesses. The red tape and efforts required to establish a formal business were a deterrent for many participants; however, they were still able to grow their businesses. Many participants in Group 2 had initiated multiple business ventures, highlighting their entrepreneurial prowess. Despite this, they did not identify themselves as entrepreneurs because they believed that the term is reserved for those who operate formal businesses.

In contrast, Group 3 was committed to establishing successful formal businesses and invested considerable time and effort to ensure compliance with all relevant regulations and requirements. This enabled them to take full advantage of the opportunities offered by formal business operations. Participants of Group 3 regularly attended workshops, invested in various courses, sought out mentors, and continually acquired knowledge that benefitted their businesses. Participants from both Groups 2 and 3 took initiative to create opportunities for themselves and their communities and expand their businesses. Both groups recognised the potential benefits of entrepreneurial activities and knowledge for underserved communities.

Participants from both groups expressed that they initially embarked on their entrepreneurial journeys due to necessity, which later evolved into a personal choice. They now possessed the mindset, skills, and actions required to manage their businesses. The mindset reflects their determination to pursue entrepreneurship as a long-term career option, the skills reflect the knowledge and competencies needed to provide products or services to the community, and the actions reflect the conduct required to execute entrepreneurial tasks. The knowledge they have acquired over the years has grown with experience, just like everyone else who started at the beginning. Starting a business from scratch can be a frightening and isolating experience, but the outcome can have a significant impact in numerous ways. Entrepreneurial knowledge and activities not only change individuals but also have an impact on their families and communities, leading to societal improvement.

4.6.5 Opportunities

Both groups were questioned about their preference between starting a business, acquiring new skills, or being employed if given favourable economic opportunities. Both groups unanimously agreed that acquiring new skills would allow them to improve themselves, their businesses, and the industry. They preferred to remain in business and develop themselves, their businesses, and their communities. Both groups recognised the power of knowledge and its potential impact on themselves, their families, their businesses, and their communities. They knew where they would direct any economic opportunities they received and had a clear focus on how to use them.

Both Groups 2 and 3 valued skills and knew they were necessary to start a business. Even if their businesses failed, they would have the skills to start another business later. Both groups understood that being a business in their community could uplift it and create employment, so they chose to start a business over being employed. Only two participants in Group 2 expressed a strong desire to find employment, citing the high unemployment rates in their community as a major concern. Unfortunately, economic opportunities don't often reach the businesses that would use them to impact their communities.

Both groups expressed a desire to expand their businesses locally and nationally, to achieve financial freedom and independence, as well as to build a positive reputation and leave a legacy.

Additionally, several participants indicated a desire to develop and grow their family members and build family-owned businesses, suggesting a desire to improve their family's current situation. A common theme that emerged from both groups was the desire to create employment opportunities and develop their employees, driven by a concern for unemployment and a belief in the potential for small businesses to create more job opportunities. Some participants also emphasised the importance of empowering employees with skills and business knowledge, to help them start their own businesses and contribute to economic growth. Both groups recognised the need for paying customers to support their business growth, and with many people in their communities being unemployed, that this would impact business growth. They expressed confidence that micro and small businesses in underserved communities could help alleviate the unemployment crisis and address social issues.

Both Groups 2 and 3 possessed strong abilities and knowledge to grow their businesses by identifying various opportunities. Through their creativity and innovation, they were able to solve various problems related to their businesses and could innovate and pivot their businesses as needed, as evidenced during the COVID-19 pandemic. Their experience of running businesses over the years gave them the ability to create and develop new products and services during times of crisis, even if their businesses were not deemed essential at that time. Both groups, due to their experience, could network and establish professional contacts with individuals who contributed to their businesses and shared their values.

The only difference between these two groups was that one comprised informal businesses, and the other formal businesses. Both groups shared similar values and principles, and their choice to be a particular type of business was a conscious one. The informal businesses in this study had the potential and knowledge to transition into formal businesses but chose not to do so for various reasons. Participants in Group 1 were not asked these sets of questions, as the first few participants were unable to respond to them.

Group 1 never had the opportunity to develop or expand the products they sold, as they were not consistent in what they were selling. Their reason for selling items was for survival, not to intentionally start a business. Group 1, therefore, could not identify opportunities to start and develop a business, and as a result never gained an understanding or any knowledge of business processes and its benefits.

This means participants in Group 1 were unable to develop the mindset of being creative, solving problems, having leadership and communication skills, or the ability to develop products or services, whereas experience in business allowed participants in Groups 2 and 3 to become experts in this and develop a constant growth mindset.

4.6.6 Support Structure

The results indicated that the level of community support for small businesses varied among all three groups. Group 1 depended on the support of individuals in their environment, which in turn was influenced by the community's needs and circumstances. Participants in this group received support based on the importance of their product as to supporting the seller, with purchases being made when the item was deemed necessary rather than desired. There was no resentment from participants in Group 1 if they did not receive support, as they understood that not everyone could afford the products or services from their community. While only a few members of this group utilised online platforms to reach people outside of their community, clients were often hesitant to travel to underserved areas to collect their products.

Despite the potential for alternative methods of delivery, trust needed to be built between the client and seller before a successful transaction could take place. Unfortunately, numerous scams occur online, which can make it difficult for clients to trust these platforms. Group 2 had similar experiences, with community members purchasing out of need. However, participants in this group would also sell within their community and utilise other platforms to reach a broader audience. This group had the necessary skills and knowledge to utilise these platforms effectively, and they placed a strong emphasis on word-of-mouth sales and building their brand by meeting with clients. They would provide good services so clients could refer them. Participants in Group 3 had a similar approach, except they strategically positioned themselves where the customer knew where to find them.

All groups were asked about support organisations and the expectations of those bodies. Group 1 could only reflect on relief agencies and the type of social relief they receive from these organisations and also mentioned feeding schemes. Group 2 had a different interpretation of support agencies, that they expected them to assist with financial support and to help support to grow and develop their business with certain resources and products.

Group 3 understood that support bodies assist with support applications for funding opportunities, mentorship programmes, networking opportunities, training programmes, and all sorts of business opportunities. Their perspective aligns with their commitment to serious business growth. Group 2 also understood that to receive opportunities such as these, they needed to be serious about their business and its growth, therefore required to be fully compliant with formal business processes.

Although Group 2 participants could develop a formal business, they held their reasons why they did not want to be; however, their expectations of support bodies and the government to support their businesses were unrealistic, as most support agencies require you to be formal business. The government, however, had lately been taking note of the informal economy and looking at ways to support and build more informal traders. Not everyone will have access to this support as it will take time to develop.

Participants in Group 3 operated formal or semi-formal businesses and showcased strong entrepreneurial intent, strategic thinking, and a commitment to growth. They had moved beyond mere survival to achieve sustainability, often relocating their businesses from underserved areas to access better markets. Their emphasis on mentorship, community upliftment, and long-term planning has established them as role models for inclusive innovation and economic resilience.

There is a clear disparity in mindsets where the participants from each of the three groups have varying views on community support versus institutional support. It is essential to bridge this gap by fostering realistic expectations and exploring ways to support informal traders effectively. Encouraging formalisation while addressing the unique challenges faced by informal businesses can contribute to sustainable development; however, this research aimed to move Group 1 from their consistent cycle of being based at zero, and the next step for them would be to follow the steps of the informal businesses.

4.6.7 Sustainability

Group 1 participants were not self-employed or employed, and all participants in this group received social grants and sold items. Few participants also relied on family support and relief agencies. All the participants in this group had been previously employed and left their companies due to retrenchment, illness, contracts ending, family responsibilities, etc.

A few participants indicated that despite attempts to find employment, they had not been successful for many years.

In Group 2, all members were self-employed, with some having their own employees. Their sustainability approach was linked to their business operations. This group did not reveal whether they received social grants, possibly to avoid disclosing the simultaneous receipt of government assistance and business profits. As for Group 3, every participant was self-employed, deriving their income solely from their businesses. Two individuals in this group reported receiving both government pensions and business-related income.

4.7 Conclusion – A Cross Comparison Over Three Groups

For individuals based at zero to shift, they require more skills development opportunities and business development training. According to Group 1, they sold whatever they could to survive, and this changed from time to time. This shows inconsistency and that they did not have fixed skills that allowed them to provide a specific service or sell items. They tried to start micro-businesses, for survival, but have had many obstacles preventing them from growing their businesses. The major obstacles were the toxicity of the environment, their lack of skills, and a community that cannot afford to support one another. Groups 2 and 3, however, both started from these circumstances, but as they persevered, they found a gap and positioned themselves well, to move away from their circumstances, otherwise, they would still be based at zero.

The biggest strategy for both Groups 2 and 3 was to move their businesses out of their communities. They quickly realised that their community would not be a target market for their business and that circumstances within the community were a massive hinderance for business growth. They invested a lot of time and effort in self-development and business development with every opportunity they could. This did not happen overnight but was a long journey to success. Both Groups 2 and 3 found alternative ways to reach new clients, from using social media platforms to selling their products at events that were out of their communities. They were able to grow and develop their businesses and found clients who had buying power. Group 2, who still resides within the underserved communities, then supported other businesses within their communities. They also employed staff from the underserved communities. Group 3 participants moved out of the area but also created employment for individuals from underserved communities.

CHAPTER FIVE: DISCUSSION

The research aimed to create a strategy to promote entrepreneurial mindsets among individuals residing in underserved communities on the Cape Flats in the Western Cape. This will be achieved through providing and developing artisanal skills and other opportunities. Underserved communities are typically characterised by economic hardship, with limited access to resources, systemic inequalities, and high unemployment rates. Addressing these issues requires a comprehensive understanding of the unique circumstances and barriers these communities face.

5.1 Demographics

In the first section of the literature review presented above, we attempted to provide an understanding of the underserved communities of Cape Town, including their ethnography and demographics. We considered the situation in the community to obtain a full understanding of who these communities are in the literature and then turned our focus to the research carried out through the questionnaires. In South Africa, the neighbourhood known as the Cape Flats is situated southeast of Cape Town, between the mountains and the Cape Peninsula. This sandy plain, which was formerly a seabed, separated from the white regions and the Central Business District (CBD), and is where the crime-ridden townships of the Cape Flats serve as a vivid reminder of the spatial legacy of apartheid's segregation and the mass migration from District Six (Negri, 2022).

Underserved communities face significant socioeconomic challenges, including gangsterism, crime, low education levels, high school dropout rates, and unemployment. These challenges have marginalised these communities for years, making sustainable development difficult. Bowers Du Toit (2014) described these communities as a pandemic that is closely tied to a deprivation trap of poverty, marginalisation, isolation, unemployment and, ultimately, powerlessness. The literature shows that South Africa is struggling with extreme poverty rates despite its advanced commercial and manufacturing infrastructure, high gross domestic product, and high gross national product; however, half (49.2%) of South Africans live below the poverty line (McKay, 2023).

The research participants held different views about their location and their situation. Some participants made peace with their situation and lifestyle, some were not happy with their situation, and many had left underserved communities for neighbouring safer communities. Ventres (2014) labelled poverty as not excluded from view, but from consciousness, “poverty blindness,” where society fails to take the poor into account. Ventres (2014) continued to note that although poverty has historical and social relevance, academics from a variety of ideological and philosophical fields have frequently noted that its most enduring characteristic is invisibility. Because those who experience poverty are marginalised, poverty is widespread yet rarely acknowledged.

In these circumstances, we witnessed those in underserved communities adapting to appalling circumstances such as crime, gangsterism, drugs, unemployment, low level of education, and other social ills. They have become blind to their circumstances and cannot see that they are being held hostage in their community. Even though this was caused by apartheid, after 30 years, the situation has worsened. As per Freire (2018) in his book chapter “*Pedagogy of the Oppressed*,” individuals have not been taught to be liberated, therefore the cycle of multidimensional poverty continues to this day. Many individuals in underserved communities feel the system is failing them and there is no way out but to accept what fate has dealt them.

Based on the research, the data collected from all three groups revealed that the communities the participants live in are not safe. They suffer from gang violence and crime, and many residents are unemployed, leading some to sell products for survival. Even those who moved to neighbouring communities found that they were not safe either, as they faced home invasions, hijackings, and theft. To protect themselves, they have had to raise their walls, add electric fencing, and start neighbourhood watches. The research also found that many homes in affected communities are overcrowded, with multiple families sharing limited space. Illegal dwellings, such as “wendy houses” or “sink structures,” were also reported by some participants. High unemployment rates worsen the already unfavourable living conditions, making these areas hotbeds for illegal activities. Unemployment was consistently cited as a major issue by the participants. They expressed the need for more people in the community to learn new skills, start micro-businesses, and provide services to reduce unemployment and social problems. Micro-businesses can support the economy, increase community resilience, and create employment opportunities. By fostering economic growth and providing jobs, small businesses can help alleviate social issues associated with poverty and unemployment.

Government, non-profits, and private companies are encouraging micro businesses in the form of the informal economy as they see the great impact it can have on underserved communities.

Unfortunately, not all individuals in underserved communities have the drive to start micro-businesses. Many of the participants in Group 1 struggled to begin and maintain their businesses. Their lack of success in initiating and retaining a micro business was directly linked to their community. The people in their community were mostly unemployed and could not afford their products, as they would be their immediate audience for their business. Additionally, they did not have access to resources or funding to start their businesses. Another reason is that running a business within their community is deemed high risk as they would become targets for gangs or drug users who would try to rob them. Most of Group 1's inability to start a business was blamed on the situation they find themselves in. In contrast, Group 2 held a different perspective. They believed that, regardless of their surroundings, they must alter their current lifestyle to break free from poverty cycles and adopt a new mindset. Although these individuals recognised the risks of starting businesses in their neighbourhoods, they persisted, driven by their desire for personal and community improvement. Group 3, on the other hand, found it challenging to adapt to these conditions. They initiated their enterprises in disadvantaged areas but catered to clients outside their immediate vicinity. As their businesses expanded, they relocated to nearby communities. While their new locations were not significantly safer, there had been a substantial decrease in gang-related violence and overcrowding.

The three groups held different views on their environment and reacted differently to their situation. Group 1 blamed the environment and situation for not growing, Group 2 felt they could overcome the situation in the environment and keep on striving and working hard, and Group 3 felt that the environment and situation were too much for them, worked hard, and made the move to exit the situation. Three groups of the same background developed different mindsets and behaviours over time due to circumstances. Based on Azjen's (1991) "theory of planned behaviour," individuals' decision to engage in a specific behaviour is determined by their intention, which is influenced by their attitude, subjective norms, and perceived behaviour control. This is a psychological theory that links belief to behaviour. In the case of the three groups, each group had different reactions and beliefs even though they come from similar backgrounds and situations.

Broad strategies including intervention, preventive, and suppression techniques are required to address these problems. If residents want to live in safer neighbourhoods and end the cycle of gang violence and multifaceted poverty, they must come together.

5.2 Education

Underserved communities are marked by widespread economic hardship, where limited access to resources and systemic inequalities persist. These communities face substantial educational challenges, including underfunded schools, impacting the quality of education they can provide, difficulty in attracting and retaining qualified teachers, and insufficient educational materials which means a shortage of textbooks, technology, and other learning materials that hamper effective teaching and learning (Christian & Stambach, 2024).

To tackle these challenges, it is crucial to gain a comprehensive understanding of the unique situations and obstacles that these communities encounter. In many of these areas, the provision of educational resources falls significantly short, leading to an ongoing cycle of poverty and hampering avenues for advancement. The impact of poverty, homelessness, and lack of parental support can have detrimental effects on students' academic performance and attendance. Additionally, numerous schools in these communities lack fundamental amenities such as safe infrastructure, adequate heating and cooling systems, and access to clean drinking water.

Creativity is often overlooked in favour of subjects deemed more important, such as maths and science, which neglects the creative potential often found in these communities. According to Spaul (2014), education in underserved communities acts as a "poverty trap," with low pass rates perpetuating cycles of low education as students in underserved communities often perform poorly on standardised tests and have lower graduation rates, resulting in a poverty mindset and creating barriers to entry into the competitive job market or universities.

Educational disparities, such as low educational attainment in underserved communities, can serve to perpetuate cycles of poverty. Inadequate funding and resources in underprivileged communities have led to restricted access to quality education, resulting in overcrowded classrooms, outdated learning materials, and inadequate teacher support. Ultimately, such hurdles can significantly impede students' prospects of pursuing higher education or accessing well-paying employment opportunities (Christian & Sayed, 2023).

In addition, the limited access to resources and support within these communities can result in a higher likelihood of high school dropouts, which effects local economic growth and development. The school system, perhaps inadvertently, serves as a gateway to gang involvement by providing a sense of belonging and support. This unintentionally fosters an environment where individuals find solace, a haven, and a community to meet their needs for unfortunate reasons.

The investigation revealed that among the 32 participants, there were matriculants in all three groups, with a few having post-matric qualifications. Those with post-matric qualifications mainly possessed artisanal skills such as fashion design and hairdressing. Additionally, two participants in Group 3 held degrees. Some participants stated that they had opportunities for post-matric education but couldn't pursue them due to financial constraints or other reasons. Notably, 10 out of the 32 participants were high-school dropouts. Those with artisanal skills started their business almost instantly after and during their studies whereas the rest of the participant's businesses did not relate to their academic careers.

In Group 1, it was observed that six participants were high-school dropouts. Their reasons for leaving school varied, including drug addiction, the need to financially support their single mothers, taking care of ill parents, choosing employment over continued education, or leaving school without a specific reason. The issue of high-school dropouts seemed to be more prevalent in underserved communities, where individuals often felt that they had been failed by the system.

Group 2 also comprised of six matriculants, one post-matric participant, and four high-school dropouts. The reasons for leaving school in this group were similar to those in Group 1, reflecting the challenges faced by underserved communities that impact educational attainment and overall well-being. Some participants in Group 2 had opportunities for further education but did not pursue them due to either a lack of foresight or unclear career guidance. As Einstein once said, *"everyone is a genius. But if you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid."* The Latin term "innate ability" is the origin of the word "genius." According to Einstein, we can all become geniuses by discovering and utilising our inherent talents. His statement about judging a fish by its tree-climbing ability emphasises the importance of recognising our natural strengths.

Einstein encouraged us to identify our innate capabilities, understand our purpose, recognise our potential, and focus on activities we enjoy within our areas of expertise. By doing so, others would perceive us as geniuses rather than incompetent individuals.

Conversely, all participants in Group 3 indicated that they had opportunities for further education and took advantage of them to improve their lives, even if they were no longer working in their field of study. This was another issue in underserved communities where people were now more determined than ever to pursue academic studies and become professionals, but the competitive job market, skills mismatch, or as in the COVID-19 crisis we saw many business closures, leaving communities with educated but unemployed professionals (Lopes et al., 2021).

It can be tough for young people with degrees to find jobs due to intense competition. The pandemic caused global business disruptions, leading to closures, layoffs, and reduced hiring. Many companies are facing financial strain, affecting their ability to hire new employees. Unemployment for educated individuals in underserved communities may also be due to a skills mismatch, where having a degree is valuable, but having relevant skills is crucial for employment.

Some graduates may lack the practical skills or experience required by employers. Bridging this skills gap is essential. In the school systems of underserved communities, access to guidance and support for developing relevant skills may be limited. However, despite the challenging environments, teachers in underserved communities are dedicated to nurturing and shaping capable individuals. Their relentless efforts are driven by the belief that they offer hope and a better future for the youth (Christian & Sayed, 2023). Christian and Sayed (2023) argued that teacher motivation on the Cape Flats was more important than factors such as impoverishment and gang activity. They believed these are critical realities that impact teacher motivation in a context vastly different from more privileged schools in South Africa.

Education is crucial for social mobility, and the absence of quality education could perpetuate poverty across generations. Without access to high-quality education, future generations may struggle to escape the cycle of poverty. Educational achievement significantly impacts health outcomes and overall quality of life.

Improving the quality of education in underserved communities is important to break the cycle of poverty and promote social and economic progress. Addressing youth unemployment requires a collaborative effort involving government, non-profit organisations, businesses, and individuals.

5.3 Entrepreneurial Activities

The process of starting, growing, and running a new company is called entrepreneurship. Entrepreneurship is essential to economic growth and employment creation, whether one is starting a micro business or running a major corporation (Adeola, 2021). Adeola (2021) described entrepreneurship on the African continent as a short and long-term solution to unemployment.

Entrepreneurship is constantly seen as a solution for unemployment in low-income nations (Sutter et al., 2019). Entrepreneurship is viewed as value-creating and problem-solving, and attempts have been made to integrate it into disadvantaged or underserved communities to create entrepreneurial intentions (Botha & Taljaard, 2021). Starting a business is intentional and requires different levels of motivation, distinctive objectives, resource commitment, mindset, and support (Liguori et al., 2019). Based on the literature, entrepreneurship would be a possible solution for countries with economic crises. According to Kritikos (2014), when an economy is well, entrepreneurship is less encouraged under the misguided notion of why take risks on something new and untested when things are well, and that entrepreneurship is important only when the economy is doing poorly. However, based on Botha (2021a), entrepreneurial intention and competencies in nascent entrepreneurs is very high, that is the skills, knowledge, attitudes, and quality of action taken by entrepreneurs.

Although half of the participants in the present study were involved in entrepreneurial activities, they did not consider themselves entrepreneurs. Group 1's survival-driven trading challenges the idea that entrepreneurial intent must come first. Their actions suggest a form of "*latent entrepreneurship*" that exists outside formal recognition, calling for broader definitions of entrepreneurial behaviour. This is likely due to the negative perception of entrepreneurship, particularly among individuals with limited education who face corruption and strict regulations. Entrepreneurship requires a specific mindset, skills, and a proactive approach.

It undoubtedly has a significant impact on underserved communities, driving growth, promoting innovation, and bringing about positive change. The establishment of new businesses and the development of entrepreneurial aspirations are essential for the economic progress of these communities.

All members of Group 1 had been involved in entrepreneurial activities, even though they did not recognise them as such. Instead, they considered their actions to be a way of survival. As a result, their activities did not have any profit motives, entrepreneurial goals, or intentional efforts to help their communities grow and develop; their actions were solely a response to necessity. According to the participants, they tried to sell whatever items they could acquire and offered a variety of products over time. Some of them had learned skills that were passed down through their families or community networks. They often provided products or services with deferred payment terms but faced difficulties when customers were unable to meet their payment obligations. This problem led to a cycle of persistent stagnation, which prevented the creation of community wealth. Unfortunately, their businesses only served as a means of subsistence and lacked any intention for growth or the establishment of a small business. As a result, we classify individuals in the first group as being at ground zero, without any inclination towards progress or microenterprise management.

This research aimed to find a strategy to move these individuals from zero, as entrepreneurship is the solution for low-income communities to reduce unemployment and other complex issues in underserved communities. *“The promotion of entrepreneurship through formal and informal education in Africa, provision of mentorship programmes, and start-up funds will provide a short- and long-term solution to the scourge of youth unemployment in Africa”* (Adeola, 2021, p. 1).

Group 2 was more involved in entrepreneurial activities and was conscious about selling products. They did not consider themselves entrepreneurs, but informal traders. Their selling of products started out of necessity, but their resilience and consistency led to becoming a small business. Group 2 knew what it was like to start from zero and were constantly trying to improve themselves. They empowered themselves over time by attending free online workshops short courses. They did have an intention to develop and grow their business but not to make it formal. They are described as motivated and determined.

They possess the necessary attitude, abilities, and skills and take the required action for their business to operate. This group of participants is where we would like to see Group 1 and many other people from underserved communities. Participants in this group identified with the benefits of running a small business and always encouraged others in their community to start one.

Group 2 sold specific products or provided specific services; they did not jump from product to product. They also sought clients within their community that would benefit their business and on external platforms. These participants are resilient to their circumstances and are driven to make their small business a success. A few of the participants of Group 2 had an income like that of Group 3, and despite the success of their business they choose to stay informal. To this group, entrepreneurial activities are a choice, and this influences their mindset and behaviour.

Group 3, from the same area and circumstances, started from scratch, entered the informal sector, and then recognised the opportunity to formalise and expand their businesses. They were determined to become entrepreneurs and aware of the advantages it offers. Their objectives were to grow their businesses not only for their benefit but also for the betterment of their community. They possessed entrepreneurial skills and a strong entrepreneurial drive, which is reflected in their entrepreneurial behaviour. They were continually enhancing themselves and their businesses through training, improving their products and services, and cultivating their employees. They had faith in entrepreneurship and actively promoted it in underserved communities, recognising the positive economic impact it could have by addressing unemployment and other social issues.

It is often recommended that entrepreneurship be encouraged in low-income countries based on the literature; however, it is crucial to understand the perspectives and attitudes of individuals in underserved communities. Factors such as economic crises, unemployment, poor education, gang violence, drugs, crime, and corruption make it challenging for people in these communities to prioritise becoming successful entrepreneurs. Their primary focus is often on meeting their basic needs, such as having enough food to eat and ensuring their survival. Individuals in Groups 2 and 3 have the intention, skills, and resilience needed for entrepreneurship, which have been developed over time, often because of receiving support to improve their circumstances rather than simply receiving aid.

5.4 Entrepreneurial Knowledge

Due to the economic crisis in many countries, entrepreneurship is widely encouraged as it is seen as an alleviator of financial constraints, the combatant of unemployment, and the relief of social ills (Sutter et al., 2019). With the prediction that the youth population will increase to 830 million in Africa by 2050, Adeola (2021) claimed that 263 million will not receive gainful employment.

Adeola (2021) expressed that it is impractical for the government to create jobs for millions of new job seekers yearly. Therefore, entrepreneurship is encouraged at the school level (Bakator et al., 2018a). Steenkamp et al. (2018a) explained that while there is a positive attitude towards entrepreneurship and new venture creation among South African youth, there are inflated expectations regarding future academic qualifications and less interest than expected in starting businesses. Steenkamp et al. (2018a) also revealed that entrepreneurship education in schools was infrequent, lacking depth, and focus. Despite the benefits of entrepreneurship, South Africa has been identified as one of the least supportive countries, constraining entrepreneurship (Botha & Taljaard, 2021). Botha and Taljaard (2021a) examined the connection between entrepreneurial intention and various entrepreneurial skills, which could result in increased business start-ups. Competency includes the skills, knowledge, attitudes, and quality of action entrepreneurs take. Therefore, youth entrepreneurship in low-income countries with high unemployment rates are seen as the key driver for overcoming these economic crises (Nungsari et al., 2023).

Youth entrepreneurship has been largely based in high-income countries, but the higher the unemployment rate for youth, the more entrepreneurship is encouraged, nurturing entrepreneurial mindsets, attitudes, and skills to help individuals take responsibility for their economic situations by identifying opportunities and promoting an entrepreneurial culture (Mejia et al., 2015). Many participants were self-taught or inherited skills, showing that informal learning can empower entrepreneurship. Eglash et al. (2020) support this, but Steenkamp et al. (2011) caution that without structured support, informal learning may not be scalable. A mix of community-based and formal training may be more effective. The literature found that curricula often includes a theory of how to become an entrepreneur, but it often excludes the practical application of entrepreneurship skills (Jokia et al., 2021).

Another important entrepreneurial motivator in communities is generational legacies, where parents are entrepreneurs and children inherit skills or business knowledge from the parents (Hoffmann et al., 2015). Children grow up with entrepreneurial mindsets and find the entrepreneurial journey easy to navigate, as connections and affiliates already exist (Barbera et al., 2018). During the COVID-19 pandemic, family businesses proved to solve complex solutions faster than non-family businesses. Based on the literature on family businesses, they have intent, competencies, motivation, and an enduring commitment to values, which is the greatest strength a family can bring to a business (Aronoff & Ward, 2016).

The list is endless with basic artisanal skills that can be taught formally and informally for young people to become involved in creating their SMEs that do not require much money to start (Adeola, 2021). Artisanal products, such as handmade textiles, are valued because of human involvement (touch), which provides some natural “immunity” from job loss due to AI (Eglash et al., 2020). Eglash et al. (2020) claimed that combining artisanal skills with technology could potentially help democratise the economy, allowing independent, small-scale businesses to thrive. According to Adeola (2021), besides artisanal or other skills, financial and project management, marketing, effective communication, leadership, time management, networking, and an array of other business skills are needed at the school level in the African context to develop entrepreneurial mindsets. The COVID-19 pandemic has impacted life and business as usual and will never be the same as new consumer patterns emerge (Lin, 2023). Individuals are showing a greater-than-ever demand for personalised and customised products, such as wall art, customised furniture, and creative accessories, due to their long hours working from home.

This study found that most of the participants had an educational background, with a few having tertiary education. There was no indication that they received entrepreneurial or business training at schools. Almost all the participants started their businesses from scratch, which often differed from what they had studied. Their abilities and competencies were either inherited, developed through previous employment, self-taught, or learned within their communities. Most of the participants sought skills and entrepreneurial education.

Youth entrepreneurship is greatly encouraged and now taught in schools in underserved communities, with the hope that this would develop an entrepreneurial mindset, but as Steenkamp et al. (2018a) explained, this is usually infrequent, lacking depth, and focus.

The literature also shows that this could be due to ill-equipped teachers who are not trained to teach entrepreneurship. The literature also indicated that youth were excited about building new ventures and entrepreneurship but had no desire to start a business, therefore focusing more on academics. Most youth found entrepreneurship to be harder than stepping into a career.

In the present study, participants from Group 1 in underserved communities had engaged in entrepreneurial activities but lacked the necessary skills. Their involvement was primarily driven by survival and necessity. Group 1 had skills, but it was not what they were taught in schools, nor were they formally trained. A few participants indicated they had inherited skills from family members or picked up skills from their community or surroundings. There was never an intention to start and grow a business, but rather to relieve their challenging financial situations and burdens. They attempted to sell products by taking chances. Unfortunately, participants in Group 1 were never able to retain a successful business.

In contrast, while Group 2 and Group 3 also began their entrepreneurial journeys out of desperation, as their businesses began to grow, they focused on improving and empowering themselves with skills and knowledge. Groups 2 and 3 developed niche products or services and emphasised quality and customer satisfaction. Both Groups 1 and 2 indicated that they attained their skills in various ways. Entrepreneurship in schools was never acknowledged for developing entrepreneurial mindsets. However, a few gained business skills from college or short courses post-high school. Some participants inherited skills gained from family members or the community. Most participants in Groups 2 and 3 claimed to be self-taught in business skills. Except that Group 3 perfected their offerings and expanded only when they felt ready, leveraging their experience and expertise. As a result, their businesses flourished due to their resilience, consistent efforts, and increased entrepreneurial intention and behaviour. The literature offers positive perspectives on how to promote entrepreneurship in countries facing economic crises (Botha & Taljaard, 2019; 2021; Kusumawijaya & Astuti, 2021).

However, these ideas may not always be viable in the context of Africa, particularly in South Africa. Some scholars argue that while South Africa promotes the concept of entrepreneurship, it provides the least support for its implementation. In the Cape Flats area, scholars believe that entrepreneurship education in schools is treated as a mere formality, taught by educators who lack the necessary expertise (Bakator et al., 2018a; Bosman & Fernhaber, 2017).

This leads to students showing little interest in starting businesses, despite being hopeful about completing their education and pursuing further studies. The youth are not always adequately prepared with a backup plan in case they do not secure opportunities as planned, which leaves them disappointed upon realising the intense competition and limited job and academic prospects available to them.

5.5 Opportunities

Every time something new is created, we start from zero to one (Thiel & Masters, 2014). Thiel and Masters (2014) described nascent entrepreneurs who start their journey from the ideation phase and progress to one. This process is often new and strange but starts with intention, because these entrepreneurs have the intention and competencies to start and develop a business (Botha & Taljaard, 2021). At some stage of their ideation phase, they received some type of opportunity to start a business, either through attaining skills or having a financial boost to initiate and grow a business. Research has shown that self-efficacy and other entrepreneurial skills of business owners are highly correlated with entrepreneurial intention, and it enhances entrepreneurial behaviour (Botha & Taljaard, 2021). This is not the reality for people from underserved communities, even though entrepreneurship is encouraged in South Africa due to its alarming unemployment rate. South Africans themselves may not see the urgency and importance of this intervention and their government is the least supportive country constraining entrepreneurship (Botha & Taljaard, 2021).

In this study, participants were asked about the opportunities they received to grow and develop since high school and beyond. Regrettably, Group 1 was unable to respond to any of the questions asked, so this section was omitted for them. When asked about opportunities for further studies after school, they answered negatively. Additionally, they reported the lack of opportunities to initiate a business venture or acquire entrepreneurial skills. While Group 1 had some opportunities to learn skills from family members or neighbours and even start small businesses, these ventures did not progress significantly. Consequently, the group members did not perceive these experiences as genuine opportunities. Due to a constant mindset of poverty, Group 1 was unable to identify opportunities and could not recognise and develop them into successful ventures. They believed that circumstances in their community were oppressive and left them with no opportunities. They were never taught how to see opportunities, which reflects their condition as the oppressed.

Group 1 is described as survivalist entrepreneurs, seen to be an untapped source of improved socioeconomic development due to their capacity to lower poverty and provide jobs, but there is a gap in the research on why they cannot expand and significantly impact the economy (Iwu et al., 2019).

Group 2 had a different mindset. They saw opportunities in everything, pursued everything handed to them, and tried their best to make it a success. Despite being in the same space as Group 1, they had a breakthrough once they developed a growth mindset. They knew they could do it and made the extra effort, refusing to revert to a zero mindset. Something or someone may have motivated them to adopt this mindset.

When asked to choose between having a career or a business opportunity, the majority chose the chance to have a business. This decision was to grow and develop themselves, have freedom of time and income, and create employment opportunities for their community. Through economic opportunities, they would learn more skills and expand their business to generate more employment opportunities.

There were a few who preferred to be employed, as they considered entrepreneurship to be hard work and felt there was not much support from the community in terms of purchasing power. They also felt that they did not receive government support to grow and develop businesses within their communities. This is a common situation, as almost all these participants started a business out of necessity or for survival. Starting a micro business was not their intention, and it was started because they needed income for their livelihood.

Participants of Group 2 appeared to be independent and did not wait for handouts, but instead persevered and sought out most of the opportunities they received. Although they grabbed opportunities to grow and develop their businesses, if circumstances were different and other opportunities were available, we do not know where people with these resilient mindsets could have been. Participant of Group 2 had big visions of growing and developing their businesses into greater successes. Group 2 is referred to as opportunity-based or growth entrepreneurs, they have brilliant ideas, are good at spotting opportunities, executing them, and displaying moral responsibility, have a certain level of intent and competencies, and can easily shift from one business to another (Fadlia et al., 2020).

Group 3 came from a similar background as Groups 1 and 2, facing limited opportunities and pursuing advancement out of necessity and for survival. Some members who had the chance to advance their careers transitioned to entrepreneurship for various reasons. Like Group 2, Group 3 embraced a growth mindset and took formal steps to grow their businesses. Recognising the benefits of running a formal business, they actively sought opportunities for business growth, personal development, and community expansion. Group 3 focused on exploring expansion opportunities for their businesses and collaborated with organisations that support small businesses, create networking opportunities, and liaised with government agencies to enhance their firms.

The same questions were asked of Groups 2 and 3. When given the choice between a career or business opportunity, all the participants opted to enhance their skills and engage in business. They were familiar with the workings of the business world, appreciated the flexibility it offered, and were eager to share their knowledge to help others start their businesses. In pursuit of economic opportunities, they expressed a desire to expand their businesses to create more job opportunities. One participant mentioned that they would offer shares in their business to their employees, while another indicated that they would share their knowledge and skills with their staff to help them start their own businesses and create employment. Their goal was to achieve great success in their businesses, with a belief that strong communities are composed of both business owners and those with careers. Group 3 members invested in various opportunities to grow their businesses. Some pursued business courses and shifted to business degree programmes. They were members of business development organisations, attended networking sessions with like-minded individuals, collaborated with others to improve their businesses, served as mentors, and were mentored by others. They live in a world where fostering a culture of entrepreneurship is highly valued. Despite all three groups starting at the same point, their mindsets determined how far they would go. Group 3 is referred to as innovative entrepreneurs, and possess entrepreneurial intentions and competencies (Botha & Taljaard, 2021).

Participants in all three groups who were not formally registered as a business fall under the informal economy. The informal sector employs over 2 billion individuals, accounting for more than 60% of the world's workforce, and is an important source of employment in poor nations and encouraged for low-income nations (Dell'Anno, 2022).

Participants in Groups 2 and 3 built capabilities through, self-teaching, informal learning, community mentorship, online courses and workshops. Capability building within these communities emerged from necessity-driven learning, informal mentorship, and adaptive resilience, underscoring the significance of context-sensitive entrepreneurial development.

5.6 Support Structure

Even though survivalist entrepreneurs are seen as an untapped source of enhanced socioeconomic development due to their ability to create jobs and reduce poverty, research has described them as falling into three typologies: producers (such as shoemakers, dressmakers, tailors, and subsistence farmers), distributors (including hawkers, vendors, and street traders), and service providers (such as taxi operators, bookkeepers, repair services, and mechanics). Another group of people that fall into survival entrepreneurs are day labourers, who often fall under the disadvantaged group of survival entrepreneurs (Valenzuela, 2001). It is not fully understood why they are unable to grow and make a substantial contribution to the economy (Iwu et al., 2019). There is a growing concern that survivalist entrepreneurs do not grow, and they venture into business for self-employment and family support but have little or no effect on economic expansion (Tengeh et al., 2015).

Many of the participants in Group 1 said they hardly had community support, with one participant explaining that this was because the community could not always afford what products and services were offered to them. There were times when the community supported them but defaulted on payments, setting the small business back and unable to get back on its feet. This cycle was always repeated, where participants tried to start a business, it goes well for a while then fails. Another reason is gang extortion preventing people from gaining access to empowerment opportunities (Chauke, 2023). The survivalists often rely on their community to support their business. Unfortunately, the challenges they face often lead to feelings of hopelessness and despair. As a result, Group 1 must depend entirely on social grants and relief agencies to help with the daily sustainability of their lives.

Group 2, also known as opportunity-based entrepreneurs, are idea generators with the ability to identify opportunities, act on them, and demonstrate moral responsibility. They typically possess entrepreneurial intent and skills and can readily transition from one business to another (Fadlia et al., 2020). Individuals from the Cape Flats often refer to themselves as "hustlers," indicating the hard work and effort they dedicate to their projects (Stoffberg, 2023).

They are constantly evolving and reinventing themselves to create self-employment or employment for others, making them an asset to underserved communities. They believe in knowledge transfer, which they see as a beneficial empowerment tool for employing people from the community. This research shows that participants from Group 2 are resilient; despite facing numerous challenges, they continuously overcome difficult situations in their community and gain access to opportunities. They are familiar with their community and clients, and they use various platforms to sell their products or services, even venturing into other communities. Additionally, they embrace technology to sell their products online.

Group 2 indicated they knew little or nothing when asked about their knowledge of support bodies to help develop and grow their business. However, when questioned about their expectations of government support, they mentioned that they would appreciate financial support, assistance with equipment purchases, mentorship, and guidance. A few participants indicated they would like their businesses to be promoted and part of their fees to be covered when they attend trade events, as some platforms are expensive. The issue with Group 2 wanting support from government and support bodies is that the existing services are primarily offered to formal businesses, while most Group 2 participants were not interested in formalising their businesses. This may change in the future, as government and support bodies are increasingly recognising the informal economy as a potential solution for poverty alleviation and unemployment. Participants in Group 2 have initiated their businesses from the ground up, with financial support coming from family, personal savings, or spouses. They are primarily supported by their community, who purchases their products, as well as external communities to which they take their products or services. Group 2 participants were aware that their community depended on them to uplift and empower the community through employment and knowledge sharing.

Group 3, referred to as the innovators, have the intention and competencies to start a business (Botha & Taljaard, 2019). Innovators can create new business ventures because they are fully aware of their abilities. They have the potential to establish both self-employment and employment opportunities, which are crucial for underserved communities (Block et al., 2017). According to Block et al. (2017), an innovative entrepreneur can establish and develop new business ideas aimed at generating profit, benefiting the community, and accomplishing company objectives.

When asked about their knowledge of support organisations, Group 3 showed a high level of awareness, with some members using their services and opportunities to develop themselves and their businesses. They all started their businesses from the ground up, with financial support from sources such as family, friends, personal savings, the Unemployment Insurance Fund payments, or deposits before providing services. They received various forms of support from the community, family, and other businesses. They recognised their impact on the local economy and considered themselves role models and mentors who aim to leave a legacy. Unlike Group 2, Group 3 did not actively seek clients because of their ability to create niche products and position themselves well in the market. They were found by their clients because of their unique offerings. Group 3 participants did not target people from underserved communities due to affordability constraints and lack of buying power.

Group 3 also invested in their businesses and their employees, as they were interested in the bottom line. They understood if their business does well, they will be able to grow and create more employment. This may mean that they empower and employ the people from the underserved community where they are from.

Both Groups 2 and 3 indicated their different challenges, such as lack of access to formal support structures, red tape and bureaucracy, and a mismatch between informal business needs and the offerings of formal institutions. This disconnects between informal entrepreneurs and formal support systems highlights a broader institutional gap, where policy frameworks do not support grassroots entrepreneurial activity.

5.7 Sustainability

Underserved communities confront major socioeconomic difficulties such as gangsterism, crime, low education levels, high school dropout rates, and unemployment. These challenges have marginalised these communities for years, making sustainable development difficult (Chauke, 2023). Created in the aftermath of apartheid, a lack of access to basic services, low levels of education, high levels of crime, and a lack of economic opportunities is often referred to as a “poverty trap” (Tracey et al., 2014). Despite these challenges, individuals in these communities possess valuable skills and knowledge that can be utilised to create economic opportunities and enhance their quality of life (Heitmeyer et al., 2019a).

South Africa's government aims to reduce poverty through social assistance, but concerns have arisen about the sustainability of supporting over a quarter of its 50 million citizens. Despite the constitutional obligation to ensure citizens' income security, the current level of social assistance is questioned (Potts, 2012). Potts (2012) posed a question which is still relevant today, are social grants curing or causing poverty? Naidu (2022) expressed that with the increase in inflation and unemployment, citizens must find sources of income other than social welfare. The increase in inequality and unemployment, particularly among the youth, raises the question of what will be done to alleviate these pressures of unemployment (Sugiharti et al., 2023). All participants were asked the same questions regarding their sustainability, and how they survive daily.

Almost all the participants in Group 1 stated that they received social grants. This is very common in underserved communities, which suffer from high levels of unemployment and inequality. In addition, they sell products or provide services, which poses a challenge due to the social issues around them and customers failing to make payments, making it difficult for them to grow profitable businesses. They have become reliant on the government, which is no longer sustainable due to the increase in inflation and unemployment. Participants in Group 1 made various attempts to start businesses but face many obstacles. There was an indication that in underserved communities, some people solely rely on the government, relief agencies, and non-profits providing feeding schemes to the community, which prevents the community from becoming economically viable. One participant in Group 1 indicated that their only income was a social grant of R350 per month. It is incomprehensible that someone would survive on a grant this low, but one needs to ask the question: is it the responsibility of the government or the individual to change this narrative? Many hold the government responsible, but as previous literature stated, the government cannot sustain thousands of school leavers every year.

The research found there are various reasons these participants are unemployed, from retrenchment, to the inability to find work, and family responsibilities, and a few have just given up hope. Participant 10 explained: *“I used to work in a bank and had a diploma, but after I got sick, everything changed. I go for dialysis every second day, and my wife had to stop working to care for me. We live off a R350 grant. I want to do something, but I don't know how, it feels like the system forgot about us.”* Most of the participants in Group 1 had skills and could be employed or start a business but there was no obvious solution to them being stagnant, and their situation and environments were too complex.

All the participants in Group 2 were self-employed and sold products. They had sustainable businesses and created employment, even if it was for only their family members. Participants in Group 2 did not disclose whether they received social grants, but two participants mentioned off the record that they did. They felt they may be at risk of losing their social grant if they disclosed such, as they operated an informal business and there was no record of their income. Based on the state, they are considered unemployed, living in an underserved community, and surrounded by various social ills. However, for research purposes, they disclosed their income ranged between R 2 500 to R 80 000 per month for the more developed informal businesses. The income is gained by one or more in the household being employed and selling items. Participants in this group understood that social grants, relief agencies, and even selling products was not sustainable, and that takes everyone in the household to play their part for the household to be sustainable.

Members of Group 3 were all self-employed, with a few also holding traditional jobs, and two receiving government pensions. These participants were involved in profitable, formal businesses. Their incomes ranged from R 23 000 to R 120 000, and they also created job opportunities. Group 3 recognised the advantages of formalising their businesses for future growth and development, not only for their benefit, but also for their families, communities, and society.

The shift from survivalist to growth-oriented entrepreneurship in Groups 2 and 3 highlights the role of inclusive innovation. Local knowledge and informal networks can drive sustainable change when supported by targeted interventions. By utilising Ajzen's behavioural framework and Botha's competency model, this study proposes a strategy that aligns entrepreneurial development with the actual experiences of underserved communities.

CHAPTER SIX: CONCLUSION

This final chapter presents the overall conclusions of the study, reflecting on the key findings in relation to the research questions. It also outlines the implications for policy and practice, and offers recommendations for future research aimed at fostering entrepreneurial mindsets in underserved communities. Understanding the root causes of problems in underserved communities is a continual challenge due to their complexity. However, solutions to these complex issues do not necessarily have to be complicated. Small mindset shifts can lead to the resolution of many problems in underserved communities, beginning with addressing unemployment. Assisting businesses in economically disadvantaged communities fosters economic growth and promotes social progress. These communities often encounter unique barriers that hinder their economic development. By providing tailored business support, strategies can be developed to empower local entrepreneurs, generate job opportunities, and stimulate economic activity. However, residents of underserved communities confront a range of heart-wrenching challenges that make them feel marginalised and overlooked by the rest of the country.

The harsh reality is that policymakers, non-profit organisations, businesses, and individuals often fail to recognise and address the atrocities that occur within these communities daily. We do not witness the extent of gang violence that claims innocent lives and causes parents to live in constant fear for their children's safety. People in underserved communities feel trapped and helpless, facing multidimensional poverty, drug abuse, and gender-based violence. Despite these challenges, residents have become accustomed to their circumstances and view their situation as normal, even though they are truly trapped. Those who manage to conduct business outside of their community do so at great risk and become targets.

All stakeholders, including governments, corporations, non-profit organisations, and private individuals, must collaborate to establish a support system that promotes innovation and entrepreneurship in these sectors. This joint initiative should aim to enhance the quality of life in underprivileged areas and establish lasting economic prospects; however, the collaboration needs a different strategy. The root of the problem needs to be solved from within, to which there are many problems in underserved communities.

To empower the community, particularly for youth and ensure their future success, it is crucial to implement comprehensive solutions to tackle youth unemployment, such as investing in education, skill development, and sustainable business models.

For that reason, the implementation of these comprehensive solutions should be led by organisations familiar with the communities, such as non-profits working in these areas. They will need support from the government, corporations, and private individuals to develop policies and procedures for solving complex problems that they may not have experienced before, and which may take a long time to address. These issues have reached a critical point and require urgent, agile interventions. Resolving these issues will necessitate collective efforts, including amending laws and gaining community support, to change the mindsets of people in underserved communities.

Cape Town, which is surrounded by underserved communities known as the Cape Flats and townships with similar or even worse circumstances, presents challenging situations. It is difficult to determine how to find balance among the different socioeconomic groups, including the middle class and the wealthy. However, it is important to note that in the past, it was believed that the issues in underserved communities would not impact the rest of the country. Nonetheless, Cape Town, which is known as one of the most beautiful cities in the world, has also gained international recognition as one of the most dangerous. Given the history of apartheid, these communities require urgent interventions to prevent the situation from worsening.

The negative stereotype associated with individuals from underserved communities is that they are indolent, unemployed, and crave free handouts. Nevertheless, this research revealed that the participants, despite the adversities they confront, are diligently attempting to establish a business for survival. While it is true that some members of these communities might exhibit such traits, it would be unfair to generalise the entire community based on this observation.

This research uncovered that a significant change made by Groups 2 and 3 was to identify their existing skill set, find a suitable product to sell or service to provide, and then expand their business beyond their community. Participants of Groups 2 and 3 were mostly self-taught or had inherited skills. They also recognised that taking their business to a wider market would increase their chances of becoming a successful business.

By doing so, they continually improved their skills and gradually grew their businesses. Group 2 eventually returned to their community and began supporting local businesses. However, this alone was not enough to improve the circumstances in the community, as Group 2 participants pointed out there is a need for more micro or small businesses in the area. Group 2 knew and understood the impact more micro businesses would have in shifting underserved communities. This would reduce the unemployment rate and may reduce social ills. Group 3 also moved out of their communities and, as their businesses grew, relocated to areas with greater economic opportunities. They now support any small business that is beneficial to their needs.

A part of the strategy to promote entrepreneurial mindsets among individuals in underserved communities and move Group 1 from zero, the following key steps would need to be considered:

1. Assess their current skill set or learn a skill, identify unmet needs outside of their immediate area, and determine how they can offer products or services to launch their business.
2. Once they have pinpointed even a small gap they should repeat the process, the next step would be for them to invest in themselves and their business by acquiring additional skills.
3. It is important in an underserved community that no one is left behind, as this breeds instability. Those without existing skills should seek out short-term skills that can be quickly learned and utilised to generate income, which can then be invested in further upskilling as the business grows.
4. Due to the unpredictable conditions in underprivileged areas, these skills need to be learned from sources outside the community or passed down through family and community. This aligns with the mindset of "each one teach one," a phrase I encountered in the craft industry and one that reflects how the participants in this research have developed their skills.
5. A continuous learning and working culture needs to be developed in underserved communities. More individuals in the community should adopt this approach, as their businesses expand.
6. Utilising the income generated within the community to establish additional businesses, creating a cycle of economic growth and development.
7. If this strategy proves successful and more individuals follow this approach, it could ultimately transform the community, leading to increased opportunities and growth.

8. The individuals that transition and move their business outside the community, will support those who do not take their business outside the community. Eventually, it will not be needed to move business outside the community.
9. More platforms must be created to give marginalised people the chance to further their careers and grow their enterprises by supplying more exchange spaces.
10. These platforms ought to be available on a part-time basis to help people who must juggle work and upskill themselves to make ends meet.
11. It is critical to expose underserved areas to reasonably priced locations with plenty of foot traffic from tourists and wealthy consumers to alleviate the financial difficulties they encounter, or to create safe spaces where they can innovate, create, and manufacture items.
12. Establishing small-scale production facilities would also make it possible for retailers and distributors to buy from these people, which would lessen the demand for imports.

To shift the mindset towards a “community culture” that prioritises efforts for livelihoods and fosters a growth mindset, several steps must be taken. Many informal businesses in underserved communities began through informal learning and training. It is advisable to create more informal learning opportunities that are accessible to all members of underserved communities, regardless of their age, to enable them to learn and start micro-businesses. Informal learning can lead to informal trading, which in turn can pave the way for more formal businesses. This ultimately could lead to communities that are less reliant on social grants or relief agencies, therefore reducing unemployment and poverty, and reducing social problems in the long run. The findings of this study indicate that all individuals began from the same starting point but diverged along their paths due to various factors. The researcher considered delicate and intricate issues surrounding mindsets in disadvantaged communities without assigning blame for possessing the "correct" mentality. Instead, the researcher adopted a proactive and optimistic approach, suggesting that individuals can cultivate their mindsets. The development of entrepreneurial mindsets is not an unattainable goal; it can be comprehended, acquired, and instructed. Future research could implement and test these strategies, evaluating their feasibility, long-term viability, and effectiveness.

In summary, this study has shown that while individuals in underserved communities face significant barriers, many possess the resilience and potential to develop entrepreneurial mindsets.

By investing in informal learning, skill development, and community-based support structures, it is possible to shift individuals from survivalist to opportunity-driven entrepreneurship. These findings contribute to the growing body of knowledge on inclusive innovation and offer practical strategies for sustainable development.

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APPENDICES

Appendix A: Questionnaires

Mindsets of people living in underserved communities about livelihood and entrepreneurship.	
Questions for Groups 1, 2 and 3	
Personal data	
Age	
Gender	
Place of birth	
Place of residence	
Number of people living in your household (including yourself).	
Describe your household.	
Describe your neighbourhood and environment.	
Are you currently employed?	
Roughly speaking, what is the total monthly income in your household? (Add up income from all revenue sources of anyone living in the household.)	
How does your household earn income every month? (E.g. through social grants, earnings from odd jobs, selling items, offering a service, etc.)	
For what reason did you visit _____ (organisation name) _____ today?	
Education and experience	
What level of education have you achieved?	
Did you ever receive an opportunity to do further studies?	
Do you know of any organisations that offer further studies and support for people who did not finish school?	
End of interview for Group 1, based at zero.	

The questionnaire continues for Groups 2 and 3	
Work/entrepreneurial experience	
Do you have work experience (have worked or are working presently)?	
Have you overseen/supervised other people?	
How long has it been since you left your last job? (Number of years; if still working write 0.)	
Have you ever been self-employed (independent worker or firm owner)?	
How did you start the business (e.g. from scratch, bought, inherited or joint venture) and for how long has it been operational?	
Is this your first business?	
What is the reason for starting your business?	
Where did you get the capital that you used to start your business?	
Do you have any employees or whose services do you use? Are they from your community?	
Did you buy any entrepreneurial education, training, research and/or development from institutions of learning?	
What support are you receiving for your business from organisations, family and the community?	
How is your business performing?	
Entrepreneurial knowledge	
What do you know about entrepreneurship?	
Do you consider yourself an entrepreneur?	
Do you personally know any entrepreneurs and who are they?	
To what extent may he/she be considered a 'good entrepreneur'?	
Indicate your knowledge about business associations and support bodies (organisations).	
Professional attraction	
If you received the opportunity, would you, <ol style="list-style-type: none"> 1. Work as an employee and why? 2. Start up a firm and why? 3. Learn a skill and why. 	

Social valuation	
In your closest environment, do you think it is better to be an entrepreneur or better to have a career?	
If you decided to start a business, would people in your close environment support you?	
What do you know about the informal economy?	
Would you consider formalising your business?	
End of the interview for Group 2 – survivalist entrepreneur and opportunist entrepreneur	
The questionnaire continues for Group 3 – innovative entrepreneur (entrepreneurial intention)	
What do you think about the following?	
Does entrepreneurial activity clash with the culture of your environment and what are the reasons for this?	
Do you think your small business contribution is recognised as from an entrepreneur?	
Do you think entrepreneurship is considered too risky to be worthwhile in your community?	
What difference do you think entrepreneurs make in your community?	
Why is it important to you to formalise your business and not stay informal?	
Entrepreneurial ability	
Do you think starting a business in your environment and keeping it running would be easy for you and why?	
Do you have sufficient knowledge and skills to grow your business?	
Where do you see your business in the next five years?	
Do you think you have the following abilities to be an entrepreneur? <ul style="list-style-type: none"> • Opportunity recognition – explain. • Creativity and problem-solving • Leadership and communication skills • Development of new products and services • Networking and making professional contacts 	

Entrepreneurial Intention							
How successful do you wish to be as an entrepreneur?							
What efforts have you made in becoming an entrepreneur (e.g. attending courses)?							
What are your reasons for becoming an entrepreneur? Was it a career choice?							
Entrepreneurial objectives							
If you could grow your firm, into what size would you like to see it grow (e.g. number of employees)?							
Self-employed (No employees)		Micro-firm (up to 10 staff)		Small firm (10–50 staff)		Medium-sized (50–250 staff)	Large firm (>250 staff)
What do you consider to be entrepreneurial success and why?							
Entrepreneurship education							
What entrepreneurship education courses do you think are important to develop more entrepreneurs in your community?							
Have you taken any course or module that could be considered as entrepreneurship education?							
What has helped you develop as an entrepreneur? <ul style="list-style-type: none"> • Knowledge about the entrepreneurial environment • Greater recognition of the entrepreneur figure • The preference to be an entrepreneur. • The necessary abilities to be an entrepreneur. • The intention to be an entrepreneur 							

Appendix B: Interview Consent Form



Graduate School
of **BUSINESS**
UNIVERSITY OF CAPE TOWN

MPhil

MASTER OF PHILOSOPHY IN INCLUSIVE INNOVATION

INTERVIEW CONSENT FORM:

Participant name:

I volunteer to participate in a research project conducted by Amiena Pastor as a partial fulfilment of the requirements for the MPhil Degree at the Graduate School of Business. I understand that the research is designed to gather information about “Developing a strategy to foster Entrepreneurial Mindsets in Underserved Communities of people living on Cape Flats, Western Cape, through Artisanal Skills or other opportunities.” and that I will be one of approximately 30 people being interviewed for this research.

Background and purpose of the research

This research aims to develop a strategy to foster entrepreneurial mindsets among people living on the Cape flats in the Western Cape Province of South Africa, to promote micro businesses for livelihoods. This context presents the persistent challenge of creating sustainable communities due to issues such as gangsterism, crime, low education, school dropouts, and unemployment in underserved communities that have been marginalized for years. Entrepreneurship is increasingly viewed as a potential solution for the development of employment, income generation and poverty relief in many developing countries, specifically underserved communities. To understand the different mindsets regarding livelihood and knowledge of entrepreneurship among people living in underserved communities, we will conduct multiple case studies comprising semi-structured interviews. My research will investigate three groups of people facing similar challenges. Group 1 consists of people who are unemployed, uneducated, and fully reliant on social grants for their daily needs. Group 2 comprises individuals who trade products or services as informal traders within the same community and under similar circumstances. Finally, Group 3 consists of people from the same area who are moving towards establishing successful small businesses and are seeking support to grow their businesses.

Ethics approval



Ethical consent for the study has been approved by the *UCT Commerce Faculty Ethics in Research Committee* (you will only be able to use this consent form once you have received this approval).

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time.

The interview will take approximately 30-40 minutes to complete and will do using a surveys, and few will be contacted for interviews with audio recorded.

I understand that the research data will be stored on a password-protected cloud platform (Google Docs, Dropbox etc.) as well as an external hard drive, as explained by the interviewer.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

Date

.....

Signed by Student

Date

Appendix C: Ethics Approval



2024/02/07

COM/00583/2024

RE: Research Ethics Committee Project Approval Letter

Dear Amiena Pastor,

Your application for ethics review of your project titled

Developing a strategy to foster Entrepreneurial Mindsets in Underserved Communities of people living on Cape Flats, Western Cape, through Artisanal Skills or other opportunities.

has been reviewed and evaluated by the
Commerce Research Ethics Committee.

You may proceed with your research project titled:

Developing a strategy to foster Entrepreneurial Mindsets in Underserved Communities of people living on Cape Flats, Western Cape, through Artisanal Skills or other opportunities.

Please note that should:

- (i) any serious or adverse effects to participants occur and/or,
- (ii) aspect(s) of your current project change and/or
- (iii) any unforeseen events that might affect continued ethical acceptability of the project occur then you should immediately report this to the approving REC. You may be required to submit an amendment to this application, in order to determine whether the changed aspects increase the ethical risks of your project.

Based on the information supplied your application has been successful and is approved.

Please note the following additional conditions associated with this approval:

- (i) Renewal application approved to 31/12/2024

Regards,

Commerce Research Ethics Committee.

Appendix D: Visual Examples of South African Entrepreneurs



Day Labourers (Survivalist or Necessity Entrepreneurs)

Source: [SABC News](#)



Informal Traders: Street Vendors and Flea Market Traders: (Survivalist, Necessity, Opportunity, or Growth Entrepreneurs)

Sources: [News24](#) and [Google Images](#)



Community Market: Formal and Informal Traders (Survivalist, Necessity, Opportunity, or Growth Entrepreneurs)

Source: Own



Formal Businesses (Innovative Entrepreneurs)

Source: Own