

**Exploring the factors that influence the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA)**

A Dissertation

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by

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## **Declaration**

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## **Abstract**

This study investigates the factors influencing the success of youth-owned Micro, Small, and Medium Enterprises (MSMEs) funded through microfinance by South Africa's National Youth Development Agency (NYDA). With youth unemployment remaining one of the country's most pressing challenges, the research explores how microfinance and non-financial support, such as mentorship and training, impact the sustainability and growth of youth-owned businesses. At its heart, the study gives voice to six young entrepreneurs, sharing their lived experiences and the real-world complexities they face.

Using a qualitative, exploratory case study approach, data was gathered through semi-structured interviews with NYDA grant recipients, supported by document analysis and triangulation with official NYDA reports. The study draws on the Resource-Based View (RBV) and Institutional Theory to understand how internal strengths and external support systems interact to influence business success.

Findings highlight that entrepreneurial success is shaped not only by access to funding but also by personal resilience, curiosity, the availability of relevant business support services, and strong mentorship. However, challenges such as slow funding processes, limited market access, and poor communication from support institutions emerged as common pain points. Still, the overall perception was that NYDA's intervention had a positive impact on both business growth and the confidence of the entrepreneurs themselves.

By offering grounded, context-specific insights into youth entrepreneurship, this study contributes meaningfully to the growing body of knowledge on microfinance in emerging economies. Its recommendations aim to help refine public support programmes, making them more responsive, inclusive, and impactful for the next generation of business leaders in South Africa.

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## List of Abbreviations

Computer-Assisted Telephonic Interview	CATI
Business Development Services	BDS
Department of Small Business Development	DSBD
Entrepreneurship Development Programme	EDP
Entrepreneurship Education and Training	EET
Global Entrepreneurship Monitor	GEM
Gross Domestic Product	GDP
Imperial Research and Consultancy	IRC
International Finance Corporation	IFC
Micro, Small, and Medium Enterprises	MSMEs
National Credit Regulator	NCR
National Development Plan	NDP
National Youth Commission	NYC
National Youth Development Agency	NYDA
National Youth Service	NYS
Net Present Value	NPV
Non-Governmental Organisations	NGOs
Quarterly Labour Force Survey	QLFS
Reconstruction and Development Program	RDP

Resource-based view	RBV
Sector Education and Training Authority	SETA
Small Enterprise Development Agency's	SEDA
Statistics South Africa's	Stats SA

# CHAPTER ONE

## INTRODUCTION

### 1.1. Introduction

South Africa's democratic period has seen the South African government formulate and implement several socioeconomic transformation and development policies, for example, the Reconstruction and Development Program (RDP) being the first in 1994. South Africa's first long-term development policy, the National Development Plan (NDP) 2030 was declared as the cornerstone policy for South Africa's development and transformation upon its finalisation in 2012. Like many other South African policies, the RDP and NDP aim to eliminate poverty, reduce unemployment and inequality, and build an equitable and just society. For example, the NDP aims to create 11 million jobs by 2030, with a focus on supporting small businesses (Baloyi & Khanyile, 2022). The NDP envisions that the business sector can contribute 60-80% to Gross Domestic Product (GDP) growth and generate 90% of new jobs (Botes & Vuba, 2019).

Importantly, both the RDP and NDP advocate for the support and development of successful Micro, Small, and Medium Enterprises (MSMEs). As such, MSME support and development has been a key instrument for South Africa's socioeconomic development. This is evidenced by the fact that government-led support of MSMEs has been a long-standing policy and programmatic goal, with several other policies, strategies, legislation and institutions created in this regard. However, challenges persist, including a high business failure rate, amidst rising unemployment (Botes & Vuba, 2019).

Microfinance emerged as a popular tool for poverty alleviation, as it offered financial services to people traditionally excluded from formal banking (Akosile, and Ajayi, (2014). Through small loans and savings options, microfinance seeks to empower low-income individuals to build sustainable livelihoods (Muwamba, 2023). Some scholars argue that microfinance should not be viewed as a cure-all for development challenges (Kilby, 2002). While it can support small businesses, help stabilize consumption, and reduce economic vulnerability, its impact is most significant when integrated with other comprehensive poverty reduction strategies (Kilby, 2002; Hulme & Mosley, 1996). Studies across various developing countries have reported mixed results on microfinance's effectiveness in alleviating poverty (Hulme & Mosley, 1996). Despite its challenges, microfinance remains an important component of poverty reduction

strategies, with the potential to enhance resource allocation, promote market activity, and encourage technology adoption, thereby fostering economic growth and development (Bansal & Guru Nānak, 2012). In South Africa, it has been used as an enterprise development and support tool.

Within the context of MSME support, this thesis explores the factors that influence the success of youth-owned enterprises. It so by detailing the experiences of six youth business-owners<sup>1</sup> that were awarded a microfinance grant by the National Youth Development Agency (NYDA), as one of South Africa’s public enterprise development and support agencies.

## **1.2. Contextual Background**

### **1.2.1. Importance of MSMEs to Society**

Researchers, economists, and policymakers consider the MSME sector as a critical aspect of society, and a driver of economic growth and innovation (Mahembe, 2011; Makina, Fanta, Mutsonziwa, Khumalo & Maposa, 2015; Bureau for Economic Research, 2016). The generation of higher production and export volumes by MSMEs relative to other sectors makes them critical for economic growth (Mahembe, 2011; Scheers, 2016). The International Finance Corporation (IFC) states that South African MSMEs contribute around 34% to the GDP and employ between 50 to 60 percent of the labour force (IFC, 2018:6). The IFC concludes that this contribution is critical for economic stability and to addressing South Africa’s “extreme challenge of unemployment” (IFC, 2018:6).

South African MSMEs are important generators of jobs. The Small Enterprise Development Agency’s (SEDA) quarterly SMME report states that by quarter two of 2022, MSMEs produced 9.31 million jobs, constituting 59% of total employment in South Africa at the time (SEDA, 2023:14). The structure of this job creation in terms of who was employed, is that of the 9.31 million jobs, close to 27% came from the MSMEs-owners themselves with 73%, made up of hired workers (SEDA, 2023:14).

In terms of employment creation by MSME type, the Annual Review of Small Business and Cooperatives in South Africa by the Department of Small Business Development (DSBD)

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<sup>1</sup>

2016/2017 reports that micro-enterprises employed over 3 million people, with very small and small enterprises employing more than 5.6 million people. Table 1 provides DSBD’s MSME definition by employment size, and indicates the percentage employment proportion of MSMEs.

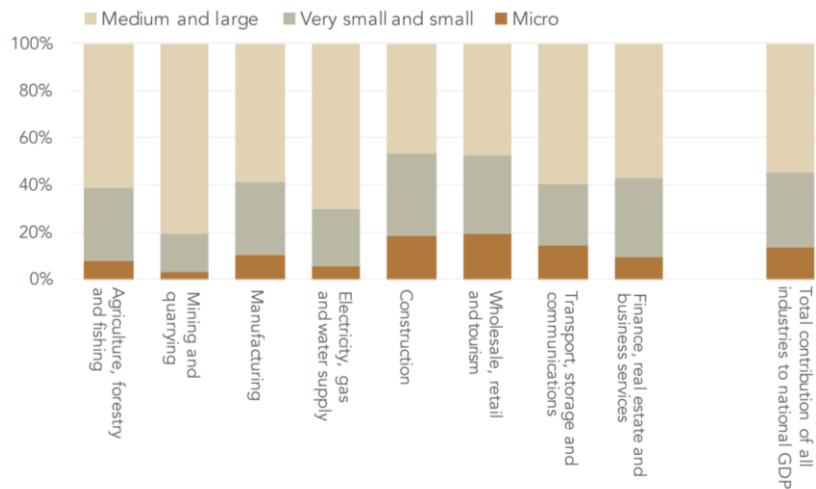
**Table 1.1: Employment contribution by enterprise size in 2016**

Size of Enterprise	Definition by number of employees	Employment share
Micro-enterprises	Less people than 5 people	30%
Very small and small enterprises	Very small enterprises: 5-20 people Small enterprises: 20-49 people	38%
Medium and large enterprises	50-200 people	32%

**Source:** DSBD, 2017:52

The Annual Review of Small Business and Cooperatives 2016/2017 (2017) also provides insight into the GDP contribution of MSMEs by size and industry. It reports that “medium and large businesses dominate the South African economy, with these enterprises contributing 54% to the South African GDP” (DSBD, 2017:53-54). Importantly, mining and quarrying firms dominate the medium to large enterprise segment, while the construction sector has the highest proportion of micro-enterprises contributing to the GDP. Using data from Statistics South Africa’s (Stats SA) Quarterly Labour Force Survey (QLFS) and GDP, DSBD (2017:54) calculated MSME contribution by industry, as indicated in figure 1.1.

**Figure 1.1: Contribution of SMMEs to GDP by industry**



**Source:** DSBD, 2017:54

Importantly, SEDA (2023:15) reports that while “most SMME owners are in the age group of 25 to 60 years old” compared to 2021 the age group of 20 to 24 years increased by nearly 76%. SEDA (2023:15) states that this indicates that unemployed youth are increasingly opting “to start their own business as a survival mechanism due to the difficulty of finding employment elsewhere.” The increase in the 20-24 year old age group thus reduced the average age of MSMEs from 44 years to 43 years, as more youth entered, while older people retired (SEDA 2023:15).



Years	2021Q3		2022Q3	
	Number	%	Number	%
15-19	2464	0,1%	5267	0,2%
20-24	52975	2,2%	93139	3,5%
25-29	197038	8,2%	261332	9,7%
30-34	322722	13,4%	318856	11,9%
35-39	374754	15,6%	431502	16,1%
40-44	371748	15,5%	432586	16,1%
45-49	374192	15,6%	370559	13,8%
50-54	393722	16,4%	343304	12,8%


55-59	211161	8,8%	228145	8,5%
60-64	103972	4,3%	96309	3,6%
65-69	66206	2,8%	61718	2,3%
70-74	21412	0,9%	20641	0,8%
75+	12198	0,5%	20205	0,8%
<b>Total</b>	<b>2404564</b>	<b>100%</b>	<b>2683602</b>	<b>100%</b>

**Table 1.2: MSME owners by age**

**Source:** SEDA, 2023:15

Beyond employment creation and economic growth, MSMEs are important for society for marginalised and poor population groups. For these groups, MSMEs contribute to societal transformation through the raising of entrepreneurial skills, creation of jobs particularly for the semi-skilled and unskilled who would otherwise not have found jobs (Makina et al., 2015) thereby promoting financial inclusion, especially for underserved women and youth (Bowmaker-Falconer & Meyer, 2022). Based on some of this chapter's cited authors, table 3 collates the benefits of MSMEs.

Societal area	Benefits
<b>Individuals</b> 	<ul style="list-style-type: none"> <li>• Obtain job creation &amp; income generation opportunities.</li> <li>• Lift individuals out of abject poverty</li> <li>• Gain new information, knowledge, skills, and competencies.</li> <li>• Can inspire, motivate, foster independence, and generate creativity for entrepreneurs</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>• Marginalised and/or vulnerable groups such as women, youth, people in the rural areas and those with disabilities engage in different forms of productive activities.</li> <li>• Enterprises and their entrepreneurs that enjoy good levels of social embedding in their community can support those communities and their members with their wares, etc in times of trouble.</li> </ul>

<p><b>Economy</b></p> 	<ul style="list-style-type: none"> <li>• Drivers for employment creation and thus can reduce unemployment</li> <li>• Drive innovation through responses to observed challenges and/or problems across society that may improve the quality of life</li> <li>• Reduce societal inequality as greater numbers of people gain incomes that change their social class position</li> <li>• Increase exports and trade, increase the tax base</li> <li>• New and innovative enterprises can broaden the types of economic activities a country or region has, thus contributing to economic diversification and even future growth</li> <li>• They raise competition and productivity</li> <li>• Attract foreign direct investment and further integrate local economies into the global value chains</li> </ul>
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**Table 1.3: Benefits of MSMEs in South Africa**

**Sources:** Mahembe, 2011; IFC, 2019; The Greater Birmingham and Solihull Local Enterprise Partnership Limited (GBSLEP) Growth Hub, 2021; Makina et al. 2015; Bowmaker-Falconer & Meyer, 2022.

### 1.2.2. Importance of youth-owned MSMEs

Youth unemployment has been a persistent and critical issue in South Africa, extensively examined by various scholars, including Yu (2013), who recognised it as one of the country's most pressing socioeconomic challenges. Over 50% of youth are unemployed, (World Bank, 2018:iii), making this one of the world's highest youth unemployment rates (Habiyaemye et al., 2022). Despite considerable demand for skilled labour in the country, a persistent vertical skills mismatch remains the major contributing factor for youth unemployment, significantly hindering employability. The COVID-19 pandemic worsened the country's employment levels, as it resulted in substantial job losses as many companies collapsed amid challenging economic conditions.

Stats SA (2023) indicates that youth unemployment rose from 21.8% in 2008 to 27.1% in 2018, and stood at 46.5% in 2023. As Mukoma (2003) aptly put it, "unemployment remains the biggest thief of hope amongst young people."

For South Africa, MSMEs significant part of the economy as they hold the promise and potential to address the high rate of youth unemployment, and South Africa's low growth challenge. This potential has made youth-owned MSMEs a critical aspect for South Africa's socioeconomic development, and specifically they are an employment creation strategy. Nevertheless, youth-owned MSMEs encounter major challenges in their growth and sustainability and thus need to be supported. It thus becomes important to understand the factors that influence the success of youth-owned MSMEs in order to improve MSME support as an instrument for socioeconomic development. The section that follows discusses this.

### **1.2.3. Characterising the challenges facing youth-MSMEs**

MSMEs in South Africa, like in the rest of the world, face several challenges that inhibit their growth and success. In South Africa, the rate of failure is particularly high, wherein South Africa's business discontinuance rate, which includes businesses sold or closed down, increased from 4.9% in 2019 to 13.9% in 2021 (Global Entrepreneurship Monitor, 2022). The challenges that they face, such as limited levels of capital, the lack of innovation, traditional marketing, inefficient financial management, and poor branding (Dunggio, 2023) and limited access to capital (Marwa, 2014).

Access to finance is an integral part of business growth and sustainability for MSMEs in South Africa. It helps MSMEs to finance their activities, take up new investments, and increase their market size. Despite MSMEs being recognized as engines of economic growth, their financing gap in South Africa remains a significant challenge, hindering their potential for growth and job creation (Mazanai & Fatoki, 2012; Bruhn et al., 2017). Botes & Vuba (2019) explain that the structure and size of finance available to MSMEs is mismatched to their needs. A funding gap thus exists for early-stage startups as they often fail to meet the criteria of traditional funders (Botes & Vuba, 2019).

The financing of MSMEs for youth presents major challenges for several reasons. Young entrepreneurs often lack the collateral required by traditional financial institutions, unfamiliarity with and inefficiency in document preparation, newness and being perceived as high risk by large banks, resulting in high rejection rates for funding applications. Moreover, financial literacy among youth is generally low, making it difficult for them to navigate complex financial systems. Banks ration credit based on the above risks and the lack of business management and credit history on the part of the MSMEs (Mutezo, 2013). MSMEs

lack an understanding of commercial bank lending practices, while banks, on the other hand, have limited familiarity with the MSME sector and often struggle to assess associated credit risks (Deressa, 2014).

Most entrepreneurs thus seek informal support such as personal savings or help from their families (Cullen & Gaga, 2014), leading to growth in the usage of other financing sources by the MSMEs. These incorporate governmental programmes such as microfinance programme and government subsidies although they do not have a great acceptance rate (Cullen & Gaga, 2014). For entrepreneurs, non-traditional funding campaigns are more attractive because of simple application procedures and quick outcomes than bank loans (Obiora & Csordás, 2017). While it is acknowledged that young entrepreneurs lack the knowledge on how to tap into available funding (Saah & Musvoto, 2020), they do approach government programmes for assistance to complete their funding applications, to prepare business plans and supporting documentation (Menzies & Erwin, 2017).

### **1.3. Institutional support for youth-MSMEs: the NYDA Case**

In South Africa's socioeconomic context of chronic and rising unemployment, particularly for youth, several entrepreneurship, enterprise support, and development interventions and instruments have emerged as important aspects for economic growth and development. As such, the South African government departments and agencies have conceptualised and implemented numerous policies and programmes to raise the number of enterprises, as well as support their commercial viability and sustainability.

The NYDA is a South African organisation established in 2009 to streamline the public sector's youth development interventions, thereby enhancing their impact. Created through the promulgation of the National Youth Development Agency Act (Number 54 of 2008), the agency is a merger between the National Youth Commission (NYC) and the Umsobomvu Youth Fund (UYF). The Agency's mandate is to coordinate, implement, and facilitate cross-sectoral socioeconomic development for youth. Table 4 summaries the Agency's mandated objectives as extracted from the NYDA Act and juxtaposes them against the current and key programmes that it implements.

**Table 1.4: NYDA objectives and programmes**

Mandated Objectives	Key Programmes
<p>The creation of job opportunities for young people and the promotion of youth entrepreneurship.</p>	<ul style="list-style-type: none"> <li>• Partnership-based programme that facilitates job placements and internships for young people. Includes the delivery of job preparedness which offers training on essential workplace skills, resume writing, and interview techniques.</li> <li>• The provision of financial support, training, and mentorship to youth-owned businesses.</li> </ul>
<p>The enhancement of the skills and educational outcomes of young people through various training programs, bursaries, and educational support services.</p>	<ul style="list-style-type: none"> <li>• The National Youth Service (NYS) Programme provides literacy and numeracy skills training, vocational training and work experience to young people.</li> <li>• Bursaries for disadvantaged youth to pursue higher education.</li> </ul>
<p>The integration of health and wellness for youth through HIV/AIDS awareness, substance abuse prevention, and mental health support.</p>	<ul style="list-style-type: none"> <li>• Partnership-based programme that promotes health and wellness among youth through campaigns focused on HIV/AIDS prevention, substance abuse, and mental health awareness.</li> </ul>
<p>The promotion of youth’s active citizenship by promoting social cohesion and supporting community development initiatives.</p>	<ul style="list-style-type: none"> <li>• NYS programme where youth provide services needed by communities.</li> </ul>
<p>The production of research to inform youth development policies and advocacy for youth interests at various levels of government.</p>	<ul style="list-style-type: none"> <li>• The Agency produces research reports and policy briefs to this end.</li> </ul>

**Sources:** NYDA Act, 2008; NYDA, 2024

In realising its youth economic development mandate, the Agency has developed several youth entrepreneurship development programmes. It's Enterprise Development Finance Programme provides financial support, while the Business Consultancy Services Voucher Programme provides non-financial support to disadvantaged youth between the ages of 18 to 35 years (Mavasa, 2014; NYDA, 2024). Through these programmes, the NYDA has supported thousands of youth-owned enterprises through grant funding and business development services (Chauke & Malatji, 2022).

Analysis of the NYDA's annual reports from 2018 to 2022 reflects that a total of 7,361 youth-owned organizations received microfinance funding, amounting to R368,050,000. The table below shows the performance of the NYDA on three indicators: enterprise finance, business development and job creation from 2018 to 2023. This was collated using the NYDA's annual reports for the stated periods.

**Table 1.5: Collated NYDA Annual Performance 2018/19 to 2023/24**

<b>Programme indicators</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Number of youth and youth-owned enterprises supported with financial intervention	1,103	1,136	2,316	2,005	2,000	2,200
Number of youth supported with non-financial business development services	23,943	20,713	4,859	23,267	25,000	28,000
Number of jobs created and sustained through supporting entrepreneurs and enterprises	5,025	5,013	8,653	7,652	6,200	7,000

**Source:** NYDA Annual Reports, 2018/19; 2019/20; 2020/21; 2021/22; 2022/23; 2023/24

#### **1.4. Research Problem**

Despite the above stated achievements, the Agency has struggled with limited funding and resources, which has impacted the scale and reach of its programs, making it attract criticism.

For example, the National Credit Regulator (NCR) found that “very few small enterprises are aware of Government’s initiatives to support small enterprises”, and in cases that they were, only 1% made use of these (NCR, 2011:42). These included the NYDA’s microfinance support. It is in this context that this study seeks to craft an understanding of the factors that influence the success of youth-owned MSMEs.

Thus, while youth-owned MSMEs are a crucial component for employment creation and economic development, they face significant challenges in accessing finance that could help with their growth and sustainability. This analysis is situated in exploring their experience of applying for and receiving a microfinance grant. The microfinance grant is accessed as a support and development instrument for youth-owned MSMEs.

This research adopts a qualitative approach to examine key factors including market access, business skills and training, mentorship and support networks, the regulatory and economic environments, and the efficient use of financial resources. Anchored on the resource-based view (RBV) as the key theoretical framework, the key factors are examined by:

- Conducting a comprehensive review of existing research, reports, and publications related to these factors in the literature and documentary review.
- Conducting semi-structured interviews with youth-owned MSMEs.
- Analysing data collected through interviews, literature and documents using thematic analysis.
- Utilising triangulation to validate the findings by cross-referencing data from multiple sources (interviews and documents).

Over the past ten years, South Africa's economy has grown slowly, with weak consumer demand, reduced business investment, and uncertainty in government policies (de Jongh & Mncayi, 2018). The country's inequalities come from a history of development that mainly benefited a small group, while most black South Africans were left in poverty. After 1994, the government tried to reduce the gap between rich and poor. However, despite these efforts, youth unemployment is still a serious problem.

In South Africa, entrepreneurship and innovation are considered important solutions to help tackle the ongoing unemployment crisis (Mariana-Cristina, 2014).

### **1.5. Research Question**

The research was led by the question ‘what are the factors that influence the success of the NYDA’s grant funded enterprises?’ It was further complemented by the sub-question ‘how does mentorship, training, and access to other business development services contribute to the success of the NYDA’s grant funded enterprises?’

### **1.6. Research Objectives**

To identify the factors influencing the study was anchored by the following research objectives to:

- To outline the application and approval experiences of the NYDA’s grant-funded youth MSMEs and how these affected their businesses,
- To detail how funded MSMEs perceive their education, skills affect the success of youth-owned MSMEs, and competencies and how this affects their enterprises
- To develop recommendations for improved youth-MSME support and development.

### **1.7. Significance of the Research**

Research on funding for youth entrepreneurship has mostly focused on policy. However, more recently, scholars have started paying more attention to young people’s entrepreneurial mindset, as efforts to encourage and develop an entrepreneurial culture grow (Mabasa, 2018). Thus, this research aims to shed light on the factors that drive the success of youth-owned MSMEs funded through microfinance by the NYDA. By identifying the critical elements that contribute to business success, policymakers can craft and implement strategies and programmes that more effectively meet the specific needs of young entrepreneurs. These insights can inform the creation of policies that better reflect the realities faced by youth-owned businesses, thereby fostering their growth and sustainability.

The study’s findings offers microfinance institutions and the NYDA valuable insights into how to enhance their financial products and services. By understanding which financial factors-such as loan amounts, interest rates, and repayment terms are most conducive to business success, these institutions can tailor their offerings to better support youth-owned MSMEs. This will improve access to finance for young entrepreneurs, ultimately increasing business success rates.

By assessing the effectiveness of the business development services provided by the NYDA, this research will highlight which types of non-financial support (e.g., training, mentorship, advisory services, and market linkages) are most beneficial for young entrepreneurs. This information will enable the NYDA and similar organizations to improve their support programs, ensuring that young business owners receive the necessary guidance and resources to succeed.

The study will serve as a valuable resource for a wide range of stakeholders, including government agencies, non-governmental organizations, and private sector entities involved in youth entrepreneurship and economic development. Practitioners can use the research findings to refine their approaches and develop more targeted interventions that effectively address the challenges faced by youth-owned MSMEs.

Successful youth-owned MSMEs are critical drivers of economic growth and employment creation. By identifying and addressing the factors that influence the success of these businesses, this research will contribute to youth empowerment and economic development in South Africa. Enhanced support for youth entrepreneurship can lead to increased economic activity, innovation, and job creation, benefiting both the broader community and the economy.

This research will also enrich the existing body of knowledge on microfinance and youth entrepreneurship, particularly in the context of developing countries like South Africa. It will provide empirical evidence on the determinants of MSME success, serving as a valuable reference for future studies in this field. The findings could inspire further research on related topics, fostering a deeper understanding of how to effectively support young entrepreneurs.

## **1.8. Organisation of the Study**

This dissertation comprises five chapters that are structured as follows:

- Chapter 1 presents the introduction and background that contextualises the present study, outlining its objectives and questions, as well as its importance and contribution to the knowledge arena.
- Chapter 2 reviews the associated and relevant research and studies on the success of youth-owned MSMEs and the role of microfinance, drawing comparisons across various contexts and levels of economic development. It also elaborates on the study's conceptual and

analytical frameworks, details the empirical independent variables, and provides justifications for their inclusion in the study.

- Chapter 3 elaborates on the qualitative research methodology and design used to explore and respond to the research questions of this current study.
- Chapter 4 presents the findings that are thematically organised and compared to the theoretical and conceptual framework detailed in Chapter 3.
- Chapter 5 details the conclusion, recommendations, and outlines any research limitations

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This chapter delves into two sets of literature: (i) the literature that reviews the surrounding research and programmatic context on MSME support and development interventions, and (ii) programme documents that detail and evaluate the design and impact of the NYDA's enterprise development and support reports.

This body of knowledge is important for testing what success might look for youth-owned MSMEs. Key topics covered herein include the role of microfinance funding, access to capital, and financial literacy in empowering youth entrepreneurs. The literature review chapter also examines various theoretical frameworks that are used to inform the analysis. This supporting theoretical framework assists in understanding the objectives, methods, and outcomes of microfinance. Overall therefore the literature review contextualises the study in its appropriate scholarly arena, disambiguates terms and concepts that applied, and lays out the theoretical lens used to understand all this.

#### **2.2. Definition of youth and MSMEs**

As outlined in Chapter one, this research extracts an understanding of how the NYDA's microfinance grant and business development services contribute to the development and success of youth-owned MSMEs. In contextualising the study, the terms youth, MSMEs and MSME success are defined.

The study recognises that the youth definition varies in South Africa and internationally. For example, the NYDA Act (2008) defines youth as individuals aged 14-35 years, while the United Nations defines youth as aged between 15 and 24 years. Aligned to the National Credit Act (Number 34 of 2005), which prescribes that only those aged 18 years and above can apply for credit in their personal capacity, the NYDA grant programme prescribes age eligibility as 18 to 35 years, wherein applicants must apply 3 months before they turn 35 years. Thus, this study adopts 18 to 35 years as the youth definition.

Similarly, the definition of Micro, Small, and Medium Enterprises (MSMEs) varies globally, creating challenges for research and policy adoption (Berisha & Pula, 2015; Esubalew & Raghurama, 2017). Common criteria include quantitative measures like employee count, turnover, assets, as well as qualitative aspects such as organisational structure (Berisha & Pula, 2015). Other factors that influence the MSME definition and thresholds are a country's economic development, population size, industry strength and policy objectives (Soomro & Aziz, 2015).

South Africa's categorisation of MSMEs relies on the National Small Enterprise Act of 1996 (Act Number 102 of 1996 as amended). The Act defines enterprises using number of employees, annual turnover, total assets and sector/industry as factors of definition, illustrated in the table below.

**Table 2.1: Revised MSME classification**

Sector	Enterprise Size	No. of Employees	Annual Turnover	Total Assets
			Rands in Million	
Agriculture	Micro	0-10	≤R5m	≤R5m
	Small	11-50	≤R10m	≤R10m
	Medium	51-250	≤R20m	≤R20m
Mining & Quarrying	Micro	0-10	≤R7.5m	≤R7.5m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R200m	≤R150m
Manufacturing	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R220m	≤R190m
Electricity, Gas & Water	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R220m	≤R190m
Construction	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R170m	≤R85m
	Micro	0-10	≤R7.5m	≤R7.5m

<b>Retail, Motor Trade &amp; Repairs</b>	Small	11-50	≤R25m	≤R25m
	Medium	51-250	≤R80m	≤R40m
<b>Wholesale Trade, Commercial Agents &amp; Allied Services</b>	Micro	0-10	≤R25m	≤R25m
	Small	11 - 50	≤R80m	≤R80m
	Medium	51-250	≤R220m	≤R100m
<b>Catering, Accommodation &amp; Other Trade</b>	Micro	0-10	≤R5m	≤R5m
	Small	11-50	≤R15m	≤R15m
	Medium	51-250	≤R40m	≤R40m
<b>Transport, Storage &amp; Communications</b>	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R140m	≤R140m
<b>Finance &amp; Business Services</b>	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R50m	≤R50m
	Medium	51-250	≤R190m	≤R190m
<b>Community, Social &amp; Personal Services</b>	Micro	0-10	≤R10m	≤R10m
	Small	11-50	≤R15m	≤R15m
	Medium	51-250	≤R30m	≤R30m

**Source:** National Small Enterprise Act (No. 102 of 1996, as amended)

A small enterprise is an independent business entity or cooperative entity, including branches (National Small Enterprise Act, 1996). Enterprises are primarily owned and operated by one or more owners and operate in different sectors of the economy. Businesses are usually owned and run by one or more people and operate in various sectors of the economy. In South Africa, the Department of Small Business Development (DSBD) is responsible for defining and managing the classification of MSMEs, as stated in the SMMEs and Co-operatives Funding Policy (2023).

### **2.3. Business Develop Support**

Business Development Services (BDS) are instrumental when it comes to improving the status of MSMEs in South Africa. Goldmark (1996) notes that BDS are enterprise support activities aimed at enhancing the profitability, production, and service delivery potential of businesses, particularly MSMEs in developing countries (Gibson, 1997; Goldmark, 1996). These services include training, technology transfer, marketing assistance, and business advice (Goldmark,

1996). BDS is anchored on the capabilities approach, as this approach highlights the importance of acknowledging young people's values and addressing the social, material, and institutional factors that influence their livelihood options (Ogundele et al., 2012).

The South African BDS sector has focused on providing BDS to facilitate new business formation, ensure business survival, and promote productivity, competitiveness, and growth (Haile & Batra, 2016). BDS support businesses in several ways, including:

- Enhancing access to markets;
- Improving the availability of more affordable or higher quality inputs;
- Introducing new or advanced technologies and products;
- Strengthening management and technical expertise;
- Addressing or removing policy barriers; and
- Assisting businesses in accessing suitable financial mechanisms.

In South Africa, the government has committed to promoting the MSME sector and has played a key role in offering business development services to combat the high rates of business failure (Hitchins, 2002). The BDS landscape in South Africa includes a diverse range of stakeholders, such as Development Finance Institutions (DFIs), incubators, government agencies, corporates, Centres for Entrepreneurship, and Business Advisors. Interventions in the BDS sector are yet to adopt an integrated approach, involving both government and private sector collaboration to ensure BDS is strategically delivered. The table below indicates the interventions available in South Africa.

**Table 2.3: Broad categories of BDS**

Market access	Market research Market information Trade fairs Product exhibitions Storage and warehousing	Advertising Packaging Subcontracting and outsourcing Marketing trips and meeting Internet access
Infrastructure	Transport and delivery Business incubators Telecommunications Training in policy advocacy	Computer access Secretarial services Direct advocacy on behalf of MSMEs
Policy and advocacy	Analysis of policy constraints and opportunities	Sponsorship of conferences Policy studies

Input supply	Linking MSMEs to input suppliers Improving suppliers' capacity to deliver quality inputs	Facilitating establishment of bulk buying groups Information on input supply sources
Training and technical assistance	Mentoring Feasibility studies Business plans Franchising Management training	Counselling / advisory services Legal services Financial and tax advice Accountancy and bookkeeping Technical training
Technology and product development	Technology transfer/ commercialisation Linking SMME's and technology suppliers	Facilitating technology procurement quality assurance programmes Design services
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders Equity financing	Facilitating supplier credit Equipment leasing and rental

**Source: Zilwa 2020**

The next sections detail entrepreneurship education and training and mentorship as aspects of developing entrepreneurial capacities leading to entrepreneurship reliance.

Entrepreneurship education and Training (EET) is important for developing entrepreneurial capabilities skills and enhancing business performance (Khoury et al, 2012; Bruhn, 2013). This is because they are geared towards equipping young businesspersons with the necessary skills to function and develop their businesses (Valerio et al., 2014). As such it is treated as an important intervention for developing young people's entrepreneurial capabilities and raising business success (Shittu, 2017). At a macro-level, the social, cultural, and economic factors intersect to shape the entrepreneurial landscape. Programmatically, the effectiveness of such education is influenced by content focused on learning principles, innovation, and reflection (Khoury et al, 2012). The impact of entrepreneurship education is further influenced by regional contexts and individual factors such as role models and work experience (Dohse, 2010).

Geldhof et al. (2014) state that self-regulation, risk tolerance, innovation, and the presence of entrepreneurial role models are crucial in nurturing entrepreneurial intent among youth. As such, formal and informal mentoring relationships can serve vital functions for the young

entrepreneurs by role models' sharing of expertise and knowledge (Santini, Baschiera & Socci, 2020).

BDS can thus be seen as an important intervention for developing entrepreneurial resilience. Entrepreneurial resilience is one form of entrepreneurship capacity, as it is defined as a set of capabilities, processes, and outcomes directed to challenges that allow the entrepreneur to deal with and adjust to hostile situations (Garrett & Zettel, 2021). Strategies for the development of resilience include networking, leadership training exposure, stress management, and cognitive behavioural approaches (Malathi & Karpagam, 2024). To improve resilience, entrepreneurs complete business training programmes, attend business events and mentorship programmes, and practice business skills (Maritz et al., 2021).

#### **2.4. The National Youth Development Agency**

NYDA in South Africa was established to address youth unemployment and promote entrepreneurship among young people (Mavasa, 2014). The Agency offers various programmes, including an Enterprise Development Finance Programme, which provides financial and non-financial support to disadvantaged youth between the ages of 14 and 35, particularly those from disadvantaged backgrounds (Mavasa, 2014).

The NYDA Act (2008:4) calls for the Agency to “initiate, design, coordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society in general”. In driving this objective, the Agency implements several economic participation programmes, amongst these is the youth enterprise development programme.

The youth enterprise development is a grant programme that “is designed to provide young entrepreneurs with an opportunity to access both financial and non-financial business development support in order to enable them to establish or grow their businesses” (NYDA, 2024:56). Since 2014, the NYDA has followed a grant-based model in financial business support that offers amounts ranging from R1,000 to R100,000 (NYDA, 2024:22). This shifted away from providing these amounts as a loan.

An evaluation report by Imperial Research and Consultancy (IRC, 2018:21) explains that the Grant programme is divided into thresholds that determine the grant amount to be received by individual enterprises or cooperatives. Threshold 1 involves businesses that have a good idea

and are survivalist in nature, which can get R1,000 to RR10,000. Threshold 2 relates to start-ups that are eligible for grants ranging from R10,001 to R50,000, followed by the third threshold of expansion that is eligible for R50,001 to R100,000 (IRC, 2018:21).

The non-financial support comprises the Entrepreneurship Development Programme (EDP) which offers business management training and mentorship to young entrepreneurs. Through this, the NYDA aims to equip youth entrepreneurs with the skills, knowledge, values and attitudes needed to run successful businesses.

A voucher programme is also implemented for young entrepreneurs to gain business development services (BDS) such as marketing, branding, website development, etc. Funding, training, and mentorship are also provided for youth cooperatives.

The NYDA has evolved and adapted its programme strategies to better meet the needs of young South Africans. Over the years, the NYDA's implementation practice has increasingly focused on demonstrating programmatic impact through evaluations and assessments. The knowledge developed from these seeks to ensure programme relevance, effectiveness, and alignment with the needs of youth entrepreneurs. This has also improved its transparency as an organisation. Over 10 programme evaluations have been conducted on its enterprise support programmes (NYDA, 2024:22).

## **2.5. Programme Performance of the NYDA Grant Programme**

The NYDA Grant Programme was assessed through a Rapid Assessment of its Socio-Economic Benefits, conducted by Imperial Research and Consultancy (IRC) in July 2018.

### **2.6.1. Findings and Key Insights**

The evaluation report by IRC found that the YED Grant Programme had a strong business case and provided essential support to young entrepreneurs (IRC, 2018). The evaluation determined the programme's efficiency, effectiveness and relevance in supporting youth entrepreneurs, assessed the strength of the business case and measured the impact of grants on youth-owned businesses. It also identified the challenges and gaps affecting business sustainability, and provided a cost-benefit analysis.

IRC (2018) derived these findings through a mixed-methods approach, consisting of quantitative and qualitative data collection techniques. The data collection methods included document reviews, in-depth interviews, and telephonic interviews using a Computer-Assisted Telephonic Interview (CATI) system. A sample of 163 grant beneficiaries was selected across nine provinces, ensuring diverse representation. Additionally, descriptive statistics, regression analysis, and cost-benefit calculations were applied to assess the programme's impact and effectiveness.

IRC (2018) thus established that the NYDA Grant Programme had a Benefit Cost Ratio (BRC) of 5.18. This means that for every Rand (R1) spent, the Grant Programme delivered R5.18 in benefits, indicating that the programme delivered a positive Net Present Value (NPV) and generates more benefits than costs. The Grant Programme thus enjoyed significant returns on investment, with high efficiency and effectiveness.

Over fourteen percent (14.7%) of the surveyed grant recipients qualified for a thousand to ten thousand rand owing to holding ideas worth pursuing while being registered and survivalist entities. The majority (61.3%) of the recipients qualified for threshold 2 and accessed grant amounts of R10,001 – R50,000. IRC (2018:21) states that this group of enterprises had “endured” and surpassed the initial stages of the business cycle and were consistently generating revenue and adding new customers, allowing some to maintain a small profit margin that kept the business operating. Another 24% were at the growth stage and qualified for the third threshold of R50,001 – R100,000. These are established businesses with realistic growth strategies, increased revenue and cash flow and a solid presence in their communities of operation.

The Grant Programme proved to be a valuable investment because of its positive impact on youth businesses. This is because 92% of the recipients reported that the grant had a positive impact on their businesses, helping them grow and improve service delivery. Furthermore, 84% of the grant recipients reported that the grant had a positive personal impact with one recipient stating “...I have built myself a home through the profit I make; We now earn more and are able to save; I have realized some skills that I did not know about myself” (IRC, 2018:3). The statement shows a good level of business confidence. Another stated “I have a stable source of income” showing that their financial stability had improved (IRC, 2018:3).

However, several challenges and inefficiencies were identified, these affected the programme's impact. Many businesses faced delays in grant disbursement, inadequate follow-up support, and limited access to market opportunities. Administrative inefficiencies also contributed to low awareness among grantees about the possibility of receiving additional grants. Only 4% of respondents had received more than one grant, even though many needed additional financial support.

A key concern identified was access to finance, with 32.4% of grant recipients that were surveyed cited this as their biggest challenge. Limited market access, transport issues, and inadequate business networks also hindered business sustainability. Transport challenges affected those in the agriculture sector and environmental sector the most. The majority of businesses were small-scale enterprises, with 58.2% having three or fewer employees, and 75.4% being less than 6 years old. Another challenge was recorded as limited access to an educated workforce. In general, the programme shows significant potential for economic impact if implementation inefficiencies are addressed.

## **2.6.2. Recommendations for the Grant Programme**

To enhance the effectiveness of the NYDA Grant Programme, several recommendations were proposed:

1. **Improve Awareness and Application Processes** – Many beneficiaries were unaware they could apply for additional grants. A streamlined online application system could improve accessibility.
2. **Strengthen Non-Financial Support** – Expanding mentorship and business advisory services would help address challenges such as poor financial management and limited market access.
3. **Enhance Monitoring and Evaluation** – Implementing better data management systems would improve tracking of programme outcomes and business performance.
4. **Expand Market Linkages** – Partnerships with the private sector and government procurement programmes should be established to create sustainable market opportunities.

5. Improve Financial Education – Since many businesses struggled with financial record-keeping, targeted financial literacy and management training should be integrated into the programme.

The NYDA Grant Programme plays a crucial role in youth empowerment and economic inclusion. While it has successfully supported many young entrepreneurs, its impact could be significantly improved through better implementation strategies, enhanced mentorship, and streamlined administrative processes. Addressing these challenges will ensure that the programme continues to be a catalyst for sustainable youth entrepreneurship in South Africa.

## **2.6. Performance of the Entrepreneurship Development and Support Programme**

The Entrepreneurship Development and Support Programme was assessed through a rapid evaluation conducted by Ebus-Tech Consulting on behalf of the NYDA in 2020. The evaluation aimed to determine the effectiveness of the programme in supporting youth entrepreneurs. The primary objectives were to assess whether there is a sound business case for the programme, evaluate the relevance of its policies and procedures, measure the efficiency of resource allocation, identify gaps inhibiting the success of youth-owned enterprises, and conduct a benefit analysis to determine its overall impact.

The programme, implemented by the NYDA, provided a range of support services to young entrepreneurs. This included business training, grant funding, advisory services, and market linkages. Training interventions include Generate Your Business Idea (GYBI), Start Your Business (SYB), and Improve Your Business (IYB) courses, alongside cooperative governance and sales pitch training (NYDA, 2020:9).

The evaluation employed a mixed-methods approach, integrating both qualitative and quantitative data collection techniques. A literature review was conducted to analyse previous research on youth entrepreneurship development. A document review of the NYDA's business processes, training materials, and aftercare support structures to identify areas for improvement was also conducted. Data was collected through surveys and telephonic interviews with 45 youth entrepreneurs, randomly selected from the NYDA database. Additionally, one-on-one interviews were conducted with NYDA product owners and programme beneficiaries. Data triangulation was applied to ensure validity and reliability, while statistical analysis, including

descriptive statistics and regression analysis, was used to measure the programme's effectiveness.

Findings from the evaluation highlighted both successes and challenges within the programme. Ebus-Tech Consulting (2020) confirmed that there was a strong business case for entrepreneurship development, and that the existing policy framework remained relevant. However, inefficiencies in implementation were identified, particularly regarding resource allocation and aftercare support. Many beneficiaries reported delays in grant disbursement and inadequate follow-up mechanisms, leading to low business survival rates beyond the initial funding phase. Additionally, limited market access was a major challenge, with fewer than 70% of programme beneficiaries successfully securing procurement opportunities. Administrative inefficiencies within the NYDA also hindered service delivery, and inconsistent data management practices made it difficult to track programme outcomes.

A cost-benefit analysis found that between 2014 and 2017 the programme had an NPV of R106,939,524.42 Ebus-Tech Consulting (2020:43) This indicated that its benefits outweighed its costs. However, low utilisation rates of services such as market linkages reduced overall efficiency. The study also found high demand for business plan development vouchers, but many beneficiaries struggled to secure funding based on these plans. Gender disparities were also noted, with male entrepreneurs receiving more support than their female counterparts, despite government efforts to promote women's economic empowerment. Additionally, logistical and infrastructural challenges were more pronounced in rural areas, where limited access to transportation and training venues affected programme participation.

To address these challenges, several recommendations were proposed. They recommended the streamlining the application process through an online system to enhance accessibility and reduce delays in grant processing. The NYDA was called up to strengthen market linkages by forming partnerships with private sector companies could help youth entrepreneurs gain access to procurement opportunities. The monitoring and evaluation systems needed to be enhanced through improved data management. This would facilitate better tracking of programme impact and continuous improvement. Expanding funding sources beyond NYDA grants, such as leveraging Sector Education and Training Authority (SETA) funding, would provide additional financial support for youth businesses. While the programme has made notable strides in supporting young entrepreneurs, challenges in policy implementation, market access, and resource allocation remain barriers to success. The NYDA was called upon to address these

challenges through administrative improvements, targeted support mechanisms, and structured mentorship programmes that will enhance the programme's effectiveness and long-term impact on youth entrepreneurship in South Africa.

### **2.6.3. Impact Assessment Report for Youth Micro Enterprise Grant Relief Fund**

The study aimed to assess the effectiveness of the Youth Micro Enterprise Grant Relief Fund in supporting youth-owned businesses during the COVID-19 pandemic. The evaluation focused on measuring the program's impact, identifying challenges faced by beneficiaries, and providing recommendations for future interventions.

The primary objectives of the assessment were to determine the extent to which youth entrepreneurs benefited from the grant, evaluate its impact on business sustainability and job creation, analyse the perceptions of NYDA interventions, identify challenges in accessing the grant, and propose recommendations to improve future support initiatives. The NYDA launched a Covid-19 youth relief fund to support young entrepreneurs, particularly MSMEs, by covering operational costs during the pandemic's aftermath while long-term recovery plans were developed (NYDA, 2022:10) The programme targeted entrepreneurs aged 18 to 35, aiming to help sustain their businesses, retain employees, and recover from financial setbacks.

A mixed-methods approach was used to evaluate the programme, combining quantitative and qualitative research methods. The assessment included surveys conducted with 116 beneficiaries, 50 in-depth interviews with business owners and NYDA officials, and 10 focus groups with youth entrepreneurs. Additionally, administrative data from NYDA was analysed to provide further insights. The study sought to ensure a comprehensive understanding of the programme's effectiveness and the experiences of its beneficiaries.

Findings from the assessment indicated that Gauteng had the highest number of beneficiaries (31%), followed by the Western Cape (15%) and Mpumalanga (13%). The demographic analysis showed that 44% of beneficiaries were female, while 56% were male. The service sector received the most significant portion of grants (23%), followed by manufacturing (11%) and ICT (10.6%). The programme contributed to job creation, with 195 jobs being established as a result of the funding. While 42% of respondents strongly agreed that the grant helped sustain their business, some businesses, particularly in high-cost sectors such as construction, found the funding insufficient to cover all operational expenses.

Regarding perceptions of NYDA interventions, 38% of respondents rated the online application process as ‘good,’ while 36% rated it ‘excellent.’ The administrative process was viewed positively, with 63% rating it as ‘good’ and 9% as ‘poor.’ Additionally, 54% of businesses reported an improvement in cash flow due to the grant. In terms of business performance post-COVID-19 relief funding, 48% of businesses experienced slight improvements, 23% reported significant improvements, while 22% saw no change, and 8% indicated their business performance had worsened.

The assessment identified several areas for improvement, stating that the NYDA should enhance its outreach to rural areas by establishing more offices and collaborating with local youth networks. Communication had to be improved by implementing clear feedback mechanisms on grant approvals and fund disbursement. Additionally, the grant amounts needed adjustment to better support high-operating-cost industries. The recommendations called for sector-specific training programmes to be developed to improve business resilience. The expansion of mentorship initiatives and streamlining of the application process were identified. A practical solution of introducing a checklist to reduce delays was also recommended.

In conclusion, the Youth Micro Enterprise Grant Relief Fund played a vital role in sustaining youth-owned businesses and fostering job creation. However, there is room for improvement in accessibility, communication, and funding adequacy. The assessment highlights the importance of refining NYDA’s support mechanisms to ensure long-term growth and sustainability for youth enterprises.

## **2.7. Theoretical Framework**

Microfinance is grounded in various theoretical frameworks that explain its objectives, implementation methods, and outcomes, particularly in relation to fostering the success of youth-owned MSMEs, promoting financial inclusion, and contributing to economic development. To understand the factors that influence the success of youth-owned MSMEs funded by the NYDA’s microfinance grant, the Resource-Based View (RBV) as the primary theoretical framework is explored. The RBV provides a lens for understanding the interplay between external environment and structures, individual agency, and resource utilisation in driving business success.

#### **2.6.4. Resource-Based View (RBV)**

The Resource-Based View (RBV) is a prominent theory in strategic management, initially developed by Birger Wenerfelt and improved on by Jay Barney. The RBV argues that a firm's competitive advantage arises from the ability “to *accumulate resources and capabilities that are rare, valuable, non-substitutable and difficult to imitate*” (Dyer and Singh, 1998:660). Kellermanns, Walter, Crook, Kemmerer, and Narayanan (2016) adapted RBV for the entrepreneurship field, setting out “important contextual conditions when applying the RBV's tenets within the field of entrepreneurship” (Kellermanns et al., 2016:26). In this study, RBV is applied to help explain youth-owned MSME success by focusing on the resources they possess and how these are leveraged effectively. RBV helps the researcher to explain the enterprise through the lens of internal resources and capabilities (Miller, 2019; Madhani, 2010).

The RBV posits that firms are heterogeneous bundles of resources and capabilities that, when valuable, rare, inimitable, and non-substitutable, can lead to sustained competitive advantage (Miller, 2019; Madhani, 2010). The RBV takes an 'inside-out' perspective, focusing on firm-specific factors rather than external market conditions (Madhani, 2010). It has roots in various economic traditions and has evolved to include related concepts such as the knowledge-based view and dynamic capabilities (Miller, 2019). It has significantly influenced empirical research in strategic management and has extended its impact to other disciplines like marketing, human resource management, and operations research (Xiao et al., 2016). It emphasises the importance of exploiting superior internal organisational capabilities for differentiation in competitive markets (Chaston, 2015).

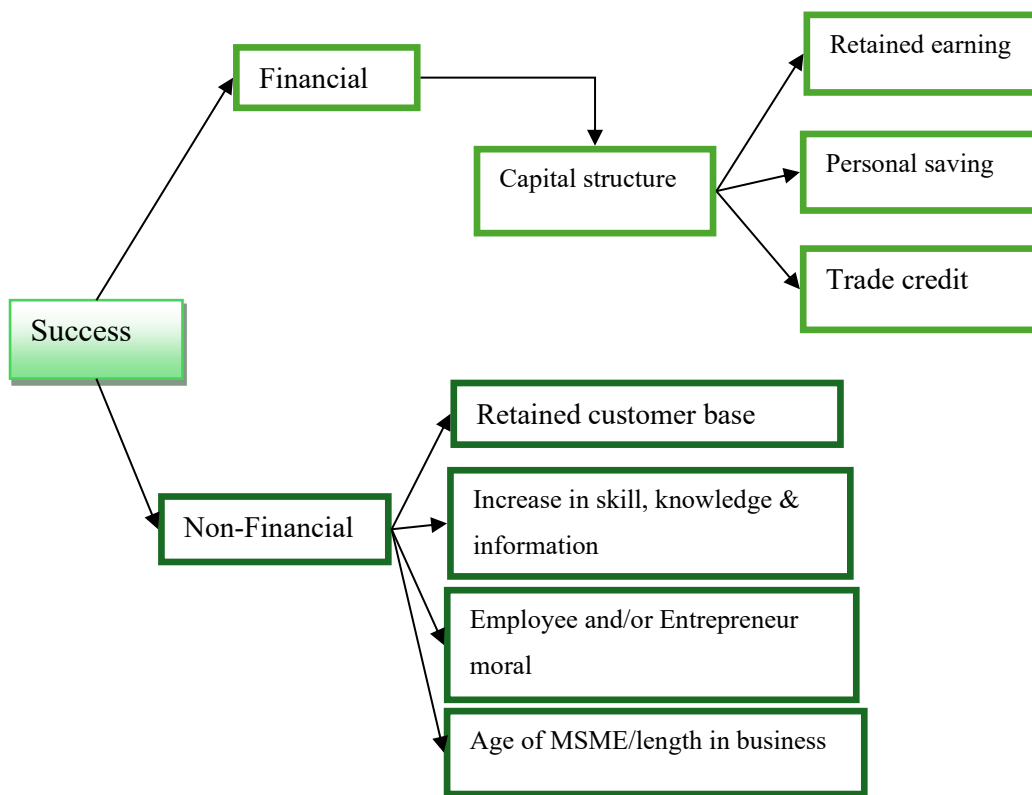
#### **2.6.5. RBV-inspired definition of youth-MSME “success”**

From the above view an RBV based model of success for youth MSMEs is derived. Success of youth-owned businesses is multifaceted and can be defined through various analytical lenses. Business survival and the prevention of involuntary exit are key indicators of success. These are influenced by owner characteristics and business conditions (van Praag, 2001). For young entrepreneurs, leveraging social media for promotion and branding has increasingly become crucial in the digital age (Kurniawan & Novyawati, 2019). Factors contributing to youth entrepreneurship success include effective business plans, support programs, and risk-taking propensity by entrepreneurs (Ayob et al., 2021). However, perceptions of success can vary among young entrepreneurs. Some view it holistically, considering both personal and

company aspects, while others focus on profits, popularity, and job creation (Riwanda & Mawarpury, 2021). These diverse perspectives highlight the subjective nature of success in youth-owned businesses, encompassing financial performance, longevity, market presence, and social impact.

Capital structure decisions are critical for the survival and growth of MSMEs, with factors such as retained earnings, personal savings, and trade credit being positively correlated with business success (Nyide & Zunckel, 2019).

**Figure 2.6: Model of success for youth entrepreneurs**



**Source: Author**

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1. Introduction**

South Africa's MSMEs are not only important for economic growth, but are also an important source of income for many that are unable to find employment in the formal labour market. But, their failure rate as detailed in the previous chapter is also an issue of concern. Public and private agencies seeking to improve the operational efficiency and survival rates of MSMEs need tangible recommendations on how to improve their development interventions, and ultimately reduce MSME failure rates. This research sought to produce such an understanding of the application and approval process affects youth-owned MSMEs, an area that is typically less researched. By excavating and detailing the process experiences of going through the application process for microfinance, MSME support and development practitioners can gain a better understanding of the factors that influence the success of microfinance as a development intervention. Other factors of analysis were how education and skills affect the success of youth-owned MSMEs, and competencies and how this affects their enterprises. From this analysis, the researcher crafted concrete recommendations of improved support of youth-owned MSMEs through microfinance.

Guided by the above, this chapter thus outlines the research approach deployed by this study, and provides the rationale the adoption of a qualitative research design. The sections that follow systematically outline the choice of a qualitative research design, and its supporting methods.

#### **3.2. Qualitative Case Study Design**

A qualitative case study approach anchored on case study methodology was deemed most suitable for collecting the detailed data from the participants' vantage (Creswell & Poth, 2018). The qualitative research approach is recognised as an encompassing process that addresses phenomena difficult to investigate through other methods, seeking to produce an understanding of experiences, behaviours and contexts from the participants' vantage (Mistry, 2012; Beery, 2010). This approach is considered appropriate when the researcher seeks to conduct a "holistic, in-depth investigation" and answering 'why', 'how' and 'what' questions (Tellis, 1997).

Furthermore, case study research supports methodological diversity and provides a deeper understanding of complex relationships across various fields (Abeysekera, 2019). In-depth interviews anchored the approach, and were used for a thorough examination of complex issues of MSME's in their real-life settings. According to Torrado (2023), interviews are interactions that enable participants to reflect on and discuss their past or future experiences, thoughts, and emotions. This method allowed participants to share their thoughts and feelings in response to the questions asked, helping the researcher better understand the issues affecting them and to explore possible solutions. This approach was crucial for the researcher due to the limited existing literature on the factors influencing the success of youth-owned MSMEs funded by the NYDA.

Interviews will be utilised to gather primary data from participants selected as the sample for this research. The researcher will conduct semi-structured interviews using open-ended questions. The data was gathered through virtual interviews on Microsoft Teams and was recorded. A semi-structured interview guide was designed as the data collection tool, ensuring that consistent information was obtained from all participants. The interview questions were tailored to gather insights that directly address the research questions, which have been carefully reviewed, analysed, and summarised.

### **3.2.1. Purposive Sampling**

For participation in the study, MSME owners needed to meet the following criteria:

- Participants in this study had to be NYDA micro-funding beneficiaries who applied for and were awarded funding.
- They had to have received funding and managed their businesses for at least two years before this study.

In terms of age, gender, and business sectors, the group was diverse. Two men and four women made up the six recipients who were interviewed. Through contacting beneficiaries of NYDA microfinance funding, a convenient, purposive sample of participants was gathered from the NYDA beneficiary database. The participants were selected because they had firsthand experience with the phenomenon of interest, participants in a purposive sample were guaranteed to be in the best position to offer data on the research topic (Creswell & Poth, 2018; Johnson et al., 2020; Tomaszewski et al., 2020). Purposive sampling was chosen for this study

due to time and the NYDA branch officials were requested to suggest or refer more beneficiaries who also fit the study's requirements, which were for beneficiaries who received NYDA micro-funding, in order to collect more data using a snowball technique. Through this process, three more participants from different provinces were interviewed, and they benefitted from NYDA microfinance funding programme. Out of the selected and referred fifteen NYDA beneficiaries, ten consented, two refused, and the other two beneficiaries consented but were unavailable for interviews. Six participants were able to attend the planned interviews and all are included in the table below.

### 3.2.2. Research Participants and Data Collection

Six participants were interviewed, with two and a half hours of interview data collected as well as questioners provided and completed by participants which provided sufficient data saturation (Sandelowski, 1995). A date and time for the interviews was arranged between the researcher and each participant. The interviews were all conducted over the Microsoft Teams platform, due to logistics and availability of participants. This was the most ethical means of conducting the interview as it allowed the interviews to be conducted based on participant's availability.

**Table 3.1 Research Participants**

No.	Pseudonym	Participants' gender and Age range	Province where business is operating
1	Zikhona	Female, (26-35)	Mpumalanga
2	Rethabile	Female, (26-35)	Free State
3	Oratile	Female (26-35)	Mpumalanga, Gauteng and North West
4	Busie	Female (26-35)	Free State
5	Stambo	Male, (26-35)	Mpumalanga
6	Teboho	Male (36-49)	Gauteng

Before the interview, the researcher sent each participant the interview schedule (Appendix A) and consent form (Appendix B) via email, requesting them to sign and return the form. This consent covered recording the interview and using the data for future research. Before starting the interview, the researcher confirmed that participants had read and understood the

information sheet and consent form. Confidentiality was also discussed, with an explanation that participant's data would be recorded confidentially to ensure they and their businesses could not be identified.

During this process, the researcher focused on building a connection with the participants before asking them to share their experiences (Mack et al., 2005). The interview followed a semi-structured format, allowing participants to openly discuss their experiences and views while also enabling follow-up questions to gather detailed and relevant information (Adams, 2015).

The interview schedule, available in Appendix A, was designed by the researcher to collect data related to the study. It focused on how funds were used, the business industry, and participants' background information, ensuring these topics remained central during the interview.

### **3.3. Data Analysis**

Once all the interviews were conducted and securely stored, the researcher transcribed the interviews. The researcher ensured accuracy of the data (Braun & Clarke, 2006). Reflective Thematic Analysis (RTA) is a flexible and practical method for analysing data, allowing researchers to identify both obvious and underlying themes using different theoretical approaches. It can be applied inductively or deductively to find patterns of shared meaning, making it suitable for this study (Braun & Clarke, 2006; Terry et al., 2017). Following Braun and Clarke's (2006) guidelines, the researcher began by reading the data multiple times to become familiar with it. Initial observations, including reflexive notes, were recorded during this stage. The researcher then systematically coded each interview, identifying statements that provided insights into the support beneficiaries received for their business success. At first, patterns were coded based on their direct meaning and later for deeper, underlying meanings. The codes were then grouped into related ideas or meanings, leading to the development of themes. Once finalised, the themes were clearly defined and organised into a thematic "map," which provided an overview of the results. This map guided the presentation of the findings and their analysis.

### **3.4. Establishing Quality**

The quality of qualitative research is assessed based on its trustworthiness (Cope, 2014; Johnson et al., 2020). To maintain trustworthiness throughout the research process, this study followed the five key elements outlined by Lincoln and Guba (1985, 1994), as cited in Cope (2014:89): credibility, transferability, dependability, confirmability, and authenticity.

Credibility was ensured through extended engagement with the research material. While the study's transferability is limited due to its specific context. To establish confirmability, all research decisions and interpretations were carefully documented. Additionally, participants' quotations were included in this research report to enhance authenticity.

### **3.5. Ethical Considerations**

Ethical principles guided all decisions and actions throughout this study. The research was conducted with a focus on beneficence and non-maleficence, ensuring that all interactions with participants prioritized their well-being (Pietilä et al., 2020). Participants were informed of their right to join or withdraw from the study at any time and were given the choice to participate in a way that made them feel comfortable (e.g., with video on or off). Their experiences were carefully considered, and sensitive responses were provided to ensure their well-being was respected during the interviews. Participants' autonomy was recognised by allowing voluntary participation, obtaining informed consent, and guaranteeing confidentiality, reinforcing their dignity (Pietilä et al., 2020).

In terms of participant selection, this was done in a just manner with fair access for participants to volunteer, and no volunteers were excluded. However, the extent to which individuals may have known about the research was limited to distribution decisions by the NYDA database provided as well as the NYDA branch staff.

Ethics clearance was obtained from the Commerce Faculty Ethics in Research at the Faculty of Commerce at the University of Cape Town. Permission to conduct the study was also sought from the NYDA and approved by the CEO of NYDA. Written or recorded verbal consent to participate in the research and record the interviews was obtained from each participant.

The researcher has a personal connection to the NYDA from which the participants were sampled as she was a former employee of the NYDA. There was no conflict of interest as the

researcher does not know the participants personally and there was a low risk of her encountering any of the beneficiaries after the interview.

The security of the online platform was maintained by requiring password entry and using the waiting room feature in Microsoft Teams. This helped protect participants' confidentiality by reducing the risk of unauthorised access. Additionally, interview recordings are stored in password-protected files to ensure their security. Since pseudonyms alone may not guarantee anonymity, careful measures were taken to ensure that neither the participants nor the schools could be identified in the final report.

Participants were informed that the report would be publicly available but that all information would remain anonymous, with no identifiable names or events. Participants will have access to the final report once it is published.

Although this group was not classified as vulnerable, the sensitive nature of their business operations posed a risk of participants experiencing distress or discomfort, but this did not happen.

### **3.6. Conclusion**

This chapter outlined the research methods used in this study, including the research questions that guided the investigation. It discussed the qualitative case study research design and explained the chosen research paradigm. Decisions regarding participant selection and the sampling process were detailed, along with a brief description of the participant group. The data collection section explored the value and relevance of using semi-structured interviews, as well as the procedures followed. The choice of reflective thematic analysis as the method of data analysis was explained, along with the steps taken to identify the reported themes. The chapter concluded with two key aspects of ensuring high-quality qualitative research: credibility and ethical considerations.

## **CHAPTER FOUR**

### **FINDINGS AND DISCUSSION**

#### **4.1. Introduction**

This chapter presents and examines the key findings of the study in relation to the research question. Narrative interviews were conducted with six NYDA micro-finance funding beneficiaries to explore the factors that contributed to the success of their businesses. DSBD (2017:12) differentiates an entrepreneur and business owner, defining an entrepreneur as a person that is involved in a start-up or new business activity, thus in the early stages of business activity. On the other hand, a business owner refers to owners of MSMEs, and encompasses entrepreneurs. As per this definition, this research covered 2 entrepreneurs and 4 business owners.

These interviews were audio-recorded on Microsoft Teams and transcribed for thematic and dialogical/performance analysis. All participants in the study were confirmed as NYDA beneficiaries. The chapter begins with a case description of each participant's profile, followed by a summary of the information obtained during the interviews and an outline of the identified themes and subthemes. This is followed by a discussion of the findings and their implications concerning the study's aims and objectives. The chapter concludes with an evaluation of the study's limitations and recommendations for future research.

#### **4.2. Participants Profile**

The majority of the participants were female (67%), all were still youth, aged between 26 and 35 years, with only one female respondent being in the 36-39 age group. Two operated their businesses in Gauteng, another two in the Free State and another two in the Mpumalanga province.

Half of the youth-MSMEs had started businesses before which were all still in operation, while the other 3 were involved in their first business. Many of the businesses received their microfinance grant in the past 2 to 3 years.

**Table 4.1 Participants profiles**

Zikhona	
Business Industry	Services
Date of Business Establishment	May 2019
Business Location	Mpumalanga
Number of Employees	4
Received NYDA Funding	2022
Purpose of funding	Product development
Education level	National Diploma
<p>Zikhona runs a cleaning business that began operating in May 2019. In 2022, she received funding from the NYDA for a cleaning business. The business currently has 8 employees including herself. The funding was utilised to buy additional equipment. The funded cleaning business is not her sole business venture; she has started five businesses in total, three of which are still active. Her entrepreneurial journey began with a broom-selling, which she discontinued as it generated little to no income.</p>	

Participant 2 (Rethabile)	
Business Industry	Manufacturing
Date of Business Establishment:	October 2021
Business Location:	Botshabelo Free State
Number of Employees:	3
Received NYDA Funding:	2022
Purpose of funding:	Purchase fittings and equipment
Education level:	Certificate
<p>Rethabile has an egg production business established in October 2021. As a certified artisan, she has leveraged her skills to enhance her operations. The funding she secured was utilised to purchase fittings and equipment, which helped her to improve product quality and meet the market's volume demands. The business currently employs three people, including herself as the owner.</p>	

Participant 3 (Oratile)	
Business Industry	Retail and Manufacturing
Date of Business Establishment:	2014
Business Location:	Mpumalanga, Gauteng and North West
Number of Employees:	33
Received NYDA Funding:	2017
Purpose of funding:	Equipment
Education level:	Masters
<p>Oratile operates a successful wholesale and distribution business specialising in printer cartridges, which she started in 2014. In addition to this business, she manages four other active businesses, including a franchise operation. Her cartridge business currently employs thirty-three staff members. Eight years ago, she received funding from the NYDA, which she utilised to purchase equipment.</p>	

Participant 4 (Busie)	
Business Industry	Egg Production
Date of Business Establishment:	Jul-21
Business Location:	Free State
Number of Employees:	4
Received NYDA Funding:	2023
Purpose of funding:	Inventory
Education level:	Matric
<p>Busie Started her egg production business in 2021. She currently has 4 employees and received funding from NYDA in 2023 to buy 200 more layers and cages which allowed her to produce more eggs.</p>	

Participant 5 (Stambo)	
Business Industry	Printing
Date of Business Establishment:	2018
Business Location:	KwaMhlanga, Mpumalanga

Number of Employees:	2
Received NYDA Funding:	2021
Purpose of funding:	Equipment
Education Level	Matric
<p>Stambo holds a Matric certificate and started his printing business in 2018, which supplies large companies with marketing materials. While the business is based in KwaMhlanga, Mpumalanga, most of his clients are located in Johannesburg. In 2021, he received funding from the NYDA as part of the COVID relief initiative for MSMEs, which he used to purchase equipment.</p>	

Participant 6 (Teboho)	
Business Industry	Manufacturing (Jewellery design)
Date of Business Establishment:	2007
Business Location:	Germiston, Johannesburg
Number of Employees:	5
Received NYDA Funding:	2019
Purpose of funding:	Equipment
Education Level	Professional Jeweller accredited by Gemology institute of America
<p>Teboho is a professional jeweller who discovered his passion for jewellery design at a young age. He formally registered his business and began operating from home, crafting handmade jewellery in 2007. In 2019, he secured funding from the NYDA, which helped him build connections with major players in the industry due to his curiosity and drive. Teboho got an opportunity to spend almost three years gaining industry experience in the UK. This is an opportunity that he wishes for his employees to see how other countries and factories instead of being limited to classroom training. Over time, Teboho's business expanded, allowing him to produce jewellery that is now displayed in airports and luxury hotels internationally. The business currently employs five permanent staff members and, in partnership with South African Government SETAs, hosts 15 jewellery-making graduates annually.</p>	

### 4.3. Emergent Themes

Three themes emerged from the thematic analysis of the data collected:

- 1 Factors contributing to business sustainability,
- 2 Challenges in accessing and utilising support services and
- 3 Recommendations for enhanced support systems.

These themes also reflect the big picture of the experiences of youth who started and managed MSMEs and applied and received micro-finance funding from NYDA related to Bamberg's theory. Bamberg's positioning theory helps us understand how people shape their identities through the stories they tell. It shows that when we share our experiences, we're not just talking about events, we're also deciding how to present ourselves, how we relate to others in the moment, and how our stories fit into bigger social and cultural conversations (Bamberg, 1997). A chronological approach was used to identify the three themes, aligning with both a social constructivist framework and a narrative approach to data analysis (Bradbury, 2017; Kivunja & Kuyini, 2017). The first theme relates to non-financial analysis, comprising the sub-themes of personal attributes, operational strategies, and BDS. Theme two details operational issues with the subthemes of delays in funding approval and limited communication emerging strongly. Theme three was recommendation based, delivering sub-themes improved funding mechanisms and sector specific mentorship, market access and networking opportunities.

#### **4.3.1. Theme 1: Factors Contributing to Business Sustainability**

Three sub-themes were identified as part of the participants' experiences in starting and managing MSMEs where they applied for and received micro-finance funding from the NYDA.

##### **Subtheme 1: Personal Attributes**

During the interviews, participants highlighted the importance of personal qualities such as vision, resilience, consistency, and self-management as drivers of business success. For instance, Zikhona credited her vision and curiosity for the success of her business.

*“For me, innovation, passion or having a drive are the main factors that I've done and they helped me. ... So I think sustainability for your business depends on the vision that you have.” (Zikhona: Cleaning services)*

Rethabile highlighted that her persistence and adaptability enabled her to continue to run a business even when it was experiencing losses. Her experience indicates that she also had to exercise self-management as an internal resource:

*“What contributed to my business is the consistency that I put in the business because you know sometimes you feel like giving up because it's not- it's not producing what you wanted to produce in terms of revenues and volumes. But I have learned to be very consistent with not giving up also contributed with everything, ... I had to learn to be patient with myself.” (Rethabile: Egg production)*

#### 4.3.1. Continuous Learning and Curiosity

Continuous learning and curiosity is a crucial factor in the survival of youth-owned micro-enterprises. For young entrepreneurs, especially start-up businesses up, the willingness to learn is critical as it helps them to acquire skills, master industry processes, and deal with problems. The desire for knowledge encourages their readiness to seek further information, test alternative approaches, and come up with new ways of solving problems. This proves to be an essential factor of continued operation, particularly in fast-changing markets.

*“Honestly, I didn't even know what I was doing right or wrong at that moment. I think what's sustained my business is just the passion. There's no specific assistance or tools for marketing or anything else; it's really just my dedication to what I'm doing.” (Busie: Egg Production)*

Stambo further emphasised on what has helped his business to thrive for all the years in operation.

*“Accountability to the business and daily efforts to satisfy clients are essential for us. That commitment helps sustain our business.” (Stambo: Printing services)*

Building resilience is a journey of continuous learning, where entrepreneurs develop the ability to face uncertainty, respond effectively, and recognise new opportunities (Kromidha & Bachtiar, 2024). This process shapes dynamic capabilities, such as fostering innovation, conducting research, and sharing knowledge, all of which strengthen not only individual businesses but also the broader business ecosystem (Sinha & Ola, 2021). Resilience isn't just a personal trait, it's deeply connected to how businesses strategize and adapt to change (Malathi

& Karpagam, 2024). Personal qualities, external influences, and the feedback entrepreneurs receive all play a role in shaping their resilience and motivation (Sasikumar, 2024).

By embracing resilience as a skill to be cultivated, entrepreneurs can navigate challenges more effectively, adapt to unexpected situations, and keep their ventures thriving. In doing so, they not only ensure their own long-term success but also contribute to building stronger, more adaptable business ecosystems. It is through this continuous learning that resilience is cultivated allowing the entrepreneurs to overcome challenges and uncertainties and remain active in their businesses even with setbacks thus theirs would be a success in the long run and that of the communities.

### **Subtheme 2: Operational Strategies:**

During the interviews, the diversification of products and services was frequently mentioned as a strategy to mitigate the risk of lack of revenue. According to Zikhona, (egg producer) diversification is a strategy that is necessary for long-term survival, especially in competitive and unpredictable environments.

Zikhona noted that continuously learning enables them to run a business without formal business education since they have the knowledge and skills to do so after learning. Such flexibility helped her to adapt to changes in customer requirements, new technologies, and market changes, which kept the business competitive. The participant was able to enhance the development and sustainability of the business by looking for information and attending the majority of micro-entrepreneurs interviewed herein. Diversification is a strategy necessary for long-term survival, especially in competitive and unpredictable environments.

*“I went into different businesses as I just saw opportunities to make money, you know I went from being in cleaning to growing my business going into retail, going into the food space, and in the printing space as what was the gap in product offering in my area and I took advantage of that.” (Zikhona: Egg production)*

For a number of youth-owned micro-enterprises, diversification entails increasing the number of products or services offered and also engaging in other business activities that are related to the core business. This way, they cater to a wider range of consumer needs, which in turn gives an opportunity for enhancing customers’ satisfaction and sales volume. Ansoff, 1957, defines

diversification to modifications in a company's product offerings and/or target market, distinguishing it from other strategic approaches such as market penetration, market development, and product development, which involve different forms of product-market structure changes. According to Brost & Kleiner, 1995; Nayak, 2016 diversification is a business development strategy that involves expanding into new business activities or product lines beyond a company's core operations. It can be broadly defined as an existing business entity entering into a new business activity (Brost & Kleiner, 1995).

Participants pointed out that they did not have to rely on one business activity. They explained that they sought out mechanisms and opportunities of exploring other sources of income to cushion them during the low-demand seasons of their main activity. This micro-entrepreneur's experience demonstrates the ways in which such enterprises prevent or closure market circumstances where demand for is not or adequate,

Rethabile explained mentioned that the other factor that contributed to her business was to include complementary products in the business to generate more income.

*“It's not to focus on one product, because if the other one is not working you have to have something that is consistently helping you generate income, because at the end of the day, in order for us to say we are running a business, there has to be sales in the business. So you have to find other way of making money through complementary products.” (Rethabile: Egg production)*

The process of diversification has allowed these micro-enterprise companies to rapidly respond to external shocks such as a recession, shifts in consumer habits, or heightened competition from new market entrants as competitors. Zikhona market entrants as micro-. They stated that she took the opportunity to introduce they had responded online services in the cleaning services in addition to her existing and services. This allowed her to continue serving clients even during periods of severe economic downturn, like during the COVID-19 pandemic.

Research highlights that diversification is important for MSMEs to navigate risks and achieve growth. According to Baptista et al., 2012, companies with strong abilities and skilled human resources are more inclined to diversify early, especially in uncertain environments. Developing these competencies enables businesses to respond effectively to market shifts, particularly when past performance has been poor (Mullins, 1996).

For youth-owned MSMEs, like participants, fostering such competencies early can be transformative. This approach not only mitigates risks but also builds a solid foundation for long-term growth and sustainability, even in unpredictable economic environments.

### **Subtheme 3: Business Development Support (BDS) (financial and non-financial) (Financial and non-financial):**

Participants acknowledged the role of NYDA mentorship and training, networking opportunities, and structured funding influenced their business sustainability.

The highlighted additional factors present that are important for business success. These relate to the that young entrepreneurs hold of operation. Enthusiasm and vision are internal to the entrepreneur, as x author has stated. e entrepreneur's to, and day-to-day challenges. In describing this, the micro- interviewed herein stated that. They explained that it means

#### *Mentorship and Training*

According to Oratile, the mentorship programme and coaching activities provided by the NYDA, especially those aimed at imparting financial management, leadership and operational skills, were considered beneficial.

*“Mentorship helped me to understand the more difficult parts of business, like financial planning and branding. It equipped me with the skills to articulate my business vision better and confidently pitch to potential clients. Coaching sessions introduced us to frameworks for analysing and solving everyday business challenges, which I appreciated.” (Oratile: Printing services)*

*“Mentorship and Networking. These have helped us access knowledge and connections that are crucial for moving forward.” (Oratile: Printing services)*

Oratile pointed out that such mentorship was useful in providing direction and making her capable of addressing various challenging aspects of the business. Additionally, the training was also said to have developed the entrepreneurs' ability and knowledge in client relations, business planning, and marketing, which are critical for the survival and expansion of businesses. This assistance enabled young entrepreneurs to acquire a more solid base and self-efficacy towards managing their businesses proficiently in the face of competition.

Rethabile emphasised that mentorship empowered her for her business operations.

*“NYDA programs, has given me guidance and mentorship, which really helps us make better business decisions.” (Oratile: Printing services)*

*“Now I am able to go even on radio to talk about my journey, my business and my product thanks to mentorship.” (Rethabile: Egg production)*

*“After my first mentor, so I think I had training. I first got a mentor to guide me on the business I want to take and I later got the funding. When I went back for additional funding that is when I went for business training and that was a big contributor for me.  
“(Zikhona)*

The statements by the participants further highlight the importance of mentoring programmes concerning youth entrepreneurship. They provide those capabilities with actionable training in business strategy interconnected with financial management and leadership (Shittu, 2017; Diego (2015). According to Shah, M.H., Othman, A.R., & Mansor, M.N. (2016). Shah et al., 2016, in recent years, mentorship has caught the attention of many scholars and practitioners, especially in MSMEs which was expected to have a favourable effect on business outcomes. It also helps less experienced entrepreneurs to gain more from the experienced ones; thus, people’s productivity and job satisfaction improves (Shah et al., 2016). Employee value and business efficacy can be improved due to the increase in mentorship programs (Shah et al., 2016). Kar & Sarangi, 2020, further highlights that the key factors in successful mentoring include capacity building, connection, time management, collaboration, concreteness, and trust (Kar & Sarangi, 2020). Most of the impacts that come as a result of mentoring include increased self-esteem but favourable results such as sales growth (Barrett, 2006).

### ***Networking and Market Linkages***

Participants also expressed appreciation regarding the efforts of the NYDA in working in partnership with other public-private institutions such as the Mpumalanga Economic Growth Agency (MEGA) and Standard Bank noting that these partnerships enabled wider exposure and networking. Joint workshops exposed participants to a wider clientele, which improved their competitiveness.

*“NYDA and The Mpumalanga Economic Growth Agency (MEGA) had a relationship, and we were invited into workshops as beneficiaries. That exposed me and my business into additional market, and I networked with a lot of individuals and business that ended being my customers in Mpumalanga.” (Zikhona)*

*“I didn't know that there is more work that there was more that can be done.*

*I started planning and putting systems in place.*

*Things like mentorship and market linkages were helped me, in fact I did not know about them.” (Rethabile: Egg production)*

The focus on networking and market linkages is particularly important for youth-owned MSMEs who networked and secured partnerships that greatly improved their market presence and their growth prospects. As a result, this joint strategy was considered a major facilitator in scaling and developing the businesses. According to Sutrisno (2023), building strong networks and market linkages is essential for the growth and success of youth-owned MSMEs. Partnerships and business networks enable these enterprises to access broader markets, enhance visibility, and explore collaboration opportunities, particularly in today's digital-driven economy. Effective market linkages, combined with access to finance, government support, and reliable infrastructure, significantly influence the growth and sustainability of micro and small enterprises (Susi, 2023). Ombaka et al., 2020 further elaborate that for youth-owned agro-processing MSMEs, entrepreneurial networking has a particularly more impact on performance, with social media playing a key role in strengthening this connection. Networking also offers numerous marketing advantages for small businesses by leveraging connections to create opportunities and improve outreach (O'Donnell, 2014). For many young entrepreneurs, these networks become invaluable, serving as platforms for growth, learning, and innovation.

### **Financial Support**

The structured funding support by the NYDA which is in most cases paid directly to the suppliers assisted the businesses to obtain necessary equipment. Two had received a microfinance grant ranging from R10,001-R50,000 while four received a grant ranging from R50,001 to 100,000, which is the highest amount of R100,000. All needed to use the grant for purchasing equipment and/or material, while two MSME respondents stated that they were using it also for product development and business expansion. This enabled the participants to

purchase the equipment required to expand their business operations and enhance the quality of their products.

*“When I applied for NYDA funding, I did not have the casting equipment which we use for mass production. I did not have a rolling meal, which is one of the main tools you need for production. So that R100,000 was used towards that.” (Teboho: Manufacturing)*

*“The NYDA funding helped increase my production. Right now, I have 300 layers, producing 300 eggs daily. The funding allowed for the purchase of 200 more layers. It also provided me with more cages, so I was able to produce more eggs.” (Busie)*

*“The funding has helped in several ways. It covered essential costs that we couldn’t have managed on our own initially, allowing us to produce at a better scale. This support reduced the financial stress, letting us focus more on growth rather than just survival.” (Oratile: Printing services)*

*“NYDA helped me with equipment for my business. That's what I got from the NYDA. The funding was not paid to my account but was paid directly to my supplier and that gave me an opportunity to get what I needed and an opportunity to do bigger contracts that I don't think I would have had access to this market and my business wouldn't be profitable if I not had not received the funding.” (Zikhona)*

*“When I started this business, I was just only on making a sale. And it was all about sale volumes, nothing more. For the first year, which is 2021. And when I started this, I made close to R10,000, by just focusing on selling.” (Rethabile: Egg production)*

*“The grant allowed us to expand our services, offering more than before.” (Stambo: Printing services)*

All participants confirmed that Access to capital is an integral part of business growth and sustainability for MSMEs in South Africa. This helps MSMEs to finance their activities, take up new investments, and increase their market size.

Dzomonda, (2022) mentions that environmental sustainability commitment and corporate governance practices can positively influence SMEs' access to finance. Improving education and training for MSME about funding sources (Saah & Musvoto, 2020), regularly evaluating

and revising policies (Mazanai & Fatoki, 2012) and implementing government-supported loans/funding with softer requirements (Msomi & Olarewaju, 2021) can improve the sustainability of MSMEs.

However, many participants, for example, said that although this source of financing is good, the incentives could have more relevance if they were customised to the particular financial characteristics of various industries. They proposed, tailoring the support to suit the specific industries will boost the effectiveness of the program and promote business expansion.

#### **4.3.2 Theme 2: Challenges in Accessing and Utilizing Support Services**

The data revealed significant challenges in accessing and effectively leveraging NYDA's programs, which often impacted business performance and growth potential.

##### **Subtheme 1: Delays in Funding Approval**

Participants frequently highlighted the long processing times, which disrupted business operations and planning.

Both Zikhona and Rethabile emphasized the need for quicker turnaround times to align with market demands.

*“Hiring entrepreneurial-minded employees, I think team members of the NYDA do not understand the hurdles that we face with out there. They also need to improve on turnaround times as they affect our businesses. The longer it takes to receive funding then the more you lose potential business.” (Zikhona)*

*“It took forever and then my quotations would expire because now they say get updated quotations, the quotations are released for three months and then someone calls you, they're busy with your application.” (Zikhona: Egg production)*

*“Processing time for grant applications would help a lot. Sometimes, delays can impact how quickly we can act on new opportunities. Faster processing times would allow us to respond to market demands more efficiently.” (Oratile: Printing services)*

*“The only thing I would say is that when applying for applying for funding, it took a bit longer than it should have it to be approved and processed together equipment. So if they can just work on the timelines, I think that will be such a good contribution.” (Rethabile: Egg production)*

The statements above stress the point that lengthy funding processing times often disrupt business operations and hinder effective planning, leaving entrepreneurs unable to seize timely opportunities. Research indicates that delays in funding processing and payment can significantly impact small businesses and their ability to operate effectively. Beaumont (2017) demonstrates that lengthy loan approval processes in the formal lending sector can drive borrowers to seek informal credit options, highlighting the need for policies to reduce loan settlement times.

### **Subtheme 2: Limited funding support**

The structured funding support by the NYDA which is in most cases paid directly to the suppliers they assisted the businesses to obtain necessary equipment without distorting the flow of funds. This enabled young entrepreneurs to purchase the equipment required to land large contracts, enhance the quality of products, and expand their operational capabilities. But many participants, for example, said that although this source of financing is good, the incentives could have more relevance if they were customized to the particular financial characteristics of various industries. They proposed, tailoring the support to suit the specific industries will boost the effectiveness of the programme and promote business expansion.

#### **4.4. Communication**

Poor communication channels with NYDA staff led to inefficiencies in tracking applications and securing updates, as noted by Zikhona and Teboho.

Lack of constant communication channels with NYDA was another serious issue according to several of the entrepreneurs interviewed. Many highlighted that their frustration and inefficiencies were a result of poor communication practices whereby they never got updates about the status of their inquiries and requests for funding support. Usually, it was the entrepreneurs themselves who had to make these calls, and often several of them in order to receive even the most basic status of their applications which they quite annoying felt took time away from running their businesses.

*“The follow-ups take you away from the business following up and it goes back to my thing of you know they need to improve processes and procedure or personnel that execute the programmes. So I had to follow up manually. There was never e-mail communication.”*  
(Zikhona: Egg production)

Such a disorganised way of communication not only delayed some of the key decisions but also thrust a level of ambiguity in business planning which made it difficult for the entrepreneurs to structure their finances and operations around expected dates of support.

### **4.3.3 Theme 3: Recommendations for Enhanced Support Systems**

Entrepreneurs provided actionable suggestions to improve the effectiveness of NYDA programs and foster sustainable growth for youth-owned MSMEs.

#### **Subtheme 1: Improved Funding and Sector-specific**

##### **Mentorship**

Busie suggested sector-specific mentorship to address foundational challenges. In the case of agriculture Busie was of the view that sector specific mentorship can help the youth in entrepreneurship in relation to issues of compliance with regulations targeted at environmental, crop management and food safety concerns. Moreover, substantive sector-specific guidance may include managing the supply chain, from sourcing for and transiting perishable products to dealing with the challenges of seasonality in production. Within such a perspective, agricultural entrepreneurs would have a better appreciation of how to achieve both sustainability and profitability in the agricultural sector as they seek to withstand market shocks and pressures that are expected in a volatile industry.

*“Sector mentorship would be beneficial. I don't feel the mentorship program is as effective as it could be. If mentorship was provided genuinely, it could make a big difference. Having a mentor from an agricultural perspective would work best. Currently, I don't have any mentorship support.”* (Busie: Egg production)

Teboho emphasised industry-specific funding support. He highlighted that having dedicated funds in the manufacturing industry can help in dealing with integrating new technologies, improving existing production processes and skilled workforce management. Understanding

the trends of new development in the field of manufacturing, such as automation or recent developments in the digital age, is a priority for MSMEs who want to be competitive in the industry

SMEs who want to be competitive in the industry. Mentorship towards management of these workforce could also enable them to develop effective teams for various roles and enhance productivity which is often critical in helping them increase their scales of operations to meet larger clients' orders.

*“You know, we need funding according to our needs and industry requirements. We have an issue, first world countries today, they're sitting at 80% of artificial intelligence, 20% minor labour they don't steal any jobs that need to be clear. It does not steal any jobs. It just improves the quality of the production of your facility, and it makes it easier for your employees to execute that piece of work. South Africa is sitting at 90% of the jewellery you see on the shelves. It's not made in South Africa. However, it doesn't mean that the local retail shops are not willing to procure from local. It's just that we're not ready to supply them.” (Teboho: Manufacturing))*

Both participants argued that improved funding, combined with sector-specific mentorship, equips youth-owned MSMEs with the financial resources and tailored guidance needed to address industry-specific challenges and opportunities. This approach fosters sustainable growth, enhances competitiveness, and empowers entrepreneurs to navigate their sectors effectively.

### **Subtheme 2: Market Access and Networking Opportunities:**

Participants advocated for structured networking events and strategic partnerships to expand market reach. Oratile and Rethabile highlighted the value of market linkage programs and collaborative initiatives with institutions like Standard Bank.

*“When I partnered or became and NYDA client that's when I saw the value they added to my business. I learned more and got to understand that there is more to business than sales, accepted experts to help me in different aspects of my business through mentorship and grew my market shared through a market linkages programme.” (Rethabile: Egg production)*

*“BDS has been important for my day-to-day. For example, it helped me with management skills to deal with issues easier, especially when it comes to balancing operations with my plans for more business. It also showed me how I can do my financial tracking.” (Oratile: Printing services)*

Research suggests that structured networking events and strategic partnerships can effectively expand market reach and foster collaboration. Jones et al. (2020), found that a structured networking workshop led to participants meeting an average of 12 new people and expecting to follow up with five potential collaborators.

The necessity for such assistance which is more specific to the industry focus also shows why there is need for mentorship that can respond to the demands of the various sectors represented in the youth entrepreneur demographics. The NYDA could also improve its services by working with persons experienced in agriculture, manufacturing and other industries and offering them practical assistance that focused on practical challenges that the specific sector encounters. This functional orientation practicability with respect to mentorship would enhance its effectiveness and chances for the succeeding growth and success of youth businesses in different sectors and the economy as a whole.

#### **4.5. Operational and Market Challenges**

##### **4.2.1.1 Market Access and Social Media Dependency**

Independent business operators of which some are women-owned businesses identified access to markets as one of the core barriers to growth. While it was possible to use social media to reach potential consumers and market products, they did note that online marketing could not substitute established business structures with clear market links for growth and development of the business. For these women, social media was a cheap marketing option that allowed them to advertise to the local population about their products, but such marketing does not have the same scope as formal supply systems or developed market networks, so the efficiency is lower.

Many women entrepreneurs said that their businesses depend on access to these structures because without them it is hard to gain visibility and endorsements in the wider markets. The limited outreach leads to slow business compliance with expectations and customer takeover

initiatives when going beyond primary local coverage. Further still, the lack of formal market linkages often leads to limited opportunities to generate revenue as they tend to depend on small local market area customers which are low in number and cannot guarantee adequate business returns.

Among the businesses most affected by these constraints are female-owned companies that are in most cases not only faced with gender discrimination in the traditional business network but are also disadvantaged in that they have fewer connections in the high-growth industries. Such factors could hinder the possibilities of partnerships as well as collaboration and mentorship opportunities with the key stakeholders in the industry who could help them penetrate the market. While targeted support may help to tackle these challenges, including those aimed at establishing market linkages, collaborative modes of operation, or facilitating access to retail outlets independent and women entrepreneurs may expand their customer base, improve brand awareness, and attain stronger, more sustainable business development.

#### **4.2.1.2 Resource and Equipment Constraints**

One of the critical challenges many entrepreneurs mentioned was the limited availability of updated or relevant equipment. The interviews pointed out that if the entrepreneurs had the sufficient tools and modern equipment, their production capacity could be enhanced dramatically which would allow them to scale up their output, ensure higher quality and be more efficient. Being forced to use inappropriate or obsolete equipment typically paid a business to perform slower and as such, the operatives were more elusively accurate. This particularly became worrisome with regard to competition with international companies or bigger local firms that comfortably invested in sophisticated machines. Given the fact that these entrepreneurs were not able to produce goods that met the industry standard or satisfactorily complete orders of a reasonable size, it was difficult for them to scale their businesses or grow their market presence. As a result, the filling gap for investment in the appropriate equipment, it was assumed, would lead to a great degree of enhanced effectiveness when it comes to expanding operations as well as achieving sustainability in their host industries.

#### **4.2.1.3 Security and Community Dynamics**

Security issues such as theft and vandalism were many times present especially in rural underdeveloped areas. The entrepreneurs indicated that such cases could interfere with their

operations and thus lead to losses or even cause disruptions to the business. Such a context of community-related threats, including but not limited to extortion, has rendered some businesses inefficient indicating the availability of the requisite action plans on community management strategies and provision of security.

#### **4.6. Chapter Summary**

Literature on the importance of business development support, training, mentorship, market access, and entrepreneurial resilience is also highlighted. Socio-cultural challenges and the impact of technological advancements and digitalisation are also analysed, emphasising their relevance to the growth and sustainability of youth-owned MSMEs.

The results of these interviews suggest the unique complexities that go hand in hand with the need for comprehensive support for MSMEs owned by youth. Although the impacts of these activities by YDA are also visible for these businesses in terms of provision of funds, mentorship and networking, such impacts are often compromised due to administrative hurdles and lack of a focused service. If these gaps are filled through improved procedures, appropriate mentoring practices targeting the industry and provision for continuous business assistance, NYDA could improve the sustainability and growth of youth-led businesses in all regions of South Africa.

In conclusion, there are some point objectives and principled expectations which drive the management of youth entrepreneurship i.e. empowerment that can produce real and lasting impact through the interplay of capital, value chains, business processes and the entrepreneurial life cycle. Fulfilling such suggestions could render a context more, where the youth entrepreneurs will be able to foster economic development and create much needed jobs in the region.



## CHAPTER FIVE

### Conclusion and Recommendations

#### 5.1. Introduction

This chapter presents the researcher's conclusions on the key factors affecting the success and sustainability of youth-owned MSMEs funded by the NYDA. It includes a summary of the study, policy recommendations to promote the use of innovative finance mechanisms, and suggestions for future research.

From the findings, key determinants of business retention for youth-owned MSMEs include personal attributes, such as entrepreneurial resilience, operational strategies to adapt to market dynamics, and the availability of both financial and non-financial business development support. Entrepreneurs emphasized the value of ongoing skills enhancement and experiential learning, particularly for those without formal business training, in navigating challenges and remaining competitive.

Despite these achievements, significant challenges persist. These include delays in disbursement approvals, inadequate communication from NYDA, and a lack of industry-specific mentorship. Additionally, operational challenges, such as limited access to advanced technology and restricted market access, hinder business growth.

In conclusion, while NYDA's initiatives are beneficial, addressing gaps in operational efficiency and strategic alignment could enhance its impact. Recommendations include streamlining funding processes, improving communication channels, and providing tailored mentorship programs. Implementing these measures could further empower youth entrepreneurs, promoting increasing the sector specific mentorship and creation of market linkages. Enhanced security measures and specific focus on equipment acquisition funding could also ease some operational challenges that MSMEs face. With such measures in place, there is hope on the NYDA to enable young entrepreneurs even more thus promote resilience, sustainability, and meaningful economic contributions in South Africa's dynamic environment.

## **5.2. Opportunities & Recommendations**

Based on the findings of this study, a number of specific policy measures aimed at improving the effectiveness of support programs offered by NYDA and dealing with the deeper structural problems facing youth-owned MSMEs are recommended. These suggestions include resource optimisation, pursuit of current programs, and the development of the conducive environment appropriate for entrepreneurship.

### **5.2.1. Streamline Funding Processes for Faster Access to Capital**

Reduce the approval period for funding requests by adopting a more efficient application review and decision process. Faster processing would provide access to required funds in viable time periods thus enhancing entrepreneurs' ventures. Capital access delays inhibit quick MSME market opportunity responses from the youth. Such streamlined adjustments would improve business agility and reduce the time-wasting regulatory interference for the NYDA and the entrepreneurs. Improve Communication with the NYDA Fund Beneficiaries.

### **5.2.2. Improve communication with applicants**

Improve the online portal or mobile application in which entrepreneurs can monitor their applications' progress, communicate with NYDA representatives, and utilize the resources. As well as regular communication, a separate support line should also be provided to reduce communication breaks. Effective communication and openness is important for building trust and for the entrepreneurs to have up to date information on the status of their applications and when they will receive funding. Different communication's clear channels can also assist the entrepreneurs in the efficient execution of their business activities.

### **5.2.3. Provide Industry-Specific Mentorship and Training Programs**

Create sector-specific mentorship initiatives that target the needs of specific sectors like agriculture, manufacturing, and digital services. For instance, NYDA could collaborate with sector specialists to offer specialised guidance and training in compliance, operations, and market penetration. Different industries will have different regulatory, technical, and logistical factors. Geographical differentiation will lead to a more focused mentorship for young entrepreneurs and help them acquire relevant skills and information for the industries they venture into thus enhancing the viability of their businesses.

#### 5.2.4. Establish Market Linkages and Networking Opportunities

Facilitate partnerships between youth-owned MSMEs and larger corporations, public agencies, and trade associations to create new market access points. In particular, NYDA could arrange networking events, expos, and trade fairs to facilitate young entrepreneurs exhibit what they have to offer to the market. For the first time, such market access has been a hurdle for the majority of the MSMEs, especially those that are youth. The opportunities of networking and linkage bring these businesses visibility, instant legitimacy, and an already formed target market making scaling up easier. Provide Access to Current and Industry-Based Equipment

#### 5.2.5. Implement a structured monitoring and evaluation (M&E)

Create a structure that will be used to monitor effects and results of all the NYDA supported programs. Feedback mechanisms are to be implemented to enable beneficiaries to provide their experiences and recommendations on how they can be improved. M&E on a regular basis would allow the NYDA to highlight areas of weakness, adjust programs and ensure that resources are used appropriately. Respondent reports will assist in program evaluation as well as identifying areas that require intervention, making the NYDA more agile in serving youth entrepreneurs.

### **5.3. Conclusion and recommendation for future research**

In this current research, the researcher has discussed numerous factors influencing the success of youth-owned MSMEs funded by the NYDA, several areas warrant further exploration to enhance understanding and address remaining gaps. Future research could provide deeper insights into specific challenges, opportunities, and innovative solutions for youth entrepreneurship in South Africa. Key areas for further investigation include:

#### 5.3.1. Different funding models for MSMEs

Further research would perhaps include testing different funding approaches (grant, loan, equity model) and evaluate their influence on MSME growth, sustainability, and profitability. For example, knowing which funding model is effective at which circumstances can assist the NYDA and other entities to develop more effective financial products for young entrepreneurs, hence optimizing resource allocation.

### 5.3.2. Role of Technology and Digitalization in MSME Performance

Investigate the extent to which the use of technological tools and the integration of other digital strategies affect the productivity levels, market penetration, and competition of the youth-owned micro, small, and medium enterprises. Given the recent uptick in the digitalization trend, scholars can contribute to the discourse on technology's impact in micro, small and medium-sized businesses through offering practical ways of digitalizing the operations of the business entities while equipping the youth with pragmatic solutions to the world of business in the context of the emerging economies.

### 5.3.3. Exploration of Gender-Specific Barriers and Support Needs for Female Entrepreneurs

Investigate the unique challenges female entrepreneurs face and the effectiveness of gender-focused support initiatives in promoting their success. Female entrepreneurs often encounter distinct barriers, such as limited access to networks and resources. Research in this area can inform gender-sensitive policies, ensuring that the NYDA and similar agencies can provide equitable support that addresses the specific needs of female-owned MSMEs.

### 5.3.4. Assessment of Entrepreneurial Skills Training and Capacity-Building Programs

Analyse the impact of various training and capacity building programs on youth entrepreneurs in terms of success in their business endeavours. It is an essential for the sustainable development of the MSMEs to have a focus on entrepreneurial skill development of course. Further research should be able to identify what works in the training programs, so that henceforth the organizations can optimize their services and strategies to be more effective in advancing key skills that are missing.

### 5.3.5. Impact of Macroeconomic Factors on MSME Viability and Growth

Examine economic indicators such as inflation, interest rates, and unemployment rates in relation to the efficiency of youth-led MSMEs. Given the nature and volatility that characterise the economy, the performance of MSMEs productive activities is greatly affected as such these industries. A clear comprehension of such impacts enables policymakers to formulate and provide practical measures that would help in times of economic distress.

#### 5.3.6. Evaluation of Security and Safety Interventions for MSMEs in High-Risk Areas

Carry out an analysis on the impact of security programs in addressing the risks faced by MSMEs situated in areas with widespread crime and general violence. Security risks are among some of the bottlenecks faced in the growth and development of MSMEs. Research within this aspect can help develop measures that can assist in the safety of an entrepreneur and his or her business hence fostering a stable environment for their operational continuity.

#### 5.3.7. Investigation of Environmental, Social, and Governance (ESG) Factors in Youth-Owned MSMEs

Evaluate the contribution of the ESG practices on MSME performance with a particular focus on youth-owned businesses seeking to improve on socially responsible and sustainable practices. Today, there's increasing emphasis on the ESG practices by investors and clients. Investigation of ESG practices in their MSMS could reveal some factors which enhance reputation, growth and availability of finance to the businesses giving youth owned enterprises that observe sustainability a competitive edge.

#### 5.3.8. Scope for Comparative International Analysis

Future studies could benefit from comparing South Africa's MSME support initiatives with similar programmes in other countries. This would help place the findings in a broader global context, highlight best practices, and offer insights that could strengthen local policy and implementation.

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## 6. APPENDICES

### Appendix 1: Commerce Faculty Ethics in Research Application Form

#### A- Ethical Clearance



UNIVERSITY OF CAPE TOWN  
**FACULTY OF COMMERCE**  
 Igniting Knowledge and Opportunity



## Commerce Faculty Ethics in Research Application Form

Any person planning to undertake research in the Faculty of Commerce at the University of Cape Town is required to obtain ethical clearance. This form is intended for undergraduate students, honours students, PD Dip students and Masters students whose research component is less than 90 credits.

Once this form is completed it should be sent via email to your departmental ethics representative. Your supervisor will be able to provide you with the contact details.

It is assumed that the researcher has read the UCT Code for Research Involving Human Subjects (Available at <http://web.uct.ac.za/depts/educate/download/uctcodeforresearchinvolvinghumansubjects.pdf>) in order to be able to answer the questions in this form. Students must include a copy of the completed form with the dissertation/thesis when it is submitted for examination.

1. PROJECT DETAILS			
<b>Project title:</b>		Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).	
<b>Principal Researcher/s:</b>	Unathi Tsoal	<b>Email address(es):</b>	TSXUNA001@myuct.ac.za
<b>Research Supervisor:</b>	Dr Rene Albertus	<b>Email address(es):</b>	rene.albertus@uct.ac.za
<b>Co-researcher(s):</b>	N/A	<b>Email address(es):</b>	N/A
<b>Department:</b> Development Finance The Development Finance Centre (DEFIC), Graduate School of Business			
<b>Brief description of the project:</b> This research project aims to investigate the factors that influence the success of youth-owned Micro, Small, and Medium Enterprises (MSMEs) that have received microfinance funding from the National Youth Development Agency (NYDA). The study will focus on identifying both internal and external factors, including financial management practices, entrepreneurial skills, market access, and the impact of NYDA's funding programs on business sustainability and growth.			
<b>Data collection:</b> (please select)			
<input checked="" type="checkbox"/> Interviews <input type="checkbox"/> Questionnaire <input type="checkbox"/> Experiment <input type="checkbox"/> Secondary data <input type="checkbox"/> Observation			
<input type="checkbox"/> Other (please specify): _____			

Com Ethics\_V5\_May2017

Have you attached a research proposal OR a literature review with research methodology? (please select)  Yes  No

**2. PARTICIPANTS**

2.1 Does the research discriminate against participation by individuals, or differentiate between participants, on the grounds of gender, race or ethnic group, age range, religion, income, handicap, illness or any similar classification?	YES	NO <input checked="" type="checkbox"/>
2.2 Does the research require the participation of socially or physically vulnerable people (children, aged, disabled, etc.) or legally restricted groups?	YES	NO <input checked="" type="checkbox"/>
2.3 Will you be able to secure the informed consent of all participants in the research? (In the case of children, will you be able to obtain the consent of their guardians or parents?)	YES <input checked="" type="checkbox"/>	NO
2.4 Will any confidential data be collected or will identifiable records of individuals be kept?	YES	NO <input checked="" type="checkbox"/>
2.5 In reporting on this research is there any possibility that you will not be able to keep the identities of the individuals involved anonymous?	YES	NO <input checked="" type="checkbox"/>
2.6 Are there any foreseeable risks of physical, psychological or social harm to participants that might occur in the course of the research?	YES	NO <input checked="" type="checkbox"/>
2.7 Does the research include making payments or giving gifts to any participants?	YES	NO <input checked="" type="checkbox"/>

If you have answered **YES to any of these questions**, please describe how you plan to address these issues (append to form):

**Affiliations of participants:** (please select)

Company employees  Hospital employees  General public  Military staff  Farm workers  Students

Other (please specify): Youth Entrepreneurs

**Race / Ethnicity:**

Are you asking a question about race/ethnicity in your questionnaire?

Yes  No

Which race categories have been used?

**Have you included the option: "Prefer not to answer" as part of your race/ethnicity question?**

N/A

### 3. PROVISION OF SERVICES

**Does your research involve the participation of or provision of services to communities?**

If your answer is YES, please complete below:

3.1 Is the community expected to make decisions for, during or based on the research?	YES	NO
3.2 At the end of the research will any economic or social process be terminated or left unsupported, or equipment or facilities used in the research be recovered from the participants or community?	YES	NO
3.3 Will any service be provided at a level below the generally accepted standards?	YES	NO

If you answered YES to any of these questions, please describe below how you plan to address these issues.

N/A

### 3. ORGANISATIONAL PERMISSION

If your research is being conducted within a specific organisation, please state how organisational permission has been/will be obtained:

A formal letter requesting permission to conduct the research will be sent to the NYDA. This letter will outline the purpose of the study, the research methodology, the potential benefits to the organization, and the ethical considerations, such as confidentiality and the voluntary nature of participation.

Have you attached the letter from the organisation granting permission? (please select)

Yes     No, but this **will be** obtained before commencing the research     Not applicable

Are you making use of **UCT students** as respondents for your research? (please select)

Yes     No

If yes, have you contacted Executive Director: Student Affairs for permission? (please select)

Yes     No

Was approval granted? (please select)

Yes     No     Awaiting a response

Are you making use of **UCT staff** as respondents for your research? (please select)

Yes     No

If yes, have you contacted Executive Director: Human Resources for permission? (please select)

Yes     No

Was approval granted? (please select)

Yes     No     Awaiting a response

Contact Emails: Executive Director: Human Resources ([Miriam.Hoosain@uct.ac.za](mailto:Miriam.Hoosain@uct.ac.za))  
Executive Director: Student Affairs ([Moonira.Khan@uct.ac.za](mailto:Moonira.Khan@uct.ac.za))

### 4. INFORMED CONSENT

What type of consent will be obtained from study participants?

- Oral Consent  
 Written Consent  
 Anonymous survey questionnaire (covering letter required , no consent forms needed)  
 Other (Please Specify)

How and where will consent/permission be recorded?

Have you attached an informed consent form to your application?  Yes  No

#### 5. SPONSORSHIP OF RESEARCH

**If your research is sponsored, is there any potential for conflicts of interest?**

If your answer is YES, please complete below

4.1 Is there any existing or potential conflict of interest between a research sponsor, academic supervisor, other researchers or participants?	YES	NO <input checked="" type="checkbox"/>
4.2 Will information that reveals the identity of participants be supplied to a research sponsor, other than with the permission of the individuals?	YES	NO <input checked="" type="checkbox"/>
4.3 Does the proposed research potentially conflict with the research of any other individual or group within the University?	YES	NO <input checked="" type="checkbox"/>

If you have answered **YES** to any of these questions, please describe how you plan to address these issues (append to form)

## 6. RISK TO PARTICIPANTS

Does the proposed research pose any physical, psychological, social, legal, economic, or other risks to study participants you can foresee, both immediate and long range? (please select)

Yes     No

**If yes, answer the following questions:**

1. Describe in detail the nature and extent of the risk and provide the rationale for the necessity of such risks
2. Outline any alternative approaches that were or will be considered and why alternatives may not be feasible in the study
3. Outline whether and why you feel that the value of information to be gained outweighs the risks

1.

2.

3.

**I certify that I have read the Commerce Faculty Ethics in Research policy**   
 (<http://www.commerce.uct.ac.za/Pages/ComFac-Downloads>)

- I hereby undertake to carry out my research in such a way that**
- there is no apparent legal objection to the nature or the method of research; and
  - the research will not compromise staff or students or the other responsibilities of the University;
  - the stated objective will be achieved, and the findings will have a high degree of validity;
  - limitations and alternative interpretations will be considered;
  - the findings could be subject to peer review and publicly available; and
  - I will comply with the conventions of copyright and avoid any practice that would constitute plagiarism.


Signed by:

	<u>Full name and signature</u>	<u>Date</u>
Principal Researcher/Student:	Signed by candidate	26/09/2024

This application is approved by:

Supervisor Dr Rene Albertus	Signed by candidate	27/09/2024
Departmental Ethics Rep Badri Zolfaghari	Signed by candidate	4.10.2024

**Questionnaire checklist on next page**

CHECKLIST	SELECT
A full copy of a research proposal or a literature review with methodology is attached in a separate file	<input checked="" type="checkbox"/>
Interview schedules / cover letters / questionnaires / forms and other materials used in the study are attached in separate files	<input checked="" type="checkbox"/>
Organisational consent letter / UCT student or staff approval letter	<input checked="" type="checkbox"/>
<p>On your cover letter to your questionnaire have you included the following?</p> <p>1. The following UCT Logo </p> <p>2. A sentence explaining the aim of the research</p> <p>3. Sentences of a similar nature to below must be included in the cover letter or consent form:</p> <p>This research has been approved by the Commerce Faculty Ethics in Research Committee.</p> <p>Your participation in this research is voluntary. You can choose to withdraw from the research at any time.</p> <p>The questionnaire will take approximately X minutes to complete</p> <p>You will not be requested to supply any identifiable information, ensuring anonymity of your responses.</p> <p>Due to the nature of the study you will need to provide the researchers with some form of identifiable information however, all responses will be confidential and used for the purposes of this research only.</p> <p>Should you have any questions regarding the research please feel free to contact the researcher (insert contact details).</p> <p>4. Have you scanned in your signature for the last section of the form?</p>	<p>NA <input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p>OR</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>

## B- Interview Consent and Questionnaires

### Participant 1

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**BIOGRAPHICAL QUESTIONNAIRE**

Research: Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

- This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time.
- The questionnaire will take approximately 3 minutes to complete.
- You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

Researcher: Unathi Tsoai (cell: 083 459 7875, email: undandani@gmail.com)

Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? <i>Pls tick the appropriate box</i>			
Yes	X	No	
Signature	KL		

Please tick the appropriate box

1. Gender	Male						
	Female	X					
2. Age	18-25	26-35	X	36-49	50-59	60-69	
3. Marital Status	Married	Divorced	Single	x	Widowed	Partner	
4. Home language(s)	Swati						
5. Where do you live now?	Mbombela, Mpumalanga						
6. How many children are you financially responsible for?	0						
7. What is your Highest Qualification	Diploma						

**Section A: Business Information**

1. Business Name: \_\_KHOLO SERVICES\_\_
2. Industry/Business Sector: \_\_Manufacturing\_\_
3. Date of Business Establishment: \_\_2019 May\_\_
4. Business Location: \_\_Mbombela\_\_
5. Number of Employees (including yourself): \_\_\_\_\_

- 1 (Sole Owner)
- 2-5
- 6-10
- 11-20
- 21-50

6. Is this your first business? In not, how many other businesses have you run and are they still running? 5
7. If they are not running, can you tell a little bit about why? ALL ACTIVE

**Section B: Grant Information**

8. When did you receive the grant?

- Less than 6 months ago
- 6-12 months ago
- 1-2 years ago
- 3-5 years ago

9. What was the total amount of the grant received?

- R1,000 – R10,000
- R10,001- R50,000
- R50,000 – R100,000
- R50,001 – R100,000
- R100,000- R150,000
- R150,001 – R200,000
- R200,001 - R250,000

10. What was the purpose of the grant funding? (you can tick multiple boxes)

- Working capital (e.g., rent, salaries, utilities (electricity/water))
- Purchase of equipment/materials
- Marketing and advertising
- Product development
- Business expansion
- Other (Please specify): \_\_\_\_\_

**Section C: Impact on Business Operations**

11. How would you describe the overall impact of the grant on your business?

- Very positive
- Positive
- Neutral
- Negative
- Very negative

12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)

- Increased revenue
- Increased customer base
- Improved product/service quality
- Expanded business operations
- Increased number of employees
- Enhanced online presence
- Other (Please specify): \_\_\_\_\_
- No growth

13. To what extent did the grant funding contribute to the following?

(Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

<i>Item</i>	<i>Rating</i>
Ability to maintain operations	5
Purchase of new equipment/materials	5
Hiring or retaining employees	3
Business expansion or development	4
Improving product/service quality	5
Increasing sales or revenue	5
Marketing or advertising	5
Upgrading technology (e.g., software, website)	3

- 
14. What challenges (if any) did you face in using the grant? (Select all that apply)
- Difficulty in allocating funds
  - Insufficient amount to meet business needs
  - Delayed disbursement of funds
  - Grant terms/conditions were unclear
  - Restrictions on how the funds could be used
  - Other (Please specify): \_\_\_\_\_
  - No challenges faced

Section D: Financial and Operational Outcomes

15. Has your business become more financially stable since receiving the grant?
- Yes, significantly more stable
  - Yes, somewhat more stable
  - No change
  - No, less stable
16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?
- Yes
  - No
  - Not applicable
17. How did the grant impact your business profitability?
- Significantly increased
  - Slightly increased
  - No change
  - Slightly decreased
  - Significantly decreased
18. What percentage of your total business expenses was covered by the grant?
- Less than 10%
  - 10-25%
  - 26-50%
  - 51-75%
  - More than 75%

Section E: Overall Experience

19. Was the application process for the grant easy to understand?
- Yes, very easy
  - Somewhat easy
  - Neutral
  - Somewhat difficult
  - Very difficult
20. Did you receive adequate support and guidance during the grant application and utilization process?
- Yes, excellent support
  - Adequate support
  - Neutral
  - Minimal support
  - No support at all
21. Overall, would you say the grant funding helped or hindered your business?
- Helped
  - Hindered
  - Neither helped nor hindered
22. Would you apply for a similar grant in the future?
- Yes
  - No
  - Unsure
23. What community activities do you participate in?
- Contributing sanitary towels to schools and disadvantaged girls
  - Helping youth with skills development
  - Participate in teaching people about Jehova

24. What are your hobbies?

4

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## Participant 2

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### BIOGRAPHICAL QUESTIONNAIRE

**Research:** Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

- This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time.
- The questionnaire will take approximately 3 minutes to complete.
- You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

Researcher: Unathi Tsoai (cell: 083 459 7875, email: undandani@gmail.com)

Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? <i>Pls tick the appropriate box</i>			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Signature	LK		

Please tick the appropriate box

1. Gender	Male	<input type="checkbox"/>								
	Female	<input checked="" type="checkbox"/>								
2. Age	18-25	<input type="checkbox"/>	26-35	<input checked="" type="checkbox"/>	36-49	<input type="checkbox"/>	50-59	<input type="checkbox"/>	60-69	<input type="checkbox"/>
3. Marital Status	Married	<input type="checkbox"/>	Divorced	<input checked="" type="checkbox"/>	Single	<input type="checkbox"/>	Widowed	<input type="checkbox"/>	Partner	<input type="checkbox"/>
4. Home language(s)	Sesotho									
5. Where do you live now?	Botshabelo									
6. How many children are you financially responsible for?	0									
7. What is your Highest Qualification	Certification									

#### Section A: Business Information

1. Business Name: \_MOSOTHOAPRON\_
2. Industry/Business Sector: \_Manufacturing\_
3. Date of Business Establishment: \_October\_2021\_
4. Business Location: \_Botshabelo\_
5. Number of Employees (including yourself): \_\_\_\_\_

- 1 (Sole Owner)
- 2-5
- 6-10
- 11-20
- 21-50

6. Is this your first business? In not, how many other businesses have you run and are they still running?  
 7. If they are not running, can you tell a little bit about why?

**Section B: Grant Information**

8. When did you receive the grant?  
 Less than 6 months ago  
 6-12 months ago  
 1-2 years ago  
 3-5 years ago

9. What was the total amount of the grant received?  
 R1,000 – R10,000  
 R10,001 - R50,000  
 R50,000 – R100,000  
 R50,001 – R100,000  
 R100,000- R150,000  
 R150,001 – R200,000  
 R200,001 - R250,000

10. What was the purpose of the grant funding? (you can tick multiple boxes)  
 Working capital (e.g., rent, salaries, utilities (electricity/water))  
 Purchase of equipment/materials  
 Marketing and advertising  
 Product development  
 Business expansion  
 Other (Please specify): \_\_\_\_\_

**Section C: Impact on Business Operations**

11. How would you describe the overall impact of the grant on your business?  
 Very positive  
 Positive  
 Neutral  
 Negative  
 Very negative

12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)  
 Increased revenue  
 Increased customer base  
 Improved product/service quality  
 Expanded business operations  
 Increased number of employees  
 Enhanced online presence  
 Other (Please specify): \_\_\_\_\_  
 No growth

13. To what extent did the grant funding contribute to the following?  
 (Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

<i>Item</i>	<i>Rating</i>
Ability to maintain operations	4
Purchase of new equipment/materials	5
Hiring or retaining employees	4
Business expansion or development	5
Improving product/service quality	5
Increasing sales or revenue	5
Marketing or advertising	5
Upgrading technology (e.g., software, website)	3

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14. What challenges (if any) did you face in using the grant? (Select all that apply)

- Difficulty in allocating funds
- Insufficient amount to meet business needs
- Delayed disbursement of funds
- Grant terms/conditions were unclear
- Restrictions on how the funds could be used
- Other (Please specify): \_\_\_\_\_
- No challenges faced

Section D: Financial and Operational Outcomes

15. Has your business become more financially stable since receiving the grant?

- Yes, significantly more stable
- Yes, somewhat more stable
- No change
- No, less stable

16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?

- Yes
- No
- Not applicable

17. How did the grant impact your business profitability?

- Significantly increased
- Slightly increased
- No change
- Slightly decreased
- Significantly decreased

18. What percentage of your total business expenses was covered by the grant?

- Less than 10%
- 10-25%
- 26-50%
- 51-75%
- More than 75%

Section E: Overall Experience

19. Was the application process for the grant easy to understand?

- Yes, very easy
- Somewhat easy
- Neutral
- Somewhat difficult
- Very difficult

20. Did you receive adequate support and guidance during the grant application and utilization process?

- Yes, excellent support
- Adequate support
- Neutral
- Minimal support
- No support at all

21. Overall, would you say the grant funding helped or hindered your business?

- Helped
- Hindered
- Neither helped nor hindered

22. Would you apply for a similar grant in the future?

- Yes
- No
- Unsure

23. What community activities do you participate in?

- Contributing sanitary towels to schools and disadvantaged girls
- Helping youth with skills development
- Participate in teaching people about Jehova

24. What are your hobbies?

- Love to cook
- Gardening
- Travelling and self care

## Participant 3

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### BIOGRAPHICAL QUESTIONNAIRE

Research: Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

- This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time.
- The questionnaire will take approximately 3 minutes to complete.
- You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

Researcher: Unathi Tsoai (cell: 083 459 7675, email: undandani@gmail.com)

Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? <i>Please tick the appropriate box</i>			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Signature	KHN		

Please tick the appropriate box

1. Gender	Male	<input type="checkbox"/>						
	Female	<input checked="" type="checkbox"/>						
2. Age	18-25	26-35	36-49	<input checked="" type="checkbox"/>	50-59	60-69		
3. Marital Status	Married <input checked="" type="checkbox"/>	Divorced	Single	<input type="checkbox"/>	Widowed	Partner		
4. Home language(s)	TSHIVENDA							
5. Where do you live now?	KEMPTON PARK							
6. How many children are you financially responsible for?	2							
7. What is your Highest Qualification	MASTERS							

#### Section A: Business Information

1. Business Name: \_\_\_\_\_ CARTRIDGE DEPOT (SA)
2. Industry/Business Sector: \_\_\_\_\_ RETAIL AND MANUFACTURING
3. Date of Business Establishment: \_\_\_\_\_ 2014
4. Business Location: \_\_\_\_\_ GAUTENG, MPUMALANGA, NORTH WEST
5. Number of Employees (including yourself): \_\_\_\_\_

- 1 (Sole Owner)
- 2-5
- 6-10
- 11-20
- 21-50

6. Is this your first business? In not, how many other businesses have you run and are they still running? NO 4 – STILL RUNNING  
 MUKHONI CLEANING SPECIALISTS t/a HOUSEHOLD MAIDS & CLEANING SERVICES  
 ONDWELA- J GENERAL TRADING  
 GALITO'S FRANCHISE
7. If they are not running, can you tell a little bit about why?

**Section B: Grant Information**

8. When did you receive the grant?
- Less than 6 months ago
  - 6-12 months ago
  - 1-2 years ago
  - 3-5 years ago
- 2016 – 8 YEARS AGO

9. What was the total amount of the grant received?
- R1,000 – R10,000
  - R10,001- R50,000
  - R50,000 – R100,000
  - R50,001 – R100,000
  - R100,000- R150,000
  - R150,001 – R200,000
  - R200,001 - R250,000

10. What was the purpose of the grant funding? (you can tick multiple boxes)
- Working capital (e.g., rent, salaries, utilities (electricity/water))
  - Purchase of equipment/materials
  - Marketing and advertising
  - Product development
  - Business expansion
  - Other (Please specify): \_\_\_\_\_ EQUIPMENT

**Section C: Impact on Business Operations**

11. How would you describe the overall impact of the grant on your business?
- Very positive
  - Positive
  - Neutral
  - Negative
  - Very negative

12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)
- Increased revenue
  - Increased customer base
  - Improved product/service quality
  - Expanded business operations
  - Increased number of employees
  - Enhanced online presence
  - Other (Please specify): \_\_\_\_\_
  - No growth

13. To what extent did the grant funding contribute to the following?  
 (Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

Item	Rating
Ability to maintain operations	4
Purchase of new equipment/materials	4
Hiring or retaining employees	2

Business expansion or development	3
Improving product/service quality	4
Increasing sales or revenue	3
Marketing or advertising	1
Upgrading technology (e.g., software, website)	1

14. What challenges (if any) did you face in using the grant? (Select all that apply)

- Difficulty in allocating funds
- Insufficient amount to meet business needs
- Delayed disbursement of funds
- Grant terms/conditions were unclear
- Restrictions on how the funds could be used
- Other (Please specify): \_\_\_\_\_
- No challenges faced

Section D: Financial and Operational Outcomes

15. Has your business become more financially stable since receiving the grant?

- Yes, significantly more stable
- Yes, somewhat more stable
- No change
- No, less stable

16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?

- Yes
- No
- Not applicable

17. How did the grant impact your business profitability?

- Significantly increased
- Slightly increased
- No change
- Slightly decreased
- Significantly decreased

18. What percentage of your total business expenses was covered by the grant?

- Less than 10%
- 10-25%
- 26-50%
- 51-75%
- More than 75%

Section E: Overall Experience

19. Was the application process for the grant easy to understand?

- Yes, very easy
- Somewhat easy
- Neutral
- Somewhat difficult
- Very difficult

20. Did you receive adequate support and guidance during the grant application and utilization process?

- Yes, excellent support
- Adequate support
- Neutral
- Minimal support
- No support at all

21. Overall, would you say the grant funding helped or hindered your business?

- Helped
- Hindered
- Neither helped nor hindered

22. Would you apply for a similar grant in the future?

- Yes
- No

Unsure

23. What community activities do you participate in?

MENTORSHIP

24. What are your hobbies?

TRAVEL & FOODIE

## Participant 4

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### BIOGRAPHICAL QUESTIONNAIRE

Research: Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

- This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time.
- The questionnaire will take approximately 3 minutes to complete.
- You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

Researcher: Unathi Tsoai (cell: 083 459 7675, email: undandani@gmail.com)

Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? <i>Pls tick the appropriate box</i>			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Signature	RM		

Please tick the appropriate box

1. Gender	Male	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	Female	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2. Age	18-25	<input type="checkbox"/>	26-35	<input checked="" type="checkbox"/>	36-49	<input type="checkbox"/>	50-59	<input type="checkbox"/>	60-69	<input type="checkbox"/>
3. Marital Status	Married	<input type="checkbox"/>	Divorced	<input checked="" type="checkbox"/>	Single	<input type="checkbox"/>	Widowed	<input type="checkbox"/>	Partner	<input type="checkbox"/>
4. Home language(s)	IsiXhosa									
5. Where do you live now?	Bloemfontein, Free State									
6. How many children are you financially responsible for?	4									
7. What is your Highest Qualification	National Diploma HR									

#### Section A: Business Information

1. Business Name: Inar-Ether
2. Industry/Business Sector: Service
3. Date of Business Establishment: July 2021
4. Business Location: Batho Location
5. Number of Employees (including yourself):

- 1 (Sole Owner)
- 2-5
- 6-10
- 11-20
- 21-50

6. Is this your first business? In not, how many other businesses have you run and are they still running? **First Business**
7. If they are not running, can you tell a little bit about why?

**Section B: Grant Information**

8. When did you receive the grant?

- Less than 6 months ago
- 6-12 months ago
- 1-2 years ago
- 3-5 years ago

9. What was the total amount of the grant received?

- R1,000 – R10,000
- R10,001- R50,000
- R50,000 – R100,000
- R50,001 – R100,000
- R100,000- R150,000
- R150,001 – R200,000
- R200,001 - R250,000

10. What was the purpose of the grant funding? (you can tick multiple boxes)

- Working capital (e.g., rent, salaries, utilities (electricity/water))
- Purchase of equipment/materials
- Marketing and advertising
- Product development
- Business expansion
- Other (Please specify): **To purchase raw material** \_\_\_\_\_

**Section C: Impact on Business Operations**

11. How would you describe the overall impact of the grant on your business?

- Very positive
- Positive
- Neutral
- Negative
- Very negative

12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)

- Increased revenue
- Increased customer base
- Improved product/service quality
- Expanded business operations
- Increased number of employees
- Enhanced online presence
- Other (Please specify): \_\_\_\_\_
- No growth

13. To what extent did the grant funding contribute to the following?

(Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

Item	Rating
Ability to maintain operations	5
Purchase of new equipment/materials	5
Hiring or retaining employees	2
Business expansion or development	4
Improving product/service quality	5
Increasing sales or revenue	5
Marketing or advertising	5
Upgrading technology (e.g., software, website)	2

14. What challenges (if any) did you face in using the grant? (Select all that apply)
- Difficulty in allocating funds
  - Insufficient amount to meet business needs
  - Delayed disbursement of funds
  - Grant terms/conditions were unclear
  - Restrictions on how the funds could be used
  - Other (Please specify): \_\_\_\_\_
  - No challenges faced

**Section D: Financial and Operational Outcomes**

15. Has your business become more financially stable since receiving the grant?
- Yes, significantly more stable
  - Yes, somewhat more stable
  - No change
  - No, less stable
16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?
- Yes
  - No
  - Not applicable
17. How did the grant impact your business profitability?
- Significantly increased
  - Slightly increased
  - No change
  - Slightly decreased
  - Significantly decreased
18. What percentage of your total business expenses was covered by the grant?
- Less than 10%
  - 10-25%
  - 26-50%
  - 51-75%
  - More than 75%

**Section E: Overall Experience**

19. Was the application process for the grant easy to understand?
- Yes, very easy
  - Somewhat easy
  - Neutral
  - Somewhat difficult
  - Very difficult
20. Did you receive adequate support and guidance during the grant application and utilization process?
- Yes, excellent support
  - Adequate support
  - Neutral
  - Minimal support
  - No support at all
21. Overall, would you say the grant funding helped or hindered your business?
- Helped
  - Hindered
  - Neither helped nor hindered
22. Would you apply for a similar grant in the future?
- Yes
  - No
  - Unsure
23. What community activities do you participate in?
- Contributing sanitary towels to schools and disadvantaged girls
  - Helping youth with skills development
  - Participate in teaching people about Jehova

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24. What are your hobbies? NONE

4

Participant 5



**BIOGRAPHICAL QUESTIONNAIRE**

Research: Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

- This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time.
- The questionnaire will take approximately 3 minutes to complete.
- You will not be requested to supply any identifiable information, ensuring anonymity of your responses.

Researcher: Unathi Tsoai (cell: 083 459 7675, email: undandani@gmail.com)  
 Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? *Pls tick the appropriate box*

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Signature	Signed by candidate		

Please tick the appropriate box

1. Gender	Male	<input checked="" type="checkbox"/>				
	Female	<input type="checkbox"/>				
2. Age	18-25	26-35	<input checked="" type="checkbox"/>	36-49	50-59	60-69
3. Marital Status	Married	Divorced	Single	Widowed	Partner	
4. Home language(s)	ISI XOSHA					
5. Where do you live now?	KWAMHLANGA					
6. How many children are you financially responsible for?	0					
7. What is your Highest Qualification	MATIC					

Section A: Business Information

- Business Name: AZWHA TRADING & SUPPLY
- Industry/Business Sector: RETAIL
- Date of Business Establishment: 15/04/2015
- Business Location: AWAMPONGA
- Number of Employees (including yourself): \_\_\_\_\_

- 1 (Sole Owner)
- 2-5
- 6-10
- 11-20
- 21-50

6. Is this your first business? In not, how many other businesses have you run and are they still running? Four

7. If they are not running, can you tell a little bit about why?

Section B: Grant Information

8. When did you receive the grant?

- Less than 6 months ago
- 6-12 months ago
- 1-2 years ago
- 3-5 years ago

9. What was the total amount of the grant received?

- R1,000 – R10,000
- R10,001 – R50,000
- R50,000 – R100,000
- R50,001 – R100,000
- R100,000- R150,000
- R150,001 – R200,000
- R200,001 - R250,000

10. What was the purpose of the grant funding? (you can tick multiple boxes)

- Working capital (e.g., rent, salaries, utilities (electricity/water))
- Purchase of equipment/materials
- Marketing and advertising
- Product development
- Business expansion
- Other (Please specify): \_\_\_\_\_

Section C: Impact on Business Operations

11. How would you describe the overall impact of the grant on your business?

- Very positive
- Positive
- Neutral
- Negative
- Very negative

12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)

- Increased revenue
- Increased customer base
- Improved product/service quality
- Expanded business operations
- Increased number of employees
- Enhanced online presence
- Other (Please specify): \_\_\_\_\_
- No growth

13. To what extent did the grant funding contribute to the following?

(Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

Item	Rating
Ability to maintain operations	4
Purchase of new equipment/materials	4
Hiring or retaining employees	4
Business expansion or development	3
Improving product/service quality	3
Increasing sales or revenue	4
Marketing or advertising	3

Upgrading technology (e.g., software, website)

14. What challenges (if any) did you face in using the grant? (Select all that apply)
- Difficulty in allocating funds
  - Insufficient amount to meet business needs
  - Delayed disbursement of funds
  - Grant terms/conditions were unclear
  - Restrictions on how the funds could be used
  - Other (Please specify): \_\_\_\_\_
  - No challenges faced

Section D: Financial and Operational Outcomes

15. Has your business become more financially stable since receiving the grant?
- Yes, significantly more stable
  - Yes, somewhat more stable
  - No change
  - No, less stable
16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?
- Yes
  - No
  - Not applicable
17. How did the grant impact your business profitability?
- Significantly increased
  - Slightly increased
  - No change
  - Slightly decreased
  - Significantly decreased
18. What percentage of your total business expenses was covered by the grant?
- Less than 10%
  - 10-25%
  - 26-50%
  - 51-75%
  - More than 75%

Section E: Overall Experience

19. Was the application process for the grant easy to understand?
- Yes, very easy
  - Somewhat easy
  - Neutral
  - Somewhat difficult
  - Very difficult
20. Did you receive adequate support and guidance during the grant application and utilization process?
- Yes, excellent support
  - Adequate support
  - Neutral
  - Minimal support
  - No support at all
21. Overall, would you say the grant funding helped or hindered your business?
- Helped
  - Hindered
  - Neither helped nor hindered
22. Would you apply for a similar grant in the future?
- Yes
  - No
  - Unsure
23. What community activities do you participate in? SOCIAL EMPOWERMENT
24. What are your hobbies? SPORTS EVENTS

## Participant 6

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### BIOGRAPHICAL QUESTIONNAIRE

Research: Factors influencing the success of youth-owned MSMEs funded through microfinance funding: The case of the National Youth Development Agency (NYDA).

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Researcher: Unathi Tsoai (cell: 083 459 7675, email: undandani@gmail.com)

Supervisor: Rene Albertus

All answers are strictly confidential. NO PERSON BESIDES THE RESEARCHER & SUPERVISORS WILL SEE YOUR COMPLETED QUESTIONNAIRE.

Informed consent: Do you willingly agree to participate in this research? <i>Pls tick the appropriate box</i>		
Yes	<input type="checkbox"/>	No
Signature	Signed by candidate	

Please tick the appropriate box

1. Gender	Male	<input checked="" type="checkbox"/>								
	Female	<input type="checkbox"/>								
2. Age	18-25	<input type="checkbox"/>	26-35	<input checked="" type="checkbox"/>	36-49	<input type="checkbox"/>	50-59	<input type="checkbox"/>	60-69	<input type="checkbox"/>
3. Marital Status	Married	<input type="checkbox"/>	Divorced	<input type="checkbox"/>	Single	<input checked="" type="checkbox"/>	Widowed	<input type="checkbox"/>	Partner	<input type="checkbox"/>
4. Home language(s)	Zulu									
5. Where do you live now?	Lambton Germiston									
6. How many children are you financially responsible for?	3									
7. What is your Highest Qualification	professional Jeweller accredited by Gemology institute of America									

#### Section A: Business Information

1. Business Name:     NQ JEWELLERY DESIGN SERVICES PTY LTD
2. Industry/Business Sector:     Jewellery design manufacture and retail
3. Date of Business Establishment:     2007
4. Business Location:     Germiston

5. Number of Employees (including yourself): 12  
 1 (Sole Owner)  
 2-5  
 6-10  
 11-20  
 21-50
6. Is this your first business? In not, how many other businesses have you run and are they still running?
7. If they are not running, can you tell a little bit about why?

Section B: Grant Information

8. When did you receive the grant?  
 Less than 6 months ago  
 6-12 months ago  
 1-2 years ago  
 3-5 years ago
9. What was the total amount of the grant received?  
 R1,000 – R10,000  
 R10,001- R50,000  
 R50,000 – R100,000  
 R50,001 – R100,000  
 R100,000- R150,000  
 R150,001 – R200,000  
 R200,001 - R250,000
10. What was the purpose of the grant funding? (you can tick multiple boxes)  
 Working capital (e.g., rent, salaries, utilities (electricity/water))  
 Purchase of equipment/materials  
 Marketing and advertising  
 Product development  
 Business expansion  
 Other (Please specify): \_\_\_\_\_

Section C: Impact on Business Operations

11. How would you describe the overall impact of the grant on your business?  
 Very positive  
 Positive  
 Neutral  
 Negative  
 Very negative
12. Since receiving the grant, has your business experienced growth in any of the following areas? (you can tick multiple boxes)  
 Increased revenue  
 Increased customer base  
 Improved product/service quality  
 Expanded business operations  
 Increased number of employees  
 Enhanced online presence  
 Other (Please specify): \_\_\_\_\_  
 No growth
13. To what extent did the grant funding contribute to the following?  
 (Use the scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Significantly, 5 = Very significantly)

Item	Rating
Ability to maintain operations	5
Purchase of new equipment/materials	5
Hiring or retaining employees	5
Business expansion or development	5
Improving product/service quality	5
Increasing sales or revenue	5

Marketing or advertising	3
Upgrading technology (e.g., software, website)	

14. What challenges (if any) did you face in using the grant? (Select all that apply)
- Difficulty in allocating funds
  - Insufficient amount to meet business needs
  - Delayed disbursement of funds
  - Grant terms/conditions were unclear
  - Restrictions on how the funds could be used
  - Other (Please specify): \_\_\_\_\_
  - No challenges faced

Section D: Financial and Operational Outcomes

15. Has your business become more financially stable since receiving the grant?
- Yes, significantly more stable
  - Yes, somewhat more stable
  - No change
  - No, less stable
16. Did the grant help you to access additional sources of financing (e.g., loans, investors)?
- Yes
  - No
  - Not applicable
17. How did the grant impact your business profitability?
- Significantly increased
  - Slightly increased
  - No change
  - Slightly decreased
  - Significantly decreased
18. What percentage of your total business expenses was covered by the grant?
- Less than 10%
  - 10-25%
  - 26-50%
  - 51-75%
  - More than 75%

Section E: Overall Experience

19. Was the application process for the grant easy to understand?
- Yes, very easy
  - Somewhat easy
  - Neutral
  - Somewhat difficult
  - Very difficult
20. Did you receive adequate support and guidance during the grant application and utilization process?
- Yes, excellent support
  - Adequate support
  - Neutral
  - Minimal support
  - No support at all
21. Overall, would you say the grant funding helped or hindered your business?
- Helped
  - Hindered
  - Neither helped nor hindered
22. Would you apply for a similar grant in the future?
- Yes
  - No
  - Unsure
23. What community activities do you participate in?
24. What are your hobbies?