

**The Role of Small, Medium and Micro Enterprises on Youth
Employment Creation in Carolina, Chief Albert Luthuli
Municipality, Mpumalanga Province**

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Abstract

Unemployment, particularly among the youth, is a major development challenge in many countries, including South Africa. This problem has been increasing, which has sparked a heated discussion on its nature and possible solutions. Thus, the emergence of Small, Medium and Micro Enterprises (SMMEs) is viewed as the potential solution for youth unemployment. This study used a qualitative research approach to explore the contribution of SMMEs towards youth employment creation in Carolina, South Africa. The study used hybrid theories, namely, the theory of change and institutional theory as a theoretical framework to interpret the emerging research findings. Two sampling methods, namely purposive sampling and convenient sampling, were used to recruit a total of 22 participants. The purposive sampling method was used to recruit two (2) municipal officials and ten (10) SMME owners. In addition, the convenience sampling method was used to recruit ten (10) employees. Data was collected through in-depth, semi-structured interviews. Thematic analysis was used to make sense of the data collected from the 22 participants. Subsequently, the study findings demonstrate that SMMEs play a significant role in fighting the issue of youth unemployment in Carolina. However, the sector still faces a plethora of challenges which make it difficult to strengthen its capacity and provide sustainable jobs for the youth. As a result, this study suggests relevant legislation and strategies to strengthen the SMME sector in South Africa.

Declaration on Plagiarism

I, Sibusisiwe Nonhlanzeko Nyawo, hereby declare that this dissertation submitted to the University of Mpumalanga for a master's degree in development studies, is entirely my original work with no earlier submissions or publications to any other organization or institution.

Student's signature: 

Date: 20 April 2025

Supervisor's signature: 

Date: 20 April 2025

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Acronyms and Abbreviations

BEE	Black Economic Empowerment
CALM	Chief Albert Luthuli Municipality
CSBP	Centre for Small Business Promotion
DRC	Democratic Republic of Congo
DTI	Department of Trade and Industry
EPWP	Expanded Public Works Programme
GDP	Gross Domestic Product
GEA	Ghana Enterprise Agency
GEM	Global Entrepreneurship Monitor
GEAR	Growth, Employment and Redistribution
LED	Local Economic Development
MNC	Multinational Corporation
NBSSI	National Board for Small Scale Industries
NSMEDS	National SMMEs Development Council
NDP	National Development Plan
NYDA	National Youth Development Agency
OECD	Organization for Economic Cooperation and Development
SAMAF	South African Micro Finance Apex Fund
SDGs	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency

SMMEs

Small, Medium and Micro Enterprises

TNC

Trans-National Cooperation

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Chapter One: Orientation of the study

1.1. Introduction and background of the study

The study explored how Small, Medium, and Micro Enterprises in Carolina contribute to the creation of jobs for the youth. The rate of unemployment is rising, particularly among the youth, which has sparked a lively discussion on the nature of the issue (Mseleku & Nyawo, 2024). Youth unemployment continues to be a problem for global development (Cloete, 2016). When it comes to unemployment, youth suffer the most because of the limited employment opportunities in the job market (Camba, 2020). In the year 2023, South Africa had the highest rate of youth unemployment which increased up to 50.47% (Statistics South Africa, 2023). This statistical evidence suggests that young people in South Africa's labor market remained disadvantaged (Mseleku & Nyawo, 2024). The youth unemployment problem is not unique to South Africa. For instance, a study conducted by Diraditsile & Maphula (2018) indicated that youth unemployment in Botswana has been increasing. This challenge is attributed to the inability of the labour market to create sufficient job opportunities for the youth (Diratsile & Maphula, 2018). Therefore, youth, including young graduates, continue to suffer from unemployment (Camba, 2020; Osano, 2019).

Studies (see, for example, Ayandibu & Houghton, 2017) have been conducted on how to respond appropriately to high youth unemployment. It should be noted from the foregoing that any strategy aimed at promoting youth employment must be predicated on economic principles that foster employment and economic growth in general. Accordingly, data indicates that youth employment issues are unlikely to be resolved by merely loosening employment protection laws to make the labor market more "flexible" (Cloete, 2016). Upon seeing the urgency and the negative impact of this development challenge across the globe, countries initiated different strategies to mitigate the issue of unemployment (Osano, 2019). For instance, SMMEs were adopted by governments in different countries across the globe as a strategy to address the issue of unemployment (Lukhele & Soumonni, 2021; Maduku & Kaseeram, 2021; Osano, 2019; Nkwabi & Mboya, 2019). SMMEs are seen as a vital part of the economy and are acknowledged globally for their role in advancing socio-economic status by creating jobs and reducing poverty (Linan et al., 2020; Nkwabi & Mboya, 2020; Bouazza, 2015). Additionally, SMMEs are widely acknowledged for employment

generation and their central role in economic development, and for social development in rural areas, which are normally excluded from active economic activities (Gukurume, 2018; Borat et al., 2018). Consequently, a multitude of global and governmental establishments within rising economies have turned their attention to them (Diraditsile & Maphula, 2018; Maloka, 2013). They are recognized as the principal source of direct employment, income, tax revenue, innovation, and economic redistribution in their field of operation (Kongolo, 2010). Prosperous communities in developed countries, particularly in Western Europe and Japan, show that the SMME sector is critical to local economic development (Kongolo, 2010).

In South Africa, SMMEs are described as significant “drivers of economic growth, innovation and job creation” (Department of Trade and Industry (DTI), 1995: 2). Among its objectives, the SMME strategy intends to reduce poverty through employment creation (DTI, 1995). Despite the growth of the SMME sector, youth unemployment continues to rise in many countries like Libya, Swaziland and Zimbabwe (Tahlin & Westerman, 2020). Just like many other developing countries, South Africa is struggling to provide job opportunities for its youthful population (Oyekunle & Fillis, 2017). However, the country's high unemployment rate and sluggish economic growth are seen as issues that can be fixed by SMME expansion (National Planning Commission, 2012). Robust participatory governance for the management of development outcomes is crucial for an efficient collective response to economic challenges in rural areas, especially given South Africa’s rising unemployment (28.4%) (Statistics South Africa, 2023). SMMEs are, therefore, viewed as a tool for rural and economic development and can alter the course of events by providing employment opportunities for the youth in their communities (Ngcobo, 2022; Makwara, 2019; DTI, 1995). Even though SMMEs contribute to job creation, South Africa's unemployment rate, especially among the youth, continues to rise annually despite the government's efforts to assist SMMEs (Maloka, 2013; Lekhanya, 2015).

The government of South Africa has implemented measures to assist SMMEs to combat unemployment and achieve sustainable economic growth (Madukeu et al., 2021). For instance, the first official documentation of government policy on South African SMME development after 1994 was supplied by the White Paper Policy on SMME Development (1995). Accordingly, the White Paper (1995) highlights that, South African SMMEs flourish in the right enabling

environment. Additionally, the Department of Trade and Industry was given authority by the government to create and manage a comprehensive structure that was already in place to support the growth of SMMEs (Khoase, 2015). Later, institutions like the National Youth Development Agency (NYDA), Khula Enterprise Finance Limited, Umsobomvu Youth Fund, and Small Enterprise Development Agency (SEDA) were established to create an environment that is conducive for SMMEs growth (Dube, 2020; Real Economy Bulletin, 2017).

The importance of a flourishing SMME sector is acknowledged by the South African government (Botha et al., 2021). The government's commitment to assisting SMMEs indicate of this realization, as it seeks to increase the quantity and quality of new enterprises and create an atmosphere that will secure their survival and growth (Makwara, 2019). However, even on a worldwide scale, SMMEs still face financial difficulties (Eggers, 2020; Osano, 2019; Gukurume, 2018). For example, scholars such as Famo and Machate (2023); Makwara (2019); Wang (2016) concluded that access to finance is the biggest obstacle to expansion of SMMEs despite the presence of these institutions. The government, which also developed a small business plan in 1997 in accordance with the White Paper and the National Small Business Act, is a significant contributor in the endeavor to build a favorable environment for SMME growth (Singh et al., 2008). Additionally, there is a greater focus on SMME ownership to support women, youth, and the disabled for empowerment (Bhorat, 2018).

Adopting the SMME strategy had the primary goal of promoting economic expansion that generates employment in the country, including Carolina (White Paper Policy on SMME Development, 1995). Carolina is one of the rural-urban towns located in Mpumalanga under Chief Albert Luthuli local municipality (Famo & Machate, 2023; Mukhari, 2019). The status of SMMEs in Carolina is promising, with the dominant economic activities in the area being agriculture, forestry, mining, retail, and services. The municipality is empowering SMMEs and cooperatives to drive economic growth and sustainability. The local municipality is providing support to SMMEs through strategic initiatives, aiming to contribute to their growth and long-term viability (Chief Albert Luthuli Municipal IDP, (2021/2022)). These initiatives include providing business training and development programs and mentorship and coaching. These initiatives help SMME owners to enhance their skills, navigate the business environment, and make informed decisions

(Famo & Machate, 2023). Despite the growing number of SMMEs in Carolina, many people are still unemployed and living in poverty within the area. Therefore, this study aims to determine the degree to which SMMEs support the creation of jobs for the youth in Carolina.

1.2. Problem statement

The national policy for the development and expansion of the SMME sector in South Africa was formally adopted by the parliament in 1995 (White Paper Policy on SMME Development, 1995). The corpus literature attests to the importance of SMMEs in creating job opportunities (Maduku & Kaseeram, 2021; Osano, 2019; Nkwabi & Mboya, 2019). Despite the undeniable role of SMMEs in development, unemployment, especially among the youth, continues to rise (Mseleku & Nyawo, 2024; Statistics South Africa, 2023). It has been argued that SMMEs are crucial to South Africa's improvement of equitable growth and development (Lukhele & Soumonni, 2021). Since they support more than 92% of enterprises in the province of Mpumalanga, they are thought to be the most essential method for accelerating economic growth and creating jobs (Singh et al., 2008). Despite the growing number of SMMEs in Carolina, which is a rural-urban town in Mpumalanga province, youth continue to experience the challenge of unemployment (CALM IDP, 2021/22). Furthermore, the Chief Albert Luthuli municipal IDP (2021/22) reveals that youth around the municipality continue to suffer despite the existence of SMMEs.

Though the SMME sector was initially viewed as a strategy to mitigate the issue of unemployment in general, its role in addressing youth unemployment is currently unclear, particularly in rural-urban contexts like Carolina. Moreover, the SMME strategy is seen as a job creation strategy as it has generated jobs for old people and those who are still active in the labour market. However, there is no clear evidence as to how this strategy has addressed the development challenge of youth unemployment (Abisuga-Oyekunle & Fillis, 2017). Various studies (see, for example, Tadesse, 2010; Brendon, 2016), analyzed the contribution made by SMMEs towards unemployment in general but very few research focused on the role of SMMEs towards youth employment creation. Such gaps in literature call for further research that focuses mainly on a rural-urban setting characterized by the high level of youth unemployment, which is Carolina in this regard. Thus, the

purpose of this study is to explore how SMMEs contribute to the creation of jobs for the youth in Carolina.

1.3. Research questions

The general question of this research is what is the role of Small, Medium, and Micro Enterprises on youth employment creation in Carolina? The sub-research questions are as follows:

- What are the perceptions of the participants on the contribution of SMMEs towards youth employment creation in Carolina?
- What are the key challenges impeding the contribution of SMMEs toward employment creation in Carolina?
- What measures can be put in place to improve SMME's contribution to youth employment creation?

1.4. Research aim and objectives

This study aims to explore the role of Small, Medium, and Micro Enterprises on youth employment creation in Carolina. This will be achieved by addressing the following objectives:

- To analyse the perceptions of the participants on the contribution of SMMEs towards youth employment creation in Carolina.
- To explore the key challenges impeding the contribution of SMMEs toward youth employment creation in Carolina.
- To recommend measures that can be put in place to improve SMMEs' contribution to youth employment creation.

1.5. Definitions of terms

- **SMMEs** are distinct and one type of firms, such as cooperatives and non-governmental organizations that operate primarily in one or more industries. They can be managed by one or many proprietors, as well as any branches or subsidiaries that may exist (Bushe, 2019). SMMEs are classed based on the number of employees, total yearly income, and/or

total capital assets (National Small Business Act 102, 1996). Thus, SMMEs employing less than 200 individuals will be classified as small business in this study.

- **Employment** is a state of economic affairs when the greatest number of labor resources is employed (Diraditsile, & Maphula, 2018). The maximum amount of skilled and unskilled labor that can be employed at any given time within an economy is represented by employment. Anyone willing and able to work can obtain employment in this situation (Potters, 2021).
- **Youth**, according to the National Youth Policy (2014), are those who are between the ages of 18 and 35. It follows that anyone older than 35 is not a youth and should not be treated as one. However, it is considered that everyone between the ages of 18 and 35 can provide their fair share of contributions to the advancement of their local communities (Gukurume, 2018). This concept is therefore used in the study since it emphasizes the importance of youth working toward a shared objective, which in this case may be the creation of jobs through the initiative of SMMEs.
- **Unemployment**, according to Ukpere and Slabbert (2009) is the situation in which a person actively searches for work but is unable to find it. Long-term unemployed people are those who have been out of work for an extended period but are actively searching for work (Tahlin & Westerman, 2020).
- **Youth unemployment** refers to a situation where young people are ready to work but cannot find any jobs (Dzansi, 2004). This is often caused by a shortage of jobs in the labour market in each state or nation, as well as economic situations like inflation or recession (The Treasury, 2014).

1.6. Significance of the study

- This study is distinct in the first place because it is being undertaken in Carolina, a rural-urban community. While studies have been done in this research area in the past, no studies of similar nature have been done in Carolina before.
- From a theoretical perspective, the study is considered valuable since it will deepen the understanding of the connection between SMMEs and the creation of jobs for the youth in rural-urban settings like Carolina.

- Practically, this study will assist the local government (municipality) in developing innovative strategies to assist those rural areas in promoting and sustaining their SMMEs to contribute positively to youth employment creation and to the overall community development.
- The future of SMMEs will be shaped by this research, which will also aid in the creation and enhancement of government policies and initiatives targeted at reducing youth unemployment.

1.7. Research design and methodology

The study used a qualitative method which allowed the collection of in-depth data on the perceptions and experiences of participants in their environment (Allen, 2017). Furthermore, it used exploratory research design as a design that provided a roadmap for the study. In accordance with both the qualitative research approach and the exploratory research design, the study is situated within the interpretivist paradigm to comprehend the role of SMMEs in employment creation for the youth in Carolina. Furthermore, a total of 22 participants were recruited for the study using two non-probability selection techniques: convenience sampling and purposive sampling. Purposive sampling was used to recruit key informants which include two (2) municipal officials and ten (10) SMMEs owners. On the other hand, convenience sampling was used to recruit ten (10) employees. Face-to-face interviews were used to collect data which enabled in-depth discussions with the participants regarding the role of SMMEs in providing jobs for the youth in Carolina. The obtained raw data was transcribed from audio into a textual format, translated, and analyzed using themes derived from the field notes and the transcribed data. This process of data analysis was done utilizing the thematic analysis technique. The study noted the importance of taking ethical considerations into account as well as qualitative data quality metrics to determine the trustworthiness of the data gathered. The detailed methodological approach for this study is presented in chapter three.

1.8. Structure of the dissertation

Chapter 1: discusses the study's background and introduction while presenting important discussions on SMMEs and the creation of jobs for youth globally. Definitions of terms, the study's main research questions, aim and objectives are discussed in this chapter. Furthermore, the problem statement is provided appropriately and gives a summary of the research design and methods used in this study.

Chapter 2: provides a thorough overview of the study's literature. The main pertinent arguments that have been researched in the field of SMMEs and the creation of youth employment are unraveled in this chapter. Sub-headings based on the sub-themes and theoretical approach introduce major arguments on numerous subjects related to SMMEs and youth employment. This chapter also discusses the theories that formed the theoretical framework.

Chapter 3: provides detailed explanations of the research design and procedures utilized to collect data for the study, as well as the justifications for selecting such designs and methods. The research paradigm under which the study is located is also discussed in this chapter. The chapter further discusses the sampling procedure, data collection processes, and other precautions employed to assure trustworthiness of the research findings.

Chapter 4: provides a detailed analysis and interpretation of the empirical data that was gathered from the study area.

Chapter 5: presents the discussion of the key findings, conclusion, and recommendations that were reached after analyzing data in chapter four. Limitations of the study are also covered in this chapter.

1.9. Chapter summary

The chapter presented the problem statement, study objectives, as well as the key research questions guiding the study. In an attempt to explore the role of SMMEs on youth employment creation in Carolina under Chief Albert Luthuli Municipality, the current study utilizes a qualitative approach, which allows the researcher to elicit in-depth knowledge based on

people's experiences and perceptions about SMMEs and youth employment through semi-structured interviews .This methodological approach was deemed appropriate to answer the study questions and participants were able to share their experiences and in-depth knowledge about the role played by SMMEs on youth employment creation. The next chapter presents the literature review, which is aligned with the theoretical framework used for this study.

Chapter Two: Literature review and theoretical framework

2.1. Introduction

The previous chapter presented an orientation of the study, focusing mainly on the background and introduction of the study. The purpose of this chapter is to present the theoretical framework and the review of the available literature on SMMEs and their role in youth employment creation. The study reviews and synthesizes major scholarly arguments about the role of SMMEs in creating youth employment. It begins by conceptualizing SMMEs in various contexts: global, African, and specifically South African. The review then explores SMMEs' role in the South African economy. This chapter also covers themes on SMME development, the sustainability of South African SMMEs, challenges faced by SMMEs, institutional support to SMMEs, the role of SMMEs in youth employment creation, job creation and income level, the enabling legal and regulatory environment for SMMEs, and SMME support policy and institutional framework. The chapter concludes with an overview of the guiding theories: the theory of change and institutional theory.

2.2. Conceptualization of literature

This section summarizes the key arguments and ideas made by other scholars about the role of SMMEs in creating jobs for the youth. It is divided into sections that address various sub-themes such as institutional support for SMMEs, the role of SMMEs in creating jobs for the youth, the relationship between income level and job creation, the development of SMMEs, the enabling legal and regulatory environment for SMMEs, and the policy and institutional framework for SMME support.

2.2.1. SMMEs as a driver of economic development

2.2.1.1. SMMEs in the global context

SMMEs are defined differently across the world (Salikin et al., 2014; Vrbka, 2020). SMMEs have been defined in several countries according to their unique local procedures and circumstances. SMMEs are those that have a low staff count (Mcpherkson, 1996; Ndayizigamaye & Khoase,

2020; Rocha, 2012). SMMEs frequently work in the formal economy, in contrast to other SMME sector categories like micro and very tiny, which mostly operate in the informal market (Asare et al., 2015). However, microbusinesses are survivalist ventures that mostly operate in the unofficial market and are occasionally run by people from underprivileged backgrounds (Bureau for Economic Research, 2016). According to Worku (2016), socio-economic issues in developed and developing countries can be addressed by the SMME sector. It is evident that the overall standard of living declines, the economy deteriorates, and unemployment rates increase in the absence of entrepreneurial development (Wilamowska Korsak & Zhang, 2013). Given this, SMMEs are acknowledged as the foundation of the economies in many developing countries (Al-hyari, 2013). To promote economic development and progress, governments everywhere have made the development of the SMME sector a priority. A study conducted by Govori (2013) states that several developing countries, notably China, have recognized the role that SMMEs play in reducing poverty and generating jobs. Consequently, SMMEs are given particular attention to certain development initiatives, such as local economic development.

SMMEs in countries such as China are defined as those with fewer than 300 employees. In addition, medium-sized businesses in China are classified differently based on industry, employment, and income (Hai, 2011). SMMEs in the manufacturing sector in India are classified according to their assets, whereas SMMEs in the service sector are categorized according to their equipment assets (Ghatak, 2010). The National SMMEs Development Council (NSMEDC) provides guidance on the definition of the SMME sector in Malaysia. According to Madanchian et al. (2016), enterprises operating in the manufacturing sector are expected to have the following attribute: 150 full-time employees or fewer. When compared to the other countries under discussion, Malaysia's definition of the SMME sector is less expansive (Auzzir et al., 2018). However, the idea does not adequately address other SMME sector components, including micro, very small, and survivalist firms (Abbasi, et al., 2018). When compared to other industrialized countries like America, the small enterprises account for most of the labor absorption and production (Turyakira et al., 2012). Despite their varied definitions and interpretations, SMMEs serve the same objective of creating jobs in developed and developing nations.

2.2.1.2 SMMEs in the African context

In African countries like Botswana, SMMEs are defined in terms of the employees an enterprise has, and the gross total calculated annually. For example, a micro-enterprise must have six employees with a gross total of P60 000 annually (Majama, 2017). Moreover, most micro-enterprises in Botswana operate in an informal economy and they are usually not registered, only those operating in a formal economy are registered (Chowdhury, 2011). Furthermore, in Botswana, medium-size enterprises should have 100 workers (Munjoma, 2011). Two indicators, namely the creation of jobs and investment portfolios, serve as the foundation for Zimbabwe's definition of SMMEs (Chikweche & Mujeyi, 2015). On the other hand, certain features, such as the absence of an enterprise's registration with regulatory bodies like the Companies Act, are also used to define SMMEs in Zimbabwe. However, in Tanzania, SMMEs are identified by the number of workers and the quantity of capital invested in the company (Bereket & Tadesse, 2010). While a microbusiness is expected to hire one to four workers and invest up to \$5 million in capital each year, a small enterprise is expected to hire five to forty-nine workers and invest up to \$200 million in capital each year (Sarlaam, 2003). Again, a firm is deemed to be a big corporation if it employs more than 100 people and has a capital investment of at least 800 million. A medium-sized business is defined as one that employs 50–99 individuals and has an investment of 200–800 million (Nkonoki, 2010). SMMEs in Ghana are defined by the number of employees and fixed assets (Abor & Quartey, 2010). Asare et al. (2015) state that one in five individuals are expected to work for micro businesses, six to thirty people for small businesses, and thirty to one hundred workers or more for medium-sized businesses.

2.2.1.3. SMMEs in the South African context

In South Africa, SMMEs are divided into five categories. There are survivalist enterprises, which include hawkers, street vendors, and inexperienced subsistence farmers. These businesses usually have limited assets and make small capital investments (Bvuma, 2019). Micro enterprises like spaza stores typically employ one to five individuals (Lings, 2014). Extremely small businesses, and small businesses with less than ten workers, including specialists such as electricians and plumbers. However, this excludes industries like manufacturing, mining, and construction while

including professionals like plumbers, electricians, and artisans, as well as medium-sized businesses (Kongolo, 2019; Marnewic, 2019). Informal small and medium-sized companies include survivalist, micro, and very small businesses as well as any other businesses without official business locations, operating permits, accounting systems, or legal licensing (Sitharam & Horque, 2016). These enterprises operate in the informal sector, and their employees are often unregistered (Mendi & Mudida, 2018). Moreover, owners of informal SMMEs argued that they often lack the expertise, abilities, and understanding necessary to manage a business (Chimucheka, 2013).

Informal SMMEs usually do not comply with relevant legislative framework to avoid taxation and being monitored by the authorities (Fu et al., 2018). Furthermore, a registered enterprise, which offers long-term employment, forms part of the formal enterprise such as small and medium enterprises. These kinds of SMMEs pay regular wages, pay taxes, and offer jobs on regular hours (Mefi, 2010). Unlike very small, micro, and survivalist enterprises, they are formally constituted and employ between 100 and 200 people across a variety of sectors. They are found in the mining, manufacturing, power, and construction sectors (Bvuma, 2019). They have official requirements and operate on fixed premises (Mtebesi, 2016). SMMEs are supported by national and international organizations, such as the World Bank, to function within a nation. Formally registered businesses receive funding or equipment from these organizations (Fatoki, 2014). Although it appears that most small-sized businesses do not place a high value on training, governments throughout the world are beginning to view capacity building in SMMEs as a sustainable empowerment strategy in the global economy (Mutula, 2010). The growth of the SMME sector has been a top priority for the South African government since 1994 (Bureau for Economic Research, 2016). The high rates of unemployment and poverty in rural areas make SMMEs vital to economic progress (Rogerson, 2013). Growing SMMEs seems to be the most promising way to achieve sustainable development in developing nations like South Africa by lowering youth unemployment, poverty, and inequality (Dzansi, 2004; Mitchell, 2013; Chineweuba & Sunday, 2015). According to Bvuma & Marnewick (2020), most developed economies throughout the world believe that this industry has a positive impact on the growth and development of the South African economy.

Institutions like SEDA were established to keep the SMME industry a driver of economic growth (Bureau for Economic Research, 2016; Nhlapo et al., 2011). According to Mitchell (2013), due to the high failure rate of large corporations and the dearth of jobs from the public sector, South Africa now focuses more on SMMEs to address the issue of unemployment. This provides a clear picture of the contribution of SMMEs to the South African economy. Moreover, formal small enterprises were said to have been able to generate employment opportunities for 5.8 million people in 2015, in contrast to huge corporations (Real Economic Bulletin, 2017). Consequently, SMMEs are the primary source of job creation in South Africa, producing 65% of employment opportunities (Business Unity South Africa, 2019). Additionally, SMMEs contribute significantly to closing the employment gap between rural areas and urban economic hubs since they concentrate more on commercial operations (Chowdhury, 2011). SMMEs in urban areas provide a local alternative for youth employment, given that it is becoming more difficult for the youth to get work in other industries (Makwara, 2019). SMMEs, as opposed to large corporations, are currently social revolutionaries in South Africa. In addition to encouraging the creation of jobs, SMMEs, according to Kumah & Omilola (2014), assist in resolving socioeconomic problems brought on by South Africa's apartheid legacy. The labor-intensive nature of the SMME sector contributes significantly to the overall reduction of poverty as well as the provision of employment opportunities (Kongolo, 2010). However, scholars such as Chikwendu et al. (2015) argue that these enterprises are unable to offer many individuals long-term employment opportunities since they depend on low-cost labor. A similar claim was made by Gatt (2012), who said that South Africa's SMME sector is developing very slowly in comparison to other nations.

This literature indicates that different scholars have different opinions regarding how SMMEs can create jobs for the youth in South Africa. Although SMMEs are deemed beneficial in generating employment, some scholars contend that the jobs they generate are not sustainable (Chowdhury, 2011). South Africa's SMMEs, like those across the world, are vital to the creation of jobs and will progressively contribute to the empowerment of formerly disadvantaged South Africans (Bruwer et al., 2017). For instance, it is believed that over 90% of formal firms are small, micro, or medium-sized businesses; survivalist ventures, and unofficial businesses are not included in this statistic (Ber, 2016). An estimated 15 million people are employed in informal employment, survivalist enterprises, or SMMEs (Department of Trade and Industry, 2016). However, the newly elected

democratic administration has acknowledged the sector's potential, believing that it may promote job creation, economic growth, and a sense of action among the youth (Bruwer et al., 2017). Essentially, the government hopes that small companies will lead the way in creating new jobs.

2.3. SMMEs development

The Department of Trade and Industry (DTI) and related organizations like the Center of Small Business Promotion (CSBP), Ntsika Enterprise Promotion Agency, and Khula Enterprise Finance Limited were established to assist SMMEs following the global financial crisis (Tadesse, 2010). South Africa considers promoting the development of SMMEs through various government initiatives. According to Nxaba (2014), the SMME sector is essential to promote economic development. In a similar vein, Muyengwa et al. (2013) assert that SMMEs are essential to the nation's socio-economic stability and greatly boost its economic expansion. To establish social stability and address the high unemployment rate in the nation, especially among the youth, South Africa's SMMEs should be supported to grow (Mbedzi, 2011). In addition, the impoverished in South Africa's rural areas frequently experience famine, food insecurity, unemployment, and poverty (Rambe & Mosweunyane, 2017). As a result, SMMEs are seen as a worldwide as well as a South African answer to these socioeconomic problems. Mmbengwa et al. (2013) claim that SMMEs have a distinct social function that benefits the community as well as individual stakeholders. Since SMMEs and LED are closely related, local governments have a responsibility to make sure that LED issues are handled within a framework that is supported and regulated for SMMEs (Phago & Tsoabisi, 2010). As the examples demonstrate, these businesses form the backbone of the South African economy and play a major role in the country's development.

2.4. Sustainability of South African SMMEs

Based on the corpus literature, South African SMMEs have exceptionally poor sustainability rates (Brendon, 2016). According to previous research, 63% of South African SMMEs fail after two years of operation, and 75% fail after three to five years of operation (Amoros & Moska, 2016). Thus, the poor sustainability of SMMEs in South Africa is considered, particularly considering the tough economic environment in which these enterprises operate (Bruwer & Van Den Berg, 2018).

These SMMEs face several internal and external factors that have a negative impact on their long-term viability in such a difficult economic situation (Masama & Bruwer, 2018). Some of these factors include inflation, regulatory changes, interest rate swings, limited market and funding access, and lack of essential business skills (Brendon, 2017; Bruwer & Smith, 2018; Serame, 2019). Another big external concern is unpredictable electrical supply, sometimes known as load shedding (Carlsson & Martinson, 2010; Ado & Josiah, 2015; Ligthelm, 2016; Semenya, 2019). According to multiple sources (Bushe, 2019; Department of Small Business Development, 2017; Economic Policy Division National Treasury, 2019), the first-year failure rate is between 40% and 80%. Furthermore, Malefane (2013) claimed that, in comparison to other countries in the same economic bracket, notably Thailand, Chile, and Mexico, South African SMMEs do not perform well. This is because many businesses in South Africa have cash flow challenges during their first two years of operation, preventing any growth from occurring (Nieman & Nieuwenhuizen, 2009). Since 1995, there has been progress, such as the development of government agencies like SEDA and the Department of Small Business Development (DSBD), which strive to support the growth of SMMEs (Lupiya, 2021).

According to GEM (2014), SMMEs that are "opportunity-driven" are more numerous in first world countries than those that are "necessity-driven" in developing countries. It has been demonstrated that dedicated individuals who want to enhance their chances while maintaining their current employment prefer "opportunity-driven" companies. These opportunity-driven enterprises are distinguished from necessity-driven enterprises, which are established in response to unemployment and a shortage of accessible jobs (GEM, 2014). When comparing opportunity-driven businesses with necessity-driven ones, it has been discovered that the former are more resilient to endure and help create jobs. As noted in the previous sections of this chapter, high interest rates, high taxes, and other macroeconomic issues, including an unfavorable exchange rate, are some of the key concerns facing the SMME sector in South Africa (Rankhumise & Masilo, 2017).

2.5. Challenges faced by SMMEs

SMMEs encounter several obstacles that ultimately impact their daily operations, even though they are dynamic and inclined towards innovation, productivity, and progress (Wickert, 2016). Consequently, it may have a detrimental impact on SMMEs' performance and reduce their ability to create jobs for the youth (Kongolo, 2019). The problems that SMMEs face, both internal and external, are complicated and diverse.

2.5.1 Internal challenges faced by SMMEs

Internal business factors are referred to as internal challenges. These are factors that enterprises can manage. These factors consist of inadequate pricing and cost, lack of managerial experience, and market accessibility.

2.5.1.1. Lack of managerial skills

Several issues, including insufficient organizational culture, experience, and training, as well as a lack of managerial skills, can cause SMMEs to fail (Smith & Watkins, 2012). To ensure the longevity of their enterprises and the accomplishment of their objectives, small business owners must receive pertinent training (Sithram, 2014). SMMEs require competent managers with the following abilities to thrive: the capacity to recognize and assess market opportunities; to set reasonable and measurable objectives; to create business plans; to obtain capital and launch a new venture; to produce and supply the market; to settle disputes amicably; and to attain the overall industrial effectiveness and efficiency that promotes the expansion of the enterprise (Gundry & Welsch, 2001). According to Aspeling et al. (2014), most business owners lack the essential business expertise and knowledge required to manage an enterprise successfully. Unskilled and inexperienced business owners require training in management, marketing, and entrepreneurial skills to operate their businesses successfully (Fatoki, 2014). According to Ongori & Nzonzo (2011), staff training and development is crucial since businesses in this cutthroat period need to support, expand, and improve in their sectors. The abilities, knowledge, attitudes, and behaviors that comprise managerial competencies can enhance an individual's effectiveness (Hellriegel et

al., 2008). Thus, empowerment and training foster the development of managerial skills, which are critical to the enterprise's success.

2.5.1.2. Poor costing and pricing

For any firm, determining the right pricing for the items is vital. Inaccurate pricing can drive away potential customers and significantly reduce demand for a product. A comprehensive marketing plan should take pricing into account (Chimucheka & Manipaka, 2015). Therefore, selecting a price requires considerable thought because there are several factors to keep in mind constantly to avoid paying less. This covers several factors including the level of environmental competition, shifts in supply and demand, distribution costs, product life cycle stages, adjustments to production costs, and general economic conditions (Al-Hyari, 2013). Before determining the final price, most of these components must be balanced (Nkonde, 2012).

2.5.1.3. Access to markets

When it comes to marketing dynamics, an enterprise must have a visionary who can adapt and achieve long-term growth over the next 10 years (Cant & Wiid, 2013). According to Cant (2012), an effective marketing strategy requires an enterprise to understand the external factors driving its business. Cant (2012) identifies the following marketing issues that SMMEs generally face: competitiveness, education and training, market segmentation, market understanding and growth potential, financial access for marketing activities, and product and service marketing. Small and medium-sized businesses in South Africa must anticipate future market developments to prepare and respond to them as different markets increase at different rates (Horque & Sitharam, 2016). An enterprise requires a visionary in charge of marketing dynamics who can adjust and support sustainable growth over the next 10 years. Cant (2012) further argued that to have a successful marketing strategy, an enterprise needs to understand the external factors that influence its business. According to Cant (2012), SMMEs' primary marketing challenges are competitiveness, education and training, market segmentation, market understanding and growth potential, financial access for marketing operations, and product and service marketing.

2.6. External challenges faced by SMMEs

These are several external factors affecting the growth and survival of SMMEs. These factors or challenges include lack of government support, fierce competition, high taxes, and funding.

2.6.1. Funding

Funding is a critical resource that businesses require and an important aspect of an enterprise's growth and development (Agwa-Ejon & Mbohwa, 2015). Financial resources are critical for starting a firm (Abbasi et al., 2018). One of the most serious issues affecting SMMEs in South Africa is a shortage of funding. Neither public nor private entities do not provide financial assistance to the SMME sector (NCR, 2011). According to a study conducted by the NCR (2011), a significant challenge in many entrepreneurial ventures in South Africa, as indicated by 18% of national experts, is a lack of financial assistance from public and private institutions. Furthermore, small business owners, particularly those from underprivileged backgrounds, found it challenging to meet the high deposit requirements set by financial institutions (Kuntchev et al., 2012). Most small enterprises get their first funding from unofficial investors and business partners who have a personal link with the entrepreneur (Fatoki, 2014). Access to capital is one of the key impediments to the growth of SMMEs in South Africa (Mutezo, 2014). One of the most difficult aspects of beginning a new firm is that most entrepreneurs cannot obtain financing from banks or other financial institutions (Kuntchev et al., 2012). Small businesses in many rural areas find it hard to operate because of financial issues.

2.6.2. High competition

In addition to the real consequences of globalization, SMMEs now face a new challenge in trying to compete in the wide markets: the acceptance of financial agreements (Maarof & Mahmud, 2016). The primary areas of worry have been SMMEs' ability to grow their commercial operations worldwide and survive in the market. This is the outcome of SMMEs' lack of creativity and resources. As a result, this leads to the global plans of large-scale firms as well as the early

difficulties in entering the global market (Ren et al., 2015). However, this gives SMMEs a chance to interact with big companies and improve their market competitiveness by educating them about the strategies employed by the bigger companies (Singh et al., 2008). Due to their substantial economic contribution to both developed and developing nations, small and medium-sized enterprises have received far more attention than other business types from the effects of economic competition in the globalization era (Asare et al., 2015; Auzzir et al., 2018; Bilal & Al Mqbali, 2015; Gamage et al., 2019; Sener et al., 2014). According to the research, the main problem with small and medium-sized firms, especially in developing nations, is that a sizable portion of SMMEs close soon after they open for business (Prasanna et al., 2019). This is largely due to the free market environment of the globalized economy which has given rise to new competitive barriers. Noe et al. (2017) states that three competitive obstacles have been found in a recent study that businesses participating in the global economy must overcome: technical hurdles, global challenges, and sustainability issues. The global challenge is the capacity of companies to protect their home markets while entering recently growing global markets such as China, India, Brazil, and Russia (Noe et al., 2017).

As a result, Jayathilake et al. (2014) observed that SMMEs find it difficult to maintain expansion and compete with well-established enterprises due to the fierce rivalry of the global business climate. Rivals are businesses that can meet the same needs of their clients in a comparable manner (Nkonde, 2012). Consumers in a perfectly competitive market have the option to accept or reject the goods they are being offered. There is more competition when more businesses provide customers with comparable goods or services. As a result, cheaper prices drive competition more than superior products, services, or other qualities. Hence, companies are compelled to lower their prices, which lowers their profit margins (Lebeoa, 2017). The customer is not given the chance to compare prices for quality, service, or other qualities when two products are identical. Businesses are, therefore, compelled to reduce their pricing, which reduces their profit margins (Mwobobia, 2012).

2.6.3. High taxes

In South Africa, small and medium-sized enterprises have had difficulties with the tax system, particularly with job expansion (Arasti et al., 2014). This is particularly relevant to women and youth (Asare et al., 2015). The ability of these businesses to survive is also impacted by the financial turmoil in South Africa. In South Africa, small and medium-sized businesses mostly obtain funding from government start-up grants (Agwa-Ejon & Mbhohwa, 2015). According to Nkonde (2012), the tax rate for SMMEs that were registered was roughly 29% before 2012. This emerged from the call for high-quality public services from the government. One of the drawbacks of high taxes is that they impede SMMEs' growth through investing and have an adverse effect on cash flow. High taxes also have an impact on corporate networking and collaboration (Fatoki, 2014).

2.6.4. Lack of government support

The economy of the country benefits greatly from SMMEs, yet they do not receive adequate assistance they require from key government agencies, banks, financial institutions, and the business community (Alauddin & Chowdhury, 2015). SMMEs need to solve this issue since it makes them less competitive in both domestic and foreign markets (SMBDCI, 2005). SMMEs will unavoidably run across a variety of challenges that will restrict their potential to succeed, despite their pledge to accelerate economic growth and create jobs in South Africa (Fida, 2008). Among the most frequent problems that small businesses face are lack of capital, bank credit availability, market accessibility, technology, production capacity, recognition by large corporations, disinterest, drawn-out bureaucratic processes, and support for the roles that small businesses can play in economic development (Ber, 2016).

“National governments ought to grant local governments the power to take the required actions to support SMME innovation” (Abisuga-Oyekunle & Fillis, 2017: 21). Wilson (2007) suggests that governments ought to adopt a supportive rather than a totalitarian approach to attain the intended results (Arasti et al., 2014). These consist of offering managerial and technical training programs, providing focused, high-quality business support services, lowering administrative expenses and burdens for SMMEs, establishing cross-border and cross-sector networks, offering financial

incentives and aid, and upholding the law (Wilson, 2007). Due to these obstacles, which keep them from effectively competing in the market, SMMEs fail during the first five years of their existence (Serei, 2016). Furthermore, the absence of government support has hampered the expansion and development of SMMEs in other developing nations like South Africa, Nigeria, and others. Economic policies, frail institutions, and lack of political will are the root causes of SMMEs failure. Political and economic instability is one of the issues SMMEs face, and it plays a part in their demise (Gumel, 2017).

2.6.5. Limited infrastructure

Infrastructure development is a critical component in enabling the establishment, expansion, and prosperity of businesses within the economy. “This is especially crucial for small enterprises, whose infrastructure expenses and time commitment account for a sizeable portion of their revenue” (Andalib & Darun, 2018: 25). According to Masutha & Diedericks (2016), incubators offer infrastructural support services in addition to business and technical consultancy to small enterprises. Masutha & Rogerson (2014) confirmed that in addition to office space or infrastructure, commercial and technical services are provided. They continue by listing financial aid and networking possibilities as additional services offered by incubators. In their research conducted in Europe and the Middle East, Al-mubaraki & Busler (2012) discovered that incubators provide financial support, advisory services, mentoring or coaching services, incubation facilities, incubation services (such as internet and photocopy services), networking and marketing, and technology transfer and commercialization. Fal (2013) found that the services offered by incubators and accelerators assist business owners in formalizing and growing their firms in Africa. African accelerators provided networks for finance and advising services in addition to setting up physical offices (Fal, 2013). Research has shown that SMME productivity and competitiveness are hampered by inadequate infrastructure provision (Obokoh & Goldman 2016). Empirical research by Calderón & Servén (2004) indicates that SMME growth and economic growth in general are accelerated by improvements in infrastructure availability and quality. Rodriguez et al. (2008) assert that inadequate infrastructure raises manufacturing costs. SMMEs turn to self-provisioning when infrastructure is either non-existent or provided insufficiently

(Obokoh & Goldman, 2016). Because self-provision alters the cost structure, SMMEs may be driven to operate below optimal levels (Obokoh & Goldman, 2016).

2.6.6. Load shedding

According to Goldberg (2015) and Steenkamp et al. (2016), load shedding is a strategy used to reduce the "strain placed on an electricity grid" by temporarily (and purposefully) limiting the quantity of power delivered to restrict the amount of energy that is utilized because of an excess demand for it. Load shedding has been used by Eskom, the biggest energy supplier in South Africa, since 2008 because of several issues, including inadequate upkeep of its energy-supplying infrastructure (Victor et al., 2020; Kusakana, 2019; Carlsson & Martinson, 2016). Load shedding can last anywhere from one to eight hours, depending on the exact load that Eskom is shedding at that moment (Businessstech, 2019; Du Vegane 2020). It is concerning to learn that load shedding results in a total cessation of business operations, since South African small and medium-sized enterprises (SMMEs) depend on electricity to power their operations (Phiri & Kabubi, 2017; Kunene, 2019; Gusta, 2020). Put another way, most SMMEs in South Africa are unable to operate due to load shedding (Seinker, 2019; Benedict et al., 2019). Furthermore, because of their constraints (such as restricted access to markets and financing), most of these enterprises are unable to purchase alternate electricity power supplies (such as generators and inverters) to withstand load shedding (Coetzee & Mart, 2016; Mkhwebane et al., 2019; Jonckie, 2020). South African SMMEs must make profit to pay for their essential operational expenses (Von Ketelhodt, 2018; Schoeman et al., 2018).

A key element in the growth of SMMEs is the power supply. Thus, load-shedding can have a negative impact on corporate operations through a variety of channels, ultimately impairing the profitability of these companies (Ayandibu & Houghton, 2017). Due to their heavy reliance on electricity, small business owners in the food industry are particularly affected by load-shedding (Charles, 2019). The epileptic power supply may cause damage to food kept in freezers and may also lower the standard of customer service (Gontsana et al, 2019). Moreover, Onakoya (2013) and Mutoko (2017) have stressed the necessity of a steady power supply for SMMEs and

enterprises to operate effectively, foster economic growth, and fight poverty. To ensure that retailers receive a sufficient supply of goods and services, commercial, industrial, and agricultural producers need a reliable electrical supply (Kufeoglu, 2016). SMMEs in South Africa are unable to function during load shedding as most of them rely on energy to run their daily operations (Phiri & Kabubi, 2017).

2.7. Institutional support to SMMEs

In developing countries, external and governmental intervention in SMMEs' access to funding is typical. Wang (2016) discovered that SMMEs connected to the government seem to be less financially troubled (Quartey et al., 2017). The majority of developing West African countries have large-scale SMME finance programs in place, some of which go back to the 1960s (Quartey et al., 2017). Although the goal of these initiatives is to provide SMMEs with the money they need, better performance is not necessarily the outcome. According to Kersten's (2017) meta-analysis of low- and middle-income countries, SMME finance schemes have a positive and significant impact on capital investment and employment but a negligible effect on profitability and wages. "Researchers, economists, and government representatives have been making the case for the importance of small enterprises to the economy for a long time" (Neumark et al., 2008: 27). Among the specific government departments that have been identified promote SMMEs in South Africa are the Departments of Roads, Transport, and Agriculture; the Department of Public Works, using the Expanded Public Works Program; the Department of Local and Provincial Government; and the Departments of Economic Development, Environmental Affairs, and Tourism (Maia, 2006). The Small Enterprise Development Agency (SEDA) of 2004 is responsible for implementing South Africa's SMME development policy and overseeing the government's institutional finance model across all branches, as stated in the BER report (2016). The South African Micro Finance Apex Fund (SAMAF) and Khula Enterprise Finance Limited merged to become the Small Enterprise Finance Agency (SEFA), according to the report. Its mandate is to lend up to R3 million to small and medium-sized micro enterprises. Among the other Development Finance Institutions (DFIs), the National Youth Development Agency (NYDA) was established to cater to the entrepreneurial requirements of the youth (Ber, 2016). It encompasses both survivalist businesses and startups and growing enterprises. These institutions mostly serve the youth (18 to 35 years

old), and although they occasionally award grants, their top focuses are mentoring programs for budding young entrepreneurs and development efforts (Department of Trade and Industry, 2005). Young individuals who have talent but lack the means to achieve it are the focus of the NYDA. To be eligible for this subsidy, youth must take part in NYDA-designed activities for a minimum of two years (Department of Trade and Industry, 2005).

According to the Department of Trade and Industry (2015), the Ntsika Enterprise Promotion Agency mainly offers services in the fields of management, marketing, research, and other non-financial related support. The Intellectual Property Registration Office (CIPRO) not only registers SMMEs in South Africa but also provides advisory services to the Department of Trade and Industry (DTI) about developments in the small business sector (Malefane, 2013). Furthermore, one of the province specific agencies created to assist the SMME sector with complex business aspects like investments, foreign commerce, and the development of competition strategies is the Limpopo Economic Development Corporation (Amoros & Moska, 2016). Its objectives are to support business development among populations (children, women, and the disabled) and to establish a robust business network among enterprises, industry insiders, and the government. In addition, Rankhumise & Masilo (2017) state that the Northern Cape Economic Development Agency's mandate includes project management, funding for approved enterprise development, planning and support for business enterprise and rural development, development and management of immovable property, and promotion of foreign trade and investment. The provincial trade and investment agency of the North-West province is at the forefront of international trade and investment promotion with a focus on export promotion and development, fixed direct investment (FDI) facilitation and promotion, and economic development (Doh & Kim, 2014). The Mpumalanga Economic Development Agency's goal is to support small, medium, and microenterprises with finance while promoting trade and investment. Furthermore, according to Malefane (2011), the role of the Free State Development Corporation encompasses the development and management of assets, the facilitation and promotion of investments and exports, and the provision of financial and business support services to SMMEs and cooperatives. The Local Economic Development (LED) departments are acknowledged as essential municipal instruments for expediting SMME assistance (Ayandibu & Houghton, 2017).

LED units are supposed to come up with creative solutions, such as collaborating with the private sector and significant institutions like the Development Bank of Southern Africa (DBSA), to ensure the expansion of the SMME sector locally (Malefane, 2011). Evidence suggests that South African communities can support the small business community and have demonstrated a commitment to employment creation. Support for the small business sector is especially evident in rural areas where cooperatives receive aid in the form of small market stalls and general assistance connected to the unorganized sector (Rogerson, 2005). Lazdani & Netswera (2009) claim that the private sector in South Africa plays a critical role in bolstering the nation's SMME sector. The ABSA Enterprise Development project of the Amalgamated Bank of South Africa aims to create an environment that is conducive to SMME growth by offering incentives and market access to them (Makhubele, 2015). Most developing countries in Asia, Latin America, and Africa struggle to establish and sustain profitable small and medium-sized enterprises (SMMEs). However, rich countries like the US, Japan, China, and Ireland have made good progress in this area by continuing to fund initiatives for economic development. Due to conflict, SMMEs are founded with very little or nothing at all in countries such as Sudan, Liberia, the Democratic Republic of the Congo (DRC), and many others (Mbendi Business, 2003). A fundamental element of its strategy to raise everyone's standard of living is the democratic government of South Africa's use of laws and programs to encourage the expansion of small enterprises. This approach is outlined in a White Paper released by the Department of Trade and Industry (DTI), the main agency supporting SMMEs (Kongolo, 2010). South Africa created a national policy in 1995 to encourage the expansion of small enterprises. The National Small Business Act, ratified by the Parliament a year later, provided the groups with the funding they needed to implement this strategy (Fatoki, 2018).

2.8. The role of SMMEs in youth employment creation

“Due to the massification of higher education enrollment and the annual churning of thousands of graduates against a contracting labor market, unemployment is increasing at a rate never seen before” (Bushe, 2019: 30). It appears that this socio-economic problem has worsened over time,

both domestically and globally, with developing and poorer nations being the most afflicted (Ngcobo & Sukdeo, 2015). Consequently, Ngcobo & Sukdeo (2015) have highlighted SMMEs as some of the organizations that are best suited for creating jobs in South Africa. It is acknowledged that SMMEs have made a significant contribution to lowering the unemployment and poverty rates (Dhana, 2016). Additionally, as the formal sector is still losing jobs, SMMEs play a major role in the employment market in South Africa (Maholwana, 2015). According to research by Abisuga-Oyekunle & Fillis (2016), SMMEs are now the primary employers, and because of the diversity of jobs they produce, the standard of living for the impoverished has increased. Furthermore, the goal of South Africa's Vision 2030 National Development Plan Agenda was to utilize SMMEs to create 90% of jobs by 2030. In line with this, Abisuga-Oyekunle et al. (2020) also attest to the distinctive role that SMMEs play in the creation of jobs. They further disclose that, as per a 2014 World Bank report, a significant proportion of employment in Sub-Saharan African countries belonging to the Organization for Economic Co-operation and Development (OECD) is comprised of SMMEs. The literature further reveals that 63% of all employment in the OECD is provided by micro companies, which lends support to this (Mccunukelwa, 2020).

The governments of developing nations such as South Africa, Ghana, and others are seeking methods to enhance SMMEs due to their crucial function in these economies (Asare et al., 2015). Global Development Advisors notes that SMMEs' contribution to the expansion of the private sector is frequently underestimated, despite government support in the form of tax breaks, loans, and social assistance to promote SMMEs' growth (Ndiaye et al., 2018). In contrast, their study highlights the challenge SMMEs face in obtaining funding for development and expansion, which is a hurdle for industry. Furthermore, they argued that the lack of sufficient funding for SMMEs prevents them from growing (Ndiaye et al., 2018). Government initiatives have the potential to bridge the financial gap and improve the operational environment for SMMEs (Bruwer & Van Den Berg, 2017). SMMEs' effectiveness is hampered by insufficient or nonexistent support (Ndiaye et al., 2018). Therefore, policies should be implemented to support SMMEs' official registration, simplify compliance with laws and taxes, and foster knowledge of the tax and legal systems. Policymakers must support institutional banking, which is essential for small and medium-sized businesses to thrive sustainably, in addition to implementing straightforward measures to improve financial accessibility.

2.9. Job creation and income level

“It is acknowledged that a sizable restriction is preventing the current Small and Medium Micro-Enterprises from growing. Manufacturing industries are more suited to create jobs than trading sector enterprises since their capital-labor ratio is higher in the former than in the latter” (Maia, 2006: 31). The ability of small enterprises to generate revenue and jobs in developing nations is well recognized on a global scale (Mmbengwa et al., 2013). In line with the widely held belief that large businesses generate more employment, the relative size of the business can also have an impact on the creation of jobs. However, compared to smaller businesses, the increase is less (Biekpe, 2006). The primary workforce size of the company can also have a significant impact on the creation of new jobs as the organization expands. In both industrialized and emerging nations, small and medium-sized businesses are vital and influential. “The rapid rise in exports and subsequent expansion of the industrial sector were mostly caused by small and medium-sized enterprises” (Makhubele, 2015: 32). For example, recently industrialized nations such as Singapore, Taiwan, South Korea, Malaysia, and China use SMME practices to increase economic growth, which in turn leads to the establishment of large-scale firms (Turner et al., 2008).

2.10. The enabling legal and regulatory environment for SMMEs

“The laws and rules that control how firms conduct their operations are referred to as the legal and regulatory environment” (Phago & Tsobatsi, 2010: 28). This covers both the laws and rules governing how firms can function and the laws and regulations protecting customers. There might be differences in the legal and regulatory landscape between nations and even between states. To enhance the business regulatory and legal environment for SMMEs, policies are implemented to assist (Nasr & Rostom, 2013). Furthermore, the term “regulatory environment” refers to any nation’s collection of rules, laws, standards, policies, and obligations established by the government or other relevant authorities to regulate company operations and activities (Sibanda, 2013). To maintain a competitive and socially conscious corporate climate, these regulations include prohibitions on actions deemed undesirable (Department of Trade and Industry, 2017). The laws about taxation, labor legislation, employee relations, business start-ups, and international

trade can be categorized under this (Hans et al., 2013). The regulatory environment in South Africa is composed of several laws, acts, rules, and regulations that have been established to direct the operations of SMMEs. Dixon et al. (2007) countered that SMMEs, and entrepreneurs are burdened by some government regulations, rules, and policies. Similarly, Musara & Gwaindepi (2014) highlight several factors that significantly affect small enterprises, particularly during their initial stages of operation. They consist of onerous labor laws, ineffective government bureaucracy, corruption, a lackluster coordination of policies, and inconsistent application of the law (Chittenden & Ambler, 2011). A suitable and equitable regulatory framework or system must be implemented to create an atmosphere that supports the expansion of SMMEs (Musara & Gwaindepi, 2014). A conducive environment will have straightforward legislation that guarantees quick and easy company startup processes, lower startup costs, tax laws that are supportive, efficient law enforcement, and economical contract enforcement (Hans et al., 2013).

2.11. SMME support: policy and institutional framework

Most individuals agree that more might still be done at the policy level to encourage native South Africans to think like entrepreneurs as a solution to the lack of youth job prospects (Bushe, 2019). The development of SMMEs in the nation greatly depends on government support. It is advocated for strategic policy decisions to support the SMME sector financially and technically (Mcunukelwa, 2020). The 1995 White Paper on SMME development served as the first official record of government policies about to the growth of SMMEs in South Africa after 1994. According to the White Paper, South Africa's SMMEs will follow the lead of the developed world and significantly boost the country's economy if given the right conditions (Department of Trade and Industry, 1995). There are other policy frameworks to support the SMMEs, namely National Business Act (102 of 1996) which provides a framework for SMME development and support. The Small Business Amendment Act (2003) is another policy framework that provides further support and initiatives for SMMEs in South Africa.

As a result, government policy must consider these and provide support by lowering obstacles to entrance, cutting back on red tape, and promoting entrepreneurship (Chittenden & Ambler, 2011). It is interesting to note that governments are beginning to recognize entrepreneurs as the main

forces behind innovation and employment creation development (Fanta, 2015). Moreover, the institutional legislation framework covers different kinds of agencies in support of SMMEs (Clarke & Klettner, 2009). Small Enterprise Development Agency (SEDA) provides enterprises with resources and support to grow the enterprises holistically. These legislations and policies aim to support SMMEs in South Africa by providing initiatives such as financial and non-financial support services, reducing regulatory constraints, and promoting entrepreneurship and small business development (Nieuwenhuizen, 2019).

2.12. Theoretical lenses

This study endeavor is based on two theories: the theory of change and the institutional theory. These theories were chosen to direct this study because they are relevant to the research problem and useful in interpreting the study's results.

2.12.1. Theory of change

It is crucial to understand the theory of change as it is mostly used in planning, monitoring, and evaluation processes (Clarke & Klettner, 2009). This theory is a purposeful model that describes how a set of early and intermediate outcomes from a project, policy, strategy, program, or other undertaking leads to the intended outcome (Serrati, 2017). It also clarifies how and why a series of logically connected events or pathways of change ought to result in a particular conclusion. The theory was founded in the United States in the 1990s (Weiss, 1995). The theory of change is derived from two practice streams: development that is influenced by social action and assessment, and social program practice (Vogel, 2012; Stein & Valters, 2012; Valters, 2014). This theory has more complexity and a systemic understanding of development rather than a linear process portrait (Hamdy, 2020). It describes a method for determining the likelihood that a particular intervention or group of interventions would cause a particular development change (Stein & Valters, 2012). Additionally, it directs choices regarding the optimal course of action and aids in the creation of solutions that successfully address the root causes of issues that impede progress (Weiss, 1995). It also explains the interventions as a single program or a coordinated effort that produces positive

results. There is a result for every intervention, which clarifies the often "complex web of activity" needed to effect change (Taplin & Clark, 2012).

In the context of this study, this theory outlines the precise actions that are anticipated to result in a rise in youth employment as SMME development proceeds. This framework also includes a list of several treatments and elements that are believed to contribute to employment creation (Osano, 2019). In this way, SMMEs are believed to provide youth with employment opportunities. SMME owners must have enough support, including financial resources as well as training and education in entrepreneurship, to guarantee the long-term viability of this strategy (Olawale & Garwe, 2010). This can be accomplished by implementing legislative and regulatory changes that foster an atmosphere that supports the expansion of SMMEs (Rungani & Potgieter, 2018). The theory of change in this case emphasizes the intricate interactions between many social, economic, political, and institutional challenges that highlight societal change and present the nation with a significant social, economic, and policy challenge (Mayer et al., 2011; Yu & Roos, 2018). The theory of change contributes to the establishment of good logic for achieving change by elucidating the reasons behind a development issue, outlining expectations for the results of the suggested strategy, and verifying these expectations with data, including successful strategies (Grant, 2014). The SMME strategy was adopted by governments in various countries with the assumption that it can make a difference in societies and create jobs (Ryan, 2018). The theory of change puts into practice the notion that SMMEs should create jobs for the youth (Camba, 2020). It is assumed that these SMMEs contribute to the generation of jobs in some way. The theory of change should also be modified considering evolving conditions, particularly in the wake of shocks and crises, and as part of routine observation (Valters, 2021). It is acceptable to conclude that the theory of change is a useful analytical framework for the study of SMMEs and the creation of youth employment opportunities given the fundamentals of the theory. Nonetheless, there are objections to the theory of change (Weis, 1995). It has been criticized based on its tendency to be linear, presuming that input leads to output and that output leads to outcomes (Weis, 1995). Also, an extreme absence of engagement and consultation has impacted the theory of change's components of critical reflection and learning evaluation (Anderson, 2005). Despite the limitations or critiques of the theory of change discussed in the preceding paragraph, this theory has been used in previously published studies. For example, Vogel (2012) used the theory of change to explain international development

conditions such as social, environmental, and political and how it influences positive change in the desired direction to produce positive results. This theory of change was also used by Ismail (2018) in evaluating the implementation of the public works program which includes the provision of early childhood development mainly to provide employment opportunities for women. Drawing from the lens of the theory of change, Ismail (2018) deduced that the public works program has been successful in terms of providing training. Accordingly, donors, as well as smaller civil society organizations, use the theory of change, which has roots in both social change and assessment traditions (Valters, 2014). Additionally, the theory of change is mostly utilized by development agencies and organizations for evaluation, but it is also being used more and more for program design and implementation guidance (Ismail, 2018). The perceived benefits of the theory of change include a more thorough examination of the program context compared to alternative methods and an integrated approach to design, implementation, and assessment (Stein & Valters, 2012).

2.12.2. Institutional theory

North's 1990 institutional theory offers a helpful framework for analyzing the distinctions across societies or industries that have had varying effects on SMMEs and helped to sustain their growth (Fauzi & Sheng, 2020). According to North (1990), institutional theory is the body of fundamental political, social, and legal principles that establish the framework for distribution and production. Organizations must abide by guidelines to be supported and given legitimacy. He further indicated that the current institutional matrix usually determines the feasibility, profitability, and even survival of SMMEs. Two key conclusions may be drawn from North's definition of institutions and the actual data about the influence of institutions on the growth of the SMME sector, which were previously examined. Firstly, encouraging the growth of SMMEs entails more than just setting up official incentive support institutions and offering small business owner incentives. Secondly, how institutions are structured within a community can either benefit or hinder the growth of SMMEs. The reality is that sustainable initiatives are not entirely optional, considering the different challenges that enterprises face to function well, like legal requirements and market demands (Ngcobo, 2022). Consequently, institutional theory and sustainable innovation center on fundamental components of institutions, both internal and external (Noe, 2017). Sustainable business methods, which offer monetary success, flexibility, and positive social and environmental

benefits, are the goal of an increasing number of SMMEs globally (Caldera et al., 2019). Institutional theory links innovative aspects or capacities with sustainable growth of SMMEs to encourage management practices to pursue sustainable business growth (Houghton & Ayandibu, 2017). According to Srisathan et al. (2020), these components can be in the form of market value, culture, the legal and social environment, traditional or cultural values, or financial incentive programs. While the more expansive idea focused on the rules established by the institutions, the new strategy focused on institutional entrepreneurship, such as the adoption of sustainable business models (Hadjimanolis, 2019). Enterprises work together with a wide range of stakeholders to promote innovation within the institutional framework, which in turn helps SMMEs expand sustainably (Laukkanan et al., 2013).

Institutions encourage and restrict the actions of entrepreneurs (Bruton et al., 2010). For example, the institutional environment that affects the number and scale of new enterprises or firms limits the available chances for entrepreneurship (Nkononki, 2010). This has led to an increase in the popularity of institutional theory among scholars who research entrepreneurship. According to Bruton et al. (2010), there has been a rise in the application of institutional theory in the field of entrepreneurship since 1999. Scholars concur that the focus on the spread of various organizational models, practices, and governance structure has been the main contribution of the neo-institutional field of research (Ren et al., 2015). Consequently, the application of institutional theory has led to the emergence of three primary study domains: institutional entrepreneurship, legitimacy, and institutional setup (Smaliukiene et al., 2015). It is also seen that supporters of corporate management are gravitating toward institutional theory more and more (Sener et al., 2014). Discussions concerning the connections between institutions and SMMEs, as well as the effects of formal and informal limitations on human behavior, have been triggered using institutional theory in the field of business management. The complex internal environment and diverse external environment of multinational corporations (MNCs) go beyond the premises of institutional theory (Al-Hyari, 2013).

Therefore, this study is based on SMMEs and their contribution to employment creation for the youth. The study explores how the SMME sector can be developed or improved to create more jobs sustainably manner. Institutional theory also connects the environment (both micro and macro) and institutions which include financial, governmental, and law enforcement

establishments. The assumption is that SMMEs' outcome includes job creation and income generation. Even though SMMEs are regarded as the primary force behind economic growth and the creation of jobs, barriers stand in the way of SMME sustainability and expansion. For SMMEs to grow and survive, they need support from the government and other financing sources. Many SMMEs face obstacles, problems, and setbacks that eventually cause them to fail in the early stages of the entrepreneurial pipeline (Olawale & Garwe, 2010). In addition, Chimucheka (2013) asserts that in developing countries like South Africa, SMMEs support social stability, employment generation, sustainable development, and economic growth. However, institutional theory does not examine the reasons behind government involvement in SMME growth, making it impossible for this study article to accurately gauge how business owners feel about government initiatives.

Although the theory is useful in explaining corporate failures, it is nonetheless unable to explain firm growth. It is crucial to recognize that institutional theory has certain limits even though it is essential for comprehending the significance of various institutions in connection to enterprises or firms (Sener et al., 2014). Therefore, it is crucial to use institutional theory and the theory of change to analyze the findings from the study of SMMEs and youth employment creation (St-Pierre, 2015). This stance is supported by the idea that the theory of change thinking is one strategy for assisting individuals in effectively navigating the difficulties presented by complexity (Stein & Craig, 2012). This approach focuses on adapting to changing configurations of development players, supporting country programs, and partnering and innovating with local actors, institutions, and capacities. It is believed that the theory of change thinking promotes realistic and politically astute mappings of situations, actors, and capacity for beneficial effect (Muyengwa et al., 2013). Thus, in many countries throughout the world, SMMEs are seen as an inventive approach that is backed by various establishments, including financial and governmental organizations at various levels. Moreover, this tactic is regarded as a constructive way to address unemployment (Majama, 2017). It can be countered, nonetheless, that despite its efforts to address the development issue of youth unemployment, it still faces numerous obstacles that prevent it from producing the desired level of productivity. As a result, institutional theory is supported in this sense and discusses institutions and the sustainability of businesses (Mahmudova & Kovacs, 2018). It is acknowledged that several institutions must support this method or plan for SMMEs to function effectively. Governmental, financial, and other organizations make major contributions to the expansion and

sustainability of small and medium-sized enterprises by cutting taxes and regulations, supporting SMME operations, and fostering an atmosphere that encourages job creation (Makhubele, 2015). As a result, these companies or enterprises in their respective categories were able to survive. This theory offers a framework for examining the part that various institutions have played in the growth and success of SMMEs as a tactic used by governments all over the world, as well as for drawing conclusions about the degree to which these institutions can influence SMMEs (Maarof et al., 2016).

2.12.3. Synthesis of the theories

After discussing the applicability of the theory of change to this research of SMMEs and their contribution to youth employment creation, one could argue that without institutional theory backing, this theory is not an appropriate framework for the topic under consideration. This study examines SMMEs' contribution to employment creation through the prism of both institutional theory and the theory of change. These theories offer a thorough grasp of the SMME strategy and the contextual elements that affect the intervention's ability to create job opportunities for the youth. In this sense, SMME is the specific intervention that is identified with the aid of the theory of change. This strategy is thought to be a means of addressing youth unemployment. It acts as a road map for comprehending how certain actions result in the intended employment outcomes for the youth. Consequently, institutional theory enhances this by illuminating how external institutions, rules, and industry standards impact an intervention's or strategy's capacity to generate job prospects for the youth. Understanding the effects of market dynamics on SMME operations is part of this. Furthermore, although the theory of change identifies the potential presented by SMMEs in achieving youth employment outcomes, institutional theory offers insights into the regulations and constraints faced by SMMEs in providing job possibilities for the youth. Consequently, this framework can direct practice and policy meant to enhance the function of SMMEs in addressing the issue of youth unemployment.

2.13. Chapter summary

Numerous studies on SMMEs and the generation of employment opportunities for the youth have been cited in this chapter. Before reaching its conclusion, this chapter covered a wide range of subjects, from the general themes of SMMEs to the specific theme of how SMMEs might aid in the creation of jobs for the youth. Rich economies across the world have realized how important small and medium-sized businesses are to the growth and development of the economy. However, the literature reviewed in this chapter also revealed that there are still challenges encountered by SMMEs that make them less productive. Lack of funding among other challenges was also highlighted. The chapter also presented an appropriate theoretical framework that is useful for analyzing the findings of the study. Given the topic with the aim and objectives, two theories were chosen based on suitability and relevance. These theories include the theory of change and the institutional theory. The next chapter will reflect on aspects that relate to the methodology of the study.

Chapter Three: Research design and methodology

3.1. Introduction

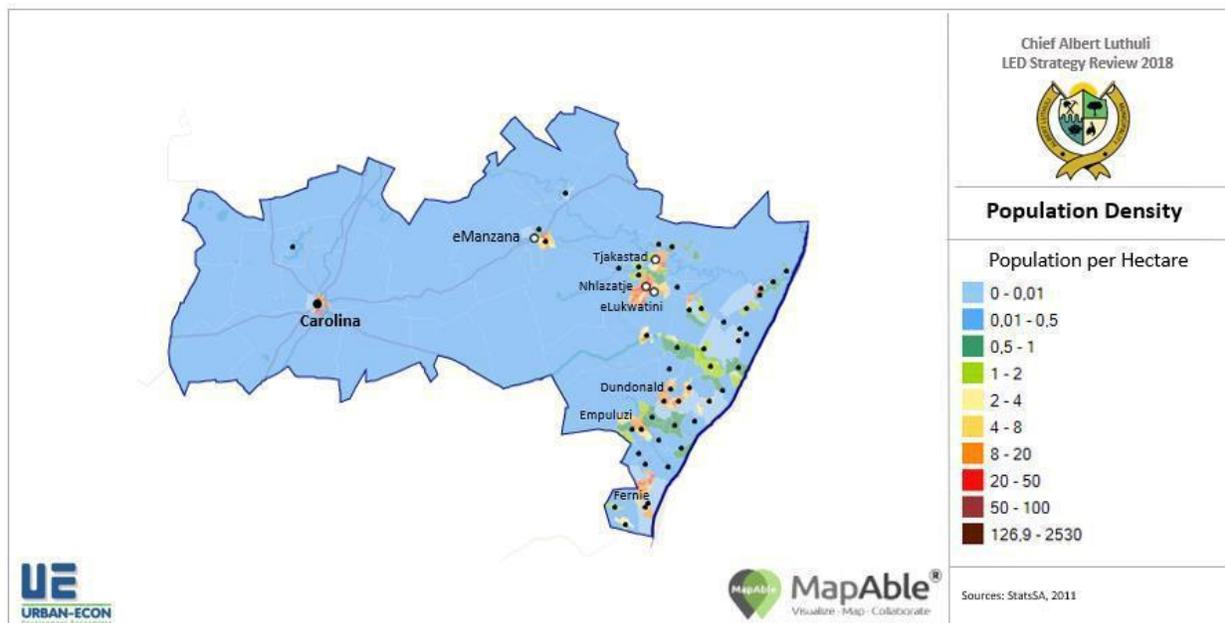
The study's theoretical framework which guides the study and literature review based on arguments of different scholars about SMMEs and their contribution to youth employment creation were covered in the previous chapter. This chapter outlines the research design and methodology used to explore how SMMEs in Carolina, Mpumalanga province, contribute to the creation of jobs for the youth. This study is framed within the interpretivism paradigm, and it adopted a qualitative research methodology. An overview of the study area is given at the beginning of this chapter. After that, the chapter describes the research design and techniques that were employed to meet the study's objectives. This chapter further outlines the sampling strategy that was employed for the study. The methods used to collect the study's data are also thoroughly covered. The methods used to ensure the quality of the study results and data control procedures for qualitative research are also discussed. The study's ethical considerations are discussed in the last section of this chapter.

3.2. Description of the study area

The study was conducted in Carolina, an urban-rural region under Chief Albert local municipality in Mpumalanga province, South Africa. Carolina is a component of the Gert Sibande district municipality. Carolina can be found along the R33 and R38 routes that connect Johannesburg with Eswatini (Mukhari, 2019). With a land area of over 5,560 km², the Municipality is home to about 187,630 people, a number that has increased from previous years (Statistics South Africa, 2021). The population between the ages of 15 and 34 makes up 38% of the overall population, and youth unemployment is a staggering 45%. Many factors contribute to this issue, such as a lack of employment opportunities and a shortage of skills that businesses are seeking in the labor market (Famo & Machate, 2023). According to the Chief Albert Luthuli Municipal IDP, (2021/22) the area's primary economic activities are mining, agriculture, and small businesses. There are 23 wards in the municipality, and there are three wards in the Carolina region under study (Chief

Albert Luthuli Municipal IDP, 2021/22). Wards 15 and 22 were selected by the researcher to be the study's setting because of their features that match the researcher's objectives. The majority of the SMMEs in wards 15 and 22 are run by the youth, and there is a lack of information regarding how these businesses provide jobs for the youth residing in these wards (Famo & Machate, 2023). Given that this age group is economically productive, the high unemployment rate among those between the ages of 18 and 35 is cause for concern (Chief Albert Luthuli Municipal IDP, 2021/22). In this age bracket, almost 36,000 people do not have a job (Statistics South Africa, 2020).

Figure 3.2.1. Map of Carolina



Source: Chief Albert Luthuli Municipal IDP (2021/2022)

3.3. Research Design

According to Taieh (2020), a research design is intended to offer a suitable framework for a study. According to Stebbins (2019), research design refers to the comprehensive methodology employed by a researcher to integrate theory and concepts with the formulation of research questions and the establishment of data collection and analysis techniques targeted to a particular study. Consequently, an exploratory research approach was used for this study. Bruno and Groove (2000)

characterize this design as research done to obtain fresh perspectives, generate novel concepts, and broaden the understanding of the issue under study. When there is limited knowledge regarding the topic being studied, exploratory research design is used (Saunders et al., 2007). This kind of study just explores the research issue in different depths rather than trying to offer definitive answers to the research questions. Accordingly, this current study tried to explore how SMMEs contribute to the creation of jobs for the youth. This is a problem that has not received much attention, especially in a remote setting like Carolina. To the best of the researcher's knowledge, there has been little or no prior research conducted on the issue in the context of Carolina. Since the topic of inquiry has not been previously studied in the context of an urban-rural town (Carolina), the exploratory research design used in this study to examine participants' perspectives is appropriate. The researcher intended to obtain detailed insights and participants' perspectives regarding SMMEs and their role in employment creation, particularly in an urban-rural town like Carolina. Therefore, adopting an exploratory approach to this topic was advantageous.

3.4. Research approach

There are three types of research approaches: the mixed methods approach, the qualitative approach, and the quantitative approach. The goal of the qualitative approach is to produce detailed and subjective results to develop theory (Crick, 2021). While the mixed methods approach simply combines both qualitative and quantitative approaches based on the purpose of the study and the nature of the research question aiming to provide better understanding of the subject, the quantitative approach use numerical values derived from observations to explain and describe phenomena that the observations can reflect (Taherdoost, 2022). The mixed methods approach, qualitative approach, and quantitative approach are the three categories of research methodology. However, producing in-depth and subjective outcomes requires the systematic application of a qualitative approach (Crick, 2021). A qualitative approach was used in this study because it aims to increase people's comprehension of how things in the social world came to be as they are (Saunders et al., 2007). More detailed and comprehensive responses can be given by participants when using a qualitative approach. Through the application of the qualitative approach in this study, the researcher was able to gain a thorough grasp of participants' perceptions and opinions

regarding the circumstances of SMMEs in their community. By having direct conversations with study participants who provided encounters on the topics under investigation, the study objectives were met. Thus, the concerns under examination regarding SMMEs and the creation of youth employment opportunities were addressed through the lens of municipal officials, youth involved in SMMEs as employees, and proprietors of SMMEs. Through in-person interviews, the researcher engaged the participants (owners, employees, and municipal authorities of SMMEs) and sufficiently explained the aim of the study. This helped to confirm the authenticity of the data and to foster confidence between the researcher and the participants. The researcher's open-ended questions gave the participants the freedom to respond and share their experiences regarding the contribution of SMMEs to the creation of job opportunities for the youth in Carolina.

3.5. Research paradigm

The interpretivist paradigm informs this research study. According to this paradigm, knowledge is a subjective experience that helps the researcher make sense of a real-world scenario by using information gathered from participants. The interpretivist paradigm is based on the premise that participants' perceptions, beliefs, and points of view constitute knowledge (Thanh, 2015). The participants were afforded the chance to articulate their opinions and their perspectives on the role of SMMEs. They shared their thoughts regarding the employment prospects generated or provided by SMMEs. Located in the interpretivist research paradigm, the researcher was able to collect data from the participants in its unprocessed state and analyze it to learn more about their experiences working with SMMEs and how they help in creating jobs for the youth. This paradigm made provision for the researcher to engage with the data collected from different groups of participants who expressed their understanding, views and perception on the importance of SMMEs in youth employment creation. Pham (2018) claims that interpretivism permits the researcher to employ a variety of research instruments to elicit detailed information from the participants. This paradigm made it possible to collect in-depth data from the participants using semi-structured interviews. The research questions of the study were then addressed by evaluating the data.

3.6. Sampling and procedure

The process of choosing a sample from a sizable population for a particular type of research project is known as sampling (Bhardwa, 2019). Sampling, according to Leedy & Ormond (2013), is the process by which a researcher chooses a suitable representative portion of a community to ascertain the characteristics of the entire population. The researcher exploited the flexibility of the qualitative research approach as indicated by (Kyngus, 2020). Ohman & Med (2005) argue that the approach is flexible, iterative and emergent; it is different from quantitative research as it allows for flexibility during the entire study process. This study initially proposed adopting only purposive sampling to select municipal officials and SMME owners. However, during the field work, the researcher saw the need to adopt a convenient sampling method. This change was in accordance with the view of Holloway (2005), who contends that qualitative researchers typically use an evolving plan of inquiry, meaning that they rarely follow strict predefined protocols for data collection, analysis, and sampling. Given the flexibility of qualitative research, sampling methods can be added or changed as needed during fieldwork to ensure validity and to consider the population being sampled.

Convenience sampling was therefore incorporated in this study because it was difficult for the researcher to recruit employees as participants. Ten (10) employees were recruited using convenient sampling. Workers were invited to express their individual experiences and opinions regarding the contribution made by SMMEs in the creation of jobs. The researcher chose to utilize this sampling strategy since it was difficult to recruit employees as participants. The researcher conducted interviews with all accessible and prepared employees. Interviews continued until no new information could be gathered from the participants or until the data obtained reached an appropriate saturation point. Purposive sampling is the intentional selection of participants based on their attributes (Alkassim & Tran, 2016). Ten (10) SMME owners and two (2) municipal officials (LED Manager and LED Officer) were recruited using a purposive sampling technique. Additionally, the researcher had the chance to choose nearby participants who fit the study's requirements demographically. Gentles, Charles & Ploeg (2015) contended that the researcher is allowed to choose the study participants who are available and knowledgeable. Based on the research question, the researcher exercised her judgment in determining if the data collected was enough. As anticipated, the targeted municipal leaders discussed SMMEs and their various

contributions to the creation of employment opportunities for the youth in Carolina. The proprietors of SMMEs discussed their perspectives and experiences with SMMEs. Purposive and convenience sampling were thus used to determine a sample size of 22 participants from the three categories. The choice of the sample size (22) was made to produce rich data to comprehend the shared experiences and perceptions between the groups about SMMEs and their contribution to job creation.

3.7. Data collection procedure

The data collection method provides the researcher with the basic foundations for starting the study and gives a guide in terms of methods that could be used to obtain rich information that will represent social realities (Alshenqeeti, 2014). The researcher collected primary and secondary data. Primary data is data that is directly collected from study participants, whereas secondary data is data that is easily obtainable from secondary sources such as journals (Allen, 2017). Primary data was collected from the young people who are engaged in SMMEs as owners and employees in the study, it was also collected from the municipal officials who work closely with the SMMEs as part of the LED strategy. The researcher met all the participants at their place of work. This was not the decision made by the researcher but a request from the participants. Through observations made by the researcher during interviews, the researcher observed that participants felt more at ease in their work environment, leading to more open and honest responses. Being in a familiar environment made participants feel more in control during interviews. Primary data is needed to determine the views and perspectives of the participants engaged in SMMEs to draw informed conclusions about how SMMEs contribute to job creation. The data was gathered by a researcher from participants in Carolina using semi-structured interviews. Semi-structured interviews offer detailed information about participants' perspectives and experiences related to a specific subject (Grey, 2014). According to Magaldi & Berler (2020), semi-structured interviews are exploratory interviews that are usually used in social sciences to gather primary data or for qualitative research aims.

Although they typically follow a pre-planned guide that is focused on a core topic to give a basic structure, semi-structured interviews allow for exploration and room to follow topical trajectories as the conversation develops. Since they gave the researcher insight into the participants' perspectives on their interactions with SMMEs and the potential of SMMEs to enhance employment opportunities for youngsters in Carolina, the semi-structured interviews were deemed appropriate for this study. In-person semi-structured interviews allowed the researcher to obtain further details and, when necessary, obtain clarification with open-ended questions. To help guide the data collection process, the researcher referred to the interview guide (see annexures B, C, and D). An interview guide was developed based on the broad themes that were identified by the research questions and the objectives of the study (see annexures B, C, and D). Notably, the researcher taped the interviews using a tape recorder with the participants' permission; for more information on this regard, refer to the section on ethical considerations. All interviews were conducted in Carolina in wards 15 and 22 from April 2023 to May 2023. These two wards were selected because they have a lot of SMMEs compared to other the other wards and the majority of these SMMEs employ young people as employees, while some are led by the youth as owners. The permission to conduct the study in Carolina, Chief Albert Luthuli municipality, was requested and obtained from the authorities to study SMMEs in this area. Therefore, the interview guide was organized before to ensure that the same primary lines of inquiry were persuaded with each interviewee participant, and the purpose of the study was communicated with the participants before the interviews took place. All interviews were voice recorded given permission from the participants. Interviews were ten to fifteen minutes long with each participant. Document analysis was used to collect secondary data; textual sources analyzed included books, journal papers, Chief Albert Luthuli municipality IDP documents, and online data. The researcher chose these documents because of relevance; they were related to the research topic, questions and aligned with the objectives of the study. The documents provided consistent and accurate information about SMMEs. These sources were examined to determine the work that has been done on SMMEs, pinpoint knowledge gaps, and produce arguments based on the study's findings and other related research on SMMEs and youth employment creation. The time frame for the journal articles reviewed by the researcher ranges from five to seven years, while the IDP documents range from three to five years. The online data was drawn from government websites in the public domain. While some of the data was used to support the study's conclusions, the researcher also carefully

reviewed the documents and conducted a textual analysis of their content to provide preliminary findings-see chapter four.

3.8. Data analysis procedure

Maguire and Delahunt (2017) define data analysis as the process of deconstructing information gathered from respondents, whether quantitative or qualitative. The thematic analysis method was used to explain and evaluate the data for this study, as well as to generate discussion themes. According to Braun and Clarke (2006), thematic analysis is a method for studying qualitative data that entails identifying, interpreting, and reporting repeating patterns throughout the data collected. Thematic analysis is used while researching to better understand the current practices of a person or group. Thematic analysis was chosen as the best data analysis method for this study since the research involves gathering information on people's thoughts and experiences with SMMEs and how they help with employment creation for the youth. This study used Braun and Clarke's (2006) thematic analysis framework to rigorously analyze qualitative data. Researchers that have undertaken qualitative research, such as McClean et al. (2019) and Ibrahim (2018), have encouraged others to use thematic analysis for data analysis in their studies. One of thematic advantages of a qualitative data analysis method is its versatility (Mjumdar, 2018). Thematic analysis seeks to identify themes, as well as noteworthy or intriguing patterns in data. These themes are then used to explain the study or to make a point. A solid thematic analysis comprehends and makes sense of the material, going well beyond mere description (Delahunt, 2019).

This study's data was analyzed using the NVivo 12 computer software. It requires conceptually classifying data according to opinions of SMMEs' contribution to the creation of jobs for the youth. The fact that NVivo is rather easy to use for qualitative study was one of the primary factors in the decision (Welsh, 2002). Since the researcher utilized a voice recorder to collect data, in this case, thematic analysis procedures were used. Each interview was meticulously converted from audio to text and cleaned to create themes that helped organize the material that was gathered. As a result, the researcher became acquainted with the data and formed opinions regarding it. To completely interpret the data collected, the researcher had to read the interview scripts and listen to the participant's audio several times. The researcher was familiarizing herself with the study's aims

and questions while making an impression of the data collected. Based on the data provided by the participants, the researcher began building preliminary codes. After becoming acquainted with the gathered data, she took this action. Using the NVivo program, the researcher searched for developing codes and grouped codes together. The researcher went from codes to seek for emerging themes. The researcher then examined the study's research questions to ensure that the themes developed were relevant to the study. The created codes were grouped into sub-codes, and codes families were created which helped the researcher to define and name themes that were generated from the initial codes. The themes that emerged include participants' perceptions towards SMMEs and employment creation, sustainability of employment created by SMMEs, challenges faced by SMMEs, strategies to attract youth into the SMME sector, recommendations from the participants on SMMEs towards youth unemployment, and possible measures to improve the capacity of SMMEs. These emergency themes are further discussed in chapter four. The researcher brought all the themes together with the research questions, integrated them into insights, interpreted them, and drew conclusions about the study, which explored the role of SMMEs on youth employment creation.

3.9. Data control measures

Lincoln & Guba (1985) based their approach to trustworthiness on four broad metrics. These include transferability, dependability, conformability, and trustworthiness. Data control measures consider each of these metrics. This study used a variety of methods and procedures to ensure the data's quality, as presented below:

- All the information collected from the participants was recorded by the researcher using a tape recorder and a field notepad, and an additional data management tool, the audio recordings were compressed into zipped files. Before the interview, the participants provided assurance that they would permit to record. The researcher made sure that the raw data interpretation accurately reflected the original information that participants supplied and was not altered.
- The researcher used voluntary participants who were willing to be part of this study and shared in-depth knowledge based on their experiences with SMMEs and their contribution

to youth employment creation. Most participants agreed to engage in the study, and the researcher found it easy to identify participants.

- The researcher performed face-to-face interviews with all participants in English. The language is not the home language of the interviewer and some interviewees but a home language to some interviewees. The researcher chose this language to accommodate every participant. All participants were given an option to respond in their home languages. However, participants opted to use the common language, which is English, to respond to questions.
- Since participants understood the questions and could express themselves freely in this language, there was no need for translation. For data analysis and interpretation, the researcher used verbatim to ensure the validity of the study findings.

3.10. Ethical considerations

This study fully complied with the moral guidelines outlined in the University of Mpumalanga's code of ethics. Therefore, the researcher discussed the study with the Carolina local officials before its commencement and asked for a gatekeeper's letter. Subsequently, the University of Mpumalanga research ethics committee granted the researcher an ethical clearance certificate, which allowed her to proceed with the study. Subsequently, the researcher considered every ethical concern about the study's obligations to uphold intellectual honesty and integrity. During the actual data collection process, potential participants were informed that the study was solely for academic purposes and that the information they provided would be kept confidential. Additionally, the researcher assured them that their identities would never be disclosed without their consent. Before any data was collected, all participants were asked to sign informed consent forms and were given complete information about the research process. This was accomplished by reading aloud the rights that study participants have during the study. Additionally, during the explanation of the informed consent form, participants had the chance to ask questions. In cases where potential participants had queries, the participants were allowed to ask questions. The responses of participants could not be linked to the participants in any manner, and participant anonymity was ensured. Engagement in the research was entirely voluntary. Participants in the study were not subjected to any form of coercion, and they were allowed to withdraw from the study at any

moment without having to provide the researcher with an explanation. Participants were also informed that there would be no financial benefit for taking part in this study. For security and ethical reasons, the transcriptions were kept as zipped files and password protected with only the researcher having access to it for security purposes.

3.11. Chapter summary

The approach and methodology used in the current study was the main topic of discussion in this chapter. The researcher used an exploratory research design for the study, which is based on the interpretivism paradigm. Additionally, the range of approaches and methodologies employed aligns with the qualitative research methodology. The main subjects covered in this chapter were the description of the research design, study area, type of data required, and the unit of analysis, target population, sampling methods, data collection methods, and analysis procedures. Methods to ensure the trustworthiness of the study were discussed, as well as the methods for collecting and evaluating data. The chapter is concluded with ethical concerns. The data gathered from the study participants is presented, analyzed, and interpreted in the next chapter.

Chapter Four: Data presentation, interpretation and analysis

4.1. Introduction

The methodology for this study was thoroughly described in the preceding chapter. It included a thorough description of the study methods and procedures. The plan and tactics employed to carry out the study were addressed. This chapter presents the findings and analysis of the research that explored how SMMEs contribute to the creation of jobs for the youth in Carolina. Semi-structured interviews were used to collect data, and thematic analysis was used to analyze it. In the first section of this chapter, the participants' age, gender, and educational attainment are discussed. Thereafter, the chapter discusses the themes that emerged from the data collected. These themes include participants' perceptions of SMMEs towards employment creation, sustainability of the employment created by the SMMEs, challenges faced by SMMEs, strategies to attract youth into SMMEs, and the recommended measures that should be put in place to strengthen the capacity of SMMEs in Carolina. It concludes with a chapter summary that covers the main argument raised from the findings.

4.2. Participant demographic data

The participants' age, gender, and level of education in the Carolina region are detailed in this section.

Table 4.2.1. Participants' demographic profile

Participants	Age	Level of Education	Occupation
Participant 1	18- 26	Diploma	SMME Owner
Participant 2	18-26	Degree	SMME Owner
Participant 3	18-26	Matric	SMME Owner
Participant 4	18-26	Matric	SMME Owner

Participant 5	18-26	Matric	Employee
Participant 6	18-26	Diploma	Employee
Participant 7	26-35	Matric	Employee
Participant 8	18-26	Diploma	Employee
Participant 9	18-26	Diploma	SMME Owner
Participant 10	26-35	Diploma	Employee
Participant 11	26-35	Diploma	SMME Owner
Participant 12	18-26	Diploma	Employee
Participant 13	26-35	Matric	Employee
Participant 14	18-26	Diploma	Employee
Participant 15	18-26	Diploma	Employee
Participant 16	26-35	Degree	SMME Owner
Participant 17	26-35	Matric	Employee
Participant 18	18-26	Degree	SMME Owner
Participant 19	26-35	Matric	SMME Owner
Participant 20	26-35	Matric	SMME Owner
Participant 21	35+	Diploma	Municipal Official
Participant 22	35+	Diploma	Municipal Official

In terms of the age distribution of research participants, the results revealed uneven distribution across the three age groups (18–26), the majority of whom are young people employed by SMMEs. Young people who run SMMEs range in age from 26 to 35, whereas municipal officials are 35 years of age and older. This indicates that compared to SMME owners who are between the ages of 26 and 35, most employees in SMMEs are between the ages of 18 and 26. This suggests that SMMEs are dominated by young employees in Carolina compared to SMME owners. The way age distribution is shown in the study is aligned to the engagement of the youth as the study explored the role of SMMEs in youth employment creation. Younger people were a priority and were interviewed to get in-depth insight about the researched problem. The study’s focus on this

population group was justified as Ndiaye (2019) also indicated that younger generations are more susceptible to unemployment than older generations. Additionally, education was also included to check whether youth unemployment only affects the most educated youth or youth without qualifications. Again, the researcher wanted to get an idea of whether those who are involved in SMMEs are educated or not. Based on the results, most participants have diplomas or matriculation certificates, while very few have degrees. This indicates that most of the participants are educated, but they work for SMMEs because of job scarcity in other industries. Ownership and management of SMMEs and educational attainment are related. In this regard, those with a matric have a significantly higher likelihood of participating in SMME activities than those with a tertiary degree (Maloka, 2013). However, from the results, those who hold high qualifications participate in SMMEs together with those who hold a matric. This suggests that unemployment, particularly youth unemployment, affects everyone in Carolina regardless of education level.

4.3. Types of SMMEs and their years of operation

Table 4.3.1. SMMEs and years of operation

Types of enterprises	Years of operation
Hair salons	2
Bakeries	9
Butcheries	2
Restaurants and bar	5
Car wash	1
Spaza shops	2
Vehicle repairs	2
Resorts/lodge/guest houses	8
Health facilities	7
Poultry businesses	1
Food cafes	5
Internet cafe	5

Spa	2
Brick laying	6

The above results were consolidated from SMME owners in Carolina. They mentioned that their SMMEs have been in operation for several years, as demonstrated in the above table. The type of SMMEs and the duration of their operations in Carolina are shown in the table. Based on the statistics provided, most SMMEs have been in business for three to five years; a few SMMEs have been around for seven to ten years. This research suggests that the challenges experienced by small and medium-sized businesses are the reason behind the high failure rate of SMMEs. These results are corroborated by Malefane (2013), who claimed that most SMMEs fail in their first two to five years of operation. As a result of the obstacles, the industry struggles to preserve stability and increase its employment-generating potential. Furthermore, participants indicated that there are different types of SMMEs that offer a magnitude of opportunities, empowering the youth with employment opportunities and helping them to enhance some skills. Moreover, SMMEs are actively engaged with the community in contributing to the economic diversification of the local economy. Some enterprises focus mostly on the agricultural sector, as was highlighted by some of the participants, while others focus on retail, carwash and scrap yards, salons, bakery, food cafes, tourism and entertainment, and butcheries. These enterprises created jobs like waiter/waitresses, chefs, and front desk staff for the youth. There are also hair salons and spas that generated jobs like hairstylists and beauticians for other young people in Carolina. Some SMMEs in Carolina are into health facilities which provide healthcare, wellness, and personal care services. These types of SMMEs created jobs for young, qualified people in Carolina like wellness coaches, masseuses, doctors, and aestheticians. The researcher noted that some of these opportunities even need some sort of qualifications to employ young people. These jobs are suitable for young individuals who are looking to gain practical experience. They also enhance skills as they provide job opportunities that require specific skills or expertise. This is beneficial for young individuals who have developed specialized skills through education, training, or personal interests. Some enterprises depend on unskilled and skilled people like scrap yards, which require panel beating skills, spray painting, and fixing some car parts. These activities require certain skills, and skilled people are mostly considered for such opportunities. Thus, the study's results imply that SMMEs in the area are responsible for creating jobs. These findings are consistent with those of Makwara (2019), who

asserts that SMMEs serve as regional substitutes for the creation of jobs for the youth. Young people employed in the SMME sector who were interviewed in this study, attested that they can make a living and meet their fundamental necessities of life.

4.4. Participants' perceptions towards SMMEs and employment creation

The participants discussed their perceptions of the contributions of SMMEs towards youth employment creation in Carolina. The study found contesting views on whether SMMEs contribute to youth employment in this area. For example, the perceptions of SMME owners indicate that these enterprises have had a positive impact in Carolina through the creation of employment opportunities, particularly for the youth. This is what some SMME owners said about the role of enterprises towards youth employment creation in Carolina.

Participant 1 [SMME owner] *I have employed approximately 118 people, and all these positions are permanent positions. About 90% of them are young people and this means that this enterprise is playing a significant role in job creation for local people. I have not employed people outside Carolina. All my employees are from this community.*

Participant 3 [SMME owner] *My enterprise is playing a role in youth employment creation. Providing jobs to these young stars makes them stay away from bad things like drugs and being thieves.*

The above remarks indicate that these enterprises contribute to youth employment creation. Besides being perceived as employment creators for the youth, SMMEs are seen as a tool to keep the youth of Carolina away from misconduct and criminal activities. SMMEs are a component strategy that addresses different socioeconomic challenges. A similar perception was shared by the SMMEs employees on the role of the enterprises towards youth employment creation. For example,

Participant 10 [Employee] *SMMEs contribute to job creation and promote skills development by offering opportunities for us young people to develop and enhance some skills.*

Participant 12 [Employee] *as I am an employee in this business, I can say it has created a permanent job for me and my colleagues. Although some serve temporary jobs at the end of the day, we can take care of our families and finance our basic needs. In short, SMMEs do contribute to youth employment.*

The responses of the participants indicate that SMMEs also provide them with skills such as entrepreneurship skills, which are seen as important for the youth to compete within the competitive socio-economic sector. The full picture provided by the in-depth insights from SMME owners and employees suggest that SMMEs do contribute significantly to the creation of jobs for the youth and other individuals who do not fit into the youth category. The findings of this study seem consistent with those of previous studies (see, for example, Amoah et al., 2021 and Gavurova et al., 2020) which discovered that SMMEs provide employment opportunities for people of all ages. Furthermore, the results prove that SMMEs are not only good for employment creation, but they also serve as a strategy to reduce different social challenges like crime among the youth in Carolina. Most young people are compelled to participate in risky and unlawful activities owing to the high rate of youth unemployment (Nyadera et al., 2020). Despite some of the positive contributions associated with the SMMEs and employment creation in the area, municipal officials shared contradictory views. For them, there are not enough work prospects for the youth in Carolina. As a result, many young people have moved out of the neighborhood in search of better opportunities. For instance, some of the participants said:

Participant 21 [Municipal official] *There is not much progress so far in some of the SMMEs here in Carolina. I guess it is the reason why some young people end up going outside this area to look for better opportunities because in Carolina, the chances of employment are very slim. So, there is so little progress that these enterprises have made sense they were established in creating more jobs, especially for the youth.*

Participant 22 [Municipal official] *I think in big cities there might be huge contributions made by SMMEs towards creating jobs for young people but as for Carolina, I would not say there is much contribution made by these SMMEs. The majority of these SMMEs are not yet fully developed and it becomes difficult to create decent jobs like in other sectors.*

These narratives provided by local authorities show that youth unemployment persists in Carolina even in the presence of SMMEs. This indicates that SMMEs cannot currently be considered a strategic component in the battle against youth unemployment in Carolina. This may result from the high SMME failure rate that a municipal official revealed. Some academics claim that South Africa has an even more shocking SMME failure rate, with figures ranging from 70% to 80% in the first year of business (Fatoki, 2014; Muriithi, 2017). These results suggest that the rate of decline in the SMME sector is alarming, especially considering that SMMEs are anticipated to be major contributors to economic growth and job creation. These rather contradictory findings may be due to the different experiences of these participants with SMMEs. For instance, the local government usually assesses the progress and functionality of these SMMEs as part of the local economic development strategy, and their perceptions were mainly based on the experience they have in this sector.

4.5. Sustainability of employment created by SMMEs

Participants reflected on their experiences with the SMMEs and the sustainability of the jobs created by this sector. The participants expressed that both formal and informal SMMEs create different employment opportunities for the youth. Divergent perceptions concerning the viability of the job opportunities created by SMMEs were expressed by the participants. Here is what the participants said:

Participant 18 [SMME owner] *This enterprise has created about 90% of jobs for young people ever since it was established in 2018, and all these opportunities are permanent positions.*

Participant 1 [SMME owner] *I established this business back in 2020 with 3 people. Today we are 22, and most of these people are still very young, with a few older people. Due to the instability of our economy, this enterprise has provided few permanent jobs, and most employees are on contracts that are renewed yearly depending on the productivity of this enterprise.*

According to the participants' remarks, SMMEs can create and sustain long-term stable jobs. The in-depth insights from SMME owners present a clear picture suggesting that SMMEs do have a significant contribution to the creation of jobs for the youth and others who do not fall under the youth category but who are actively searching for employment opportunities. However, as much as SMMEs can create permanent employment opportunities, SMME owners also consider creating temporary jobs depending on the productivity of the SMMEs and the country's economic performance. The results prove that SMMEs are not only good for employment creation, but they also address different social challenges, like crime, among young people in Carolina. Despite some of the positive views from SMME owners on the sustainability of the employment opportunities created by SMMEs, some SMME owners and employees share contradictory opinions. They state that young people in Carolina have been unable to secure long-term jobs in the SMME sector. This is because SMMEs face obstacles that prevent them from creating jobs. For instance, some of the participants said:

Participant 3 [SMME owner] *SMMEs in Carolina are trying to create employment opportunities for everyone, young people. However, they face a lot of challenges, which lead to a high rate of failure of these enterprises. You have noticed that very few SMMEs can create stable jobs most of these enterprises are still developing and not yet stable enough to provide sustainable jobs. I believe that if there could be a way to address these issues, such as funding and other factors, more SMMEs could perform better. At this stage I am not confident to say they create sustainable jobs.*

Participant 14 [Employee] *Several jobs have been created by SMMEs in this area. However, most of these jobs are seasonal or even temporary, especially those in enterprises that are not fully developed. As much as SMMEs are creating jobs, I do not think they are sustainable. It is a matter of short-term experience for us employees working for those enterprises.*

The study demonstrates contradictory findings from the participants. Regarding the sustainability of the job opportunities created by SMMEs in Carolina, proprietors of SMMEs hold different opinions. As much as these SMMEs are seen as job creators, some participants believe that the jobs created are not sustainable. One of the participants highlighted the issue of the failure of SMMEs due to a plethora of challenges faced by the SMME sector. This means that SMMEs are

unlikely to create long-term and stable jobs as the life span of SMMEs cannot be guaranteed. One of the employees further mentioned that most of the SMMEs in Carolina are not fully developed and cannot create permanent or sustainable jobs. However, they can only offer short-term employment opportunities. While these findings diverge from some published research (see, for example, Cant & Rabie, 2018), they are in line with the results of other studies. For example, a study conducted by Bhorat et al. (2018) indicates that the economy's poor performance and the factors impeding the growth of the SMME sector prevent the majority of SMMEs from creating full-time or long-term jobs.

4.6. Challenges faced by SMMEs

The participants discussed a range of difficulties faced by SMMEs, such as lack of funding, criminal activity, load shedding, unfavorable laws, and the lack of the local government's assistance. The following issues were mentioned as obstacles to these SMMEs' expansion and ability to create new employment opportunities, especially for the youth. The following is what some participants said about the challenges encountered by enterprises

Participant 2 [SMME owner] *Funding is a challenge because as much as I want to grow and expand my business. I am unable to do so, and that limits the chances of creating more jobs for young people on my side.*

Participant 22 [Municipal official] *Funding is the biggest challenge. Providing funds is not easy on our side since our municipality depends mostly on grants. So, you find that these SMME owners need funds for expanding their enterprises, and that becomes a challenge as sometimes we fail to offer such because of a restricted budget. To them, it becomes a challenge that undermines their potential of creating more jobs. Once an enterprise fails or closes, that speaks to retrenchment for those people who were working for that enterprise.*

Participant 15 [Employee] *Funding is a big problem because you find that most of these SMMEs are occupying existing buildings, and rent should be paid per month. At the same*

time, the economy is not doing so well. It becomes a challenge to keep the cash flow while the owners are expected to pay rent and pay us as employees.

This evidence indicates that as much as SMMEs are seen as a component strategy that can mitigate the problem of unemployment, particularly youth unemployment, the SMME sector faces a plethora of challenges. Based on the participants' responses, SMMEs in this area face financial instabilities and inadequate financing. This hampers the ability of these SMMEs to be competitive and survive for a long time. Consequently, the study demonstrates how enterprises are adversely impacted by low capital and the restricted availability of funding, which makes it challenging for these businesses to develop and flourish. This suggests that if these SMMEs owners can be supported financially and be able to expand their enterprises, there is a probability that job opportunities created may increase. The findings reconcile well with the findings published by Mutezo (2014), which showed that financing is a significant barrier to the expansion and development of SMMEs in South Africa. In line with this, an empirical study conducted by Makina et al. (2015) supports the idea that SMMEs benefit more from funding availability because financing fosters the expansion and development of SMMEs. Participants did, however, also highlight other issues outside of finance that impede the expansion of SMMEs or cast doubt on their ability to create jobs, especially for the youth in this sector.

4.6.1. Load shedding

Another challenge that was reported by participants was load shedding. Participants expressed their concerns over the issue of load shedding which mostly affects their SMMEs. This is what SMME owners said about the effect of load shedding:

Participant 5 [SMME owner] Load shedding is killing us. Some of us do not have generators or any other back-up systems. It becomes a challenge to us, and we find it difficult to operate within normal hours. It is even difficult for us to create jobs during this problem.

Participant 9 [SMME owner] Load shedding is failing me, and I really do not have enough money to get myself a backup system. I am sometimes forced to close early, and I normally do not reach the target when it comes to profit. As I am talking right now, I have retrenched 3 of my employees because the enterprise is not making enough profit.

It is evident from the participants' remarks that load shedding is greatly affecting the operations of SMMEs in Carolina. The disturbance in the operational hours affects the productivity of the SMMEs, which leads to loss of income. Additionally, SMMEs depend on the availability of electricity for daily operations. Therefore, unanticipated load shedding makes it challenging for SMMEs to plan for backup generators or other power sources as a precaution. Furthermore, as one of the SMME owners noted, their limited financial resources are strained when they invest in backup systems like generators. The power supply is a crucial component in the expansion of SMMEs. This suggests that load shedding has an impact on many business routes, which will ultimately have a detrimental impact on the success of these enterprises.

The findings also demonstrate that, in this dire circumstance, SMME owners are compelled to retrench employees. This is due to low productivity associated with load shedding. These results are in line with the results of the previous studies that demonstrated that having access to basic utilities like power is another critical infrastructure requirement for an enterprise's operations (Bhorat et al., 2018). Overall, these results indicate that despite the general availability of electricity, load shedding or regular power outages are a major challenge to enterprises in this area. The study suggests that the government should come up with a strategy to deal with this issue as it negatively affects the SMME sector and its contribution to youth employment creation.

4.6.2. Laws imposed on SMMEs

Another challenge that emerged from the findings is the laws imposed on the operations of SMMEs. SMME owners expressed that having strict laws or regulations on their enterprises acts as a barrier, making it difficult to expand or penetrate to other markets. For instance, this is what SMME owners said about these laws:

Participant 19 [SMME owner] *The law does not stand firmly with us as enterprise owners, and that discourages us a lot. They create an uncondusive environment for these SMMEs to operate under. These laws do not protect SMMEs. Instead of providing support, the*

government imposes very strict rules and regulations that make it hard for these SMMEs to perform.

Participant 11 [SMME owner] *The law must be relaxed or eased on our side so that we can be more productive. That can also lead to a conducive environment where SMMEs will work freely without being restricted. Currently, it looks like the government is fighting us with these laws. They make it difficult for SMMEs to operate and mostly favor the customers. These laws discourage us and others who want to establish their SMMEs. I think the government must be fair to all of us.*

As demonstrated by the participants, the study reveals that the imposed laws, such as tax laws, are a great challenge to SMMEs. Evidently, these laws create an unconducive environment, which makes it difficult for these SMMEs to grow as they hamper their ability to be innovative and venture to other markets. Additionally, the restrictions hinder the SMME sector's ability to function and successfully compete with other industries. The participants' remarks show greater concern regarding the laws imposed by the government. They argued that there must be a relaxation of laws as they see them as a system used by the government to fight them instead of protecting them. The findings further support the idea of laws revision on SMMEs by policy makers so that enterprises can operate in a conducive environment without too many restrictions that negatively impact productivity. This conclusion is supported by the findings of Herrington & Kew (2016), who showed that the government should, therefore, establish advantageous conditions through strengthened reforms and regulations that promote ease of doing business and reduce unnecessary laws. Furthermore, as the panelists pointed out, SMMEs and entrepreneurs are burdened by certain government regulations, rules, and policies, which result in poor performance. As a result, the study highlights how crucial it is for policymakers to strike a balance between defending the public interest and fostering the SMMEs' expansion and sustainability while also acknowledging their contributions to the local economy by generating jobs, especially for the youth.

4.6.3. Crime

The issue of crime was another topic of discussion among the participants as a barrier to the expansion of SMMEs in Carolina. Empirical evidence reveals that crime interrupts the production of SMMEs. This is what the participants said about crime in Carolina:

Participants 10 [SMME owner] *Crime in this area is another factor that prevents us from creating more jobs.*

Participant 13 [Employee] *This corruption that is happening in our country, violence and crime undermines the potential of the SMMEs to create more job opportunities for us young people. It even discourages some of us from starting our businesses. I have noticed that the number of drug addicts keeps increasing and because of hunger, they have turned to targeting these SMMEs around, especially when electricity went off.*

Based on the participants' remarks, the study demonstrates that crime is the greatest challenge to SMMEs. Due to the increasing rate of youth unemployment in this area, most young people have become drug addicts and thieves to get easy money and be able to finance their basic needs. One of the SMME owners emphasized that Carolina has become a criminal-infested area, which is detrimental to the expansion and development of SMMEs. As a result, they are discouraged from starting their businesses in high-crime areas because doing so would hinder the expansion and success of SMMEs. Based on the corpus literature in the South African context, crime is a major impediment to the business environment, particularly for unofficial enterprises (Cichello et al., 2011; McDonald, 2008). Therefore, this problem calls for policy attention.

4.6.4 Lack of municipal support

Participants also reported the issue of inadequate support from the municipality as another challenge that hinders the growth of SMMEs or that undermines the potential of SMMEs to create more employment opportunities, particularly for the youth. The study discovered that the local municipality is not active in providing adequate support to SMME owners. For instance, here is what the participants revealed about the lack of support from the local municipality:

Participant 14 [Employee] *The challenge that we have with our municipality is that it does*

not support us as young people. Even if one has a good business plan and seeks funding, the offices responsible do not avail themselves to help or even to guide us in what we can do so that our plans can be implemented.

Participant 20[SMME Owner] *I do not receive any support from the municipality. Our municipality must be active. Support local businesses; by so doing, the local economy will grow, and more opportunities will be created for young people.*

The study found that the local government is not actively involved in providing the participants with the sufficient assistance they require. The municipality's lack of assistance has an impact on the expansion and development of SMMEs in Carolina. SMMEs are recognized for their role in generating employment, but for the sector to generate more employment opportunities, especially for the youth, it needs the government's substantive support in all areas. To foster the best possible cooperation, participants believed that both the municipality and the SMME owners could work together. A solid working relationship between the government and SMMEs would help all the parties concerned to accomplish their respective objectives. Similarly, Ndiaye et al. (2018) discovered that SMME performance is hampered by insufficient or nonexistent support.

4.7. Strategies to attract youth into the SMME sector

Participants proposed various strategies to attract youth into the SMME sector. Participants believe that lack of knowledge results in the discouragement in establishing their enterprises. There is a need for the municipality to strategize to attract youth into this sector, which is deemed as an engine for job creation, particularly for the youth.

Participant 7 [Employee] *Engaging with educational institutions to integrate entrepreneurship education and training into the curriculum can expose young people to the world of SMMEs. This will help young people to get exposure from different institutions and youth organizations. Accessing markets and customers will help organize trade fairs and the services of young entrepreneurs.*

Participant 4 [SMME owner] *Hosting workshops and collaborating with other relevant agencies like SEDA, NYDA and others. Most young people will be assisted and motivated by these kinds of workshops.*

The participants' narrative emphasizes that facilitating market access and networking through workshops and training is crucial. SMMEs need to have open access to the market for exposure and enough resources for marketing and distribution to enhance their growth and potential for creating more jobs. Working together with youth organizations and community groups can help identify and engage young individuals interested in entrepreneurship; this was also proposed by the participants. Correspondingly, municipal officials also indicated one of the strategies they use so that young people can be active in this sector. This strategy is an incubation system. Through this strategy, the municipality works together for three years until they are fully developed to operate independently. It was also highlighted that 80% of the people they assisted are youth. The strategy has worked effectively to attract youth into the SMME sector. Hence, the municipality normally receives a high number of proposals from young people who want to establish their enterprises. The incubation process appears to yield fruitful outcomes. Evidently, diversifying local economies, creating or speeding growth in a local industry, keeping businesses in a community, and encouraging entrepreneurship in the community are the most often stated goals of incubation programs (National Business Incubation Association, 2010). The results of this study therefore suggest that combating youth unemployment in the community requires a collaboration between local government and SMME owners to promote the SMME sectors.

4.8. Recommendations from the participants on SMMEs towards youth unemployment

Participants provided some recommendations on what the municipality can do to empower the community of Carolina and promote SMMEs. This is in line with the findings suggesting that the municipality does not adequately assist this community. The results indicate that there is still room for improvement in the municipality's support for SMMEs. Hence, the participants saw the need to provide some recommendations for future improvements. This is what the participants recommended:

Participant 22 [Municipal official] *Working together with youth organizations and community groups can help us identify and engage young individuals interested in entrepreneurship. Engaging with educational institutions to integrate entrepreneurship education and training into the curriculum can expose young people to the world of business.*

Participant 2 [SMME owner] *I think the municipality should provide training on how to run an enterprise properly, especially to those who are owners. Again, young people should be given entrepreneurial educational training. They are innovative with the best ideas but lack guidance and knowledge on how to kick-start their enterprises.*

Participant 8 [Employee] *The truth about Carolina is that we have a fragmented enterprise community. I think we need the municipality to establish the forums that will speak directly to the SMME program as it was introduced as a strategy that will bring a solution to unemployment, especially for young people.*

SMMEs are the center of attention for any municipal economic development strategy in communities like Carolina. Since the government created this industry, it is imperative to support it to reach its maximum potential for the creation of jobs. This means that, as change agents, municipalities should include SMMEs in their LED projects to boost local economies and encourage youth to work in this field. However, it can be argued that as much as the SMME sector responds to the development challenge of youth unemployment by creating jobs, it still faces a lot of challenges. For example, this study identified a lack of government support as a major challenge undermining the growth and potential of the SMME sector at a local level. However, it is important that government in all spheres must be active and assist this growing sector. The study's findings suggest that the local municipality should facilitate, empower, and promote SMMEs in Carolina for job creation purposes.

4.9. Possible measures to improve the capacity of SMMEs

Participants shared some possible measures they believe would strengthen the capacity of SMMEs in Carolina, so they can perform better and contribute more to job creation, particularly for the

youth. Hence, there are still loopholes in the operations of this sector. Participants stated the following:

Participant 4 [SMME owner] *The local government should offer support services because limited access to business development services, mentorship, and advisory support can derail the growth and success of SMMEs. The absence of tailored support services for SMMEs can limit their ability to overcome challenges.*

Participant 17 [Employee] *We need one municipal activation of opportunities for the youth and a need for proper continuous skills development to locals so that opportunities that are linked to municipalities must target locals to grow and boost employment in Carolina.*

Participant 21 [Municipal official] *There should be a strict budget allocated for SMMEs, which will help these SMMEs with any challenges they encounter, like funds, and provide them with solar systems in this era of load shedding so that they remain productive and operational. By so doing, they can be able to create more job opportunities. But right now, things are not really looking good for them, considering the performance of the economy as well, which also affects the performance of these SMMEs.*

The results of this study align with other studies (see, for example, Al-Mubarak & Busler, 2012) that examined the function of SMMEs in providing employment opportunities for youth. However, SMMEs' capacity to support the creation of jobs, particularly for the youth, needs to be enhanced. Despite this, government agencies have been called upon to try and resolve the issues that SMMEs encounter. Nevertheless, there is still a lot of work to be done by the government at all levels. In addition, the participants identified some areas where the local government has to make improvements. These include the SMMEs' evaluation and monitoring, as well as the municipality's assistance for SMMEs. The results also underscore the importance of cooperation between the municipality and SMMEs in job creation for the youth.

4.10. Chapter summary

The data presentation's initial section included demographic information of the participants', types of SMMEs and their years of operation, the participants' views on SMMEs towards youth

employment creation, the sustainability of the employment created by SMMEs, the challenges faced by SMMEs, strategies to attract youth into SMMEs, the recommendations from the participants and the measures to strengthen the capacity of SMMEs. The data was presented, analyzed and interpreted based on the themes that emerged. The study will be wrapped up in the following chapter with a discussion of the results, conclusions, and recommendations. The research results from SMMEs in Carolina served as the foundation for these recommendations.

Chapter Five: Discussion of the findings, conclusion and recommendations

5.1. Introduction

The preceding chapter presented the results obtained from the gathered data. Data was analyzed considering the evaluated literature within the study's context. This chapter discusses the findings under two main headings: the importance of SMMEs in Carolina and the factors influencing the functioning of SMMEs in Carolina. The analysis of the study's objectives comes next. The study's conclusion and recommendations that came from the results are also included in this chapter. This chapter also covers the study's limitations.

5.2. Discussion of the findings

5.2.1. The importance of SMMEs in Carolina

Reflecting on the study findings, the study established contradictory perceptions about the role played by SMMEs toward employment creation in Carolina. This was because of the participants' different experiences with the existing SMMEs in Carolina. Some participants, including SMME owners and employees, viewed these enterprises as engines for creating jobs for the youth and others who do not fall into the youth category but are still active in the labour market. Therefore, it is believed that SMMEs are essential for tackling various socio-economic issues in the community, such as drug misuse, poverty, and crime. However, municipal officials did not recognize SMMEs as a working strategy that creates sufficient and sustainable jobs for the youth. This is because most of these enterprises are not yet fully developed, and due to challenges they face, like load shedding, they tend to shut down and stop operating. This is despite that SMMEs were initially adopted by governments from developing and developed countries as a strategy to mitigate the issue of unemployment in general following the high rate of unemployment across different countries globally. These results are not surprising because other studies have also suggested a connection between SMMEs and the creation of jobs for the youth. Based on previous studies, SMMEs offer young people a variety of work options (Baptista et al., 2005; Stel & Suddle,

2005; Garikai, 2011; Ngcobo & Sukdeo, 2015). These results are in line with the theory of change, which describes the kinds of interventions that produce the outcomes displayed in the outcomes framework. The theory of change highlights the connection between every activity and its outcome, providing insight into the often-complex web of actions needed to effect change (Taplin & Clark, 2012). To address the problem of youth unemployment as a development concern, the SMME sector is viewed in this study as an intervention strategy to mitigate this issue. It also executes the idea of expected results from this strategy that is seen to yield positive results. Upon adopting this strategy by different governments, the assumption was that it would generate jobs. Consequently, the participants' responses (SMME owners and employees) demonstrated positive results produced by this intervention.

Therefore, it can be argued that SMMEs have shown progress and play a pivotal role in reducing unemployment, particularly youth unemployment, and addressing other pressing socio-economic challenges in Carolina. Furthermore, the SMME strategy appears to be effective because it has given young people access to a variety of employment options. The fact that SMMEs are in existence indicates that they are essential to the local economy's growth. Additionally, these businesses have demonstrated a great deal of promise for boosting the local economy by giving young people ownership and entrepreneurial skills that enable them to shift with the times quickly and create jobs and overall empowerment. Despite the importance of the SMMEs in Carolina, these enterprises are somehow unable to sustain themselves, and arguably, that employment opportunities created by some SMMEs are not sustainable due to challenges the sector experiences. Therefore, governments at all levels must sufficiently support the SMME sector for it to work better and create more jobs, particularly for the youth in Carolina.

5.2.2. Factors influencing the functioning of SMMEs in Carolina

The study suggests several factors affecting the SMMEs operations in Carolina. These factors potentially lead to low productivity and the failure of SMMEs. The failure of SMMEs in Carolina is due to a plethora of challenges that are faced by these enterprises as indicated by the participants. These challenges include harsh laws and regulations within the institutional framework that influence the operations and the performance of SMMEs. Furthermore, the findings indicate that

there are very few SMMEs that have been operating for seven to ten years in Carolina. Notably, most SMMEs in Carolina are below seven years of operation. The results suggest that most SMMEs in Carolina are not sustainable, owing to several challenges that disturb their smooth operation. For instance, load shedding, crime, and the lack of support from the municipality were reported as key challenges undermining the growth and success of SMMEs. Due to these challenges, SMMEs are unable to create sustainable employment opportunities as opposed to temporary jobs. Also due to these challenges, SMMEs are found to be vulnerable to failure in their early stages. Thus, the findings of this study concur with the results of the previous studies. For example, Fatoki (2014) found that most SMMEs fail or close within the first five years of operation. Furthermore, participants gave examples of how money is a significant impediment to the sector's growth. These results underscore the importance of government support to SMMEs, particularly at early stages. Drawing from the institutional theory, encouraging the expansion of SMMEs entails more than just setting up formal incentive support groups and providing small-business owners with incentive packages. The second factor that might help or impede SMME growth is the organization of institutions within a community.

According to a study by Ndiaye et al. (2018), government measures might be leveraged to close the financing gap and enhance the operating environment for SMMEs. Institutional theory also illustrates the norms present within the institutional environment that affect the ability of SMMEs to generate employment opportunities for the youth. For instance, regulatory environment impacts SMMEs' ability to create employment opportunities for the youth. From the institutional theory perspective, institutional factors, such as access to financial resources and support programs, may influence SMME's role in youth employment creation and the productivity of the SMMEs. This also questions the low sentiments towards government as a player in the sector. Therefore, government at all levels should foster an environment that is favorable to the SMMEs' operations to support their growth and sustainability in Carolina. This includes the relaxation of harsh laws and regulations. Moreover, the promotion of SMME development will also promote good functionality of SMMEs in Carolina. The plethora of challenges which are encountered by these SMMEs affect and influence their productivity. Poor productivity leads to failure of the SMMEs, and eventually, they stop functioning or operating. Thus, employees get retrenched, and that increases the level of unemployed youth. These results, therefore, call for different stakeholders to

work together towards improving the SMME sector into a more stable sector that can create sufficient and sustainable employment opportunities for the youth.

5.3. Reflection on research objectives

5.3.1 Objective one

The study explored the perceptions of participants on the contribution of SMMEs towards youth employment creation in Carolina. The contribution of SMMEs was explored through employment opportunities created and the sustainability of the employment opportunities created by SMMEs. The study found that due to the high rate of unemployment in Carolina, young people who are SMME owners and employees acknowledge a positive contribution of SMMEs in the area as employment opportunities are created, and more youth are absorbed by these SMMEs as employees. Furthermore, these SMMEs help young people gain skills such as entrepreneurship skills and income or stipends to finance their basic needs. Although there is positive contribution associated with the SMMEs and employment creation in Carolina, other participants (mainly the municipal officials) share a contradictory view regarding the contribution of SMMEs towards youth employment creation in Carolina. For them, SMMEs in Carolina have not been able to create sufficient and sustainable job opportunities for the youth. This explains that despite the existence of SMMEs in Carolina, youth unemployment continues to be a development challenge. Thus, more work, particularly from the government, is needed to promote the development of SMMEs.

5.3.2. Objective two

This study also explored the key impeding the contribution of SMMEs towards youth employment creation in Carolina. Despite their commendable contribution to job creation as some participants indicated. The study's findings indicate a variety of issues faced by SMMEs in Carolina. Some of the major obstacles are lack of money, load shedding, crime, lack of municipal assistance, and negative restrictions put on businesses that limit their capacity to expand. These key challenges hinder the growth of SMMEs and limit their capacity to create more opportunities for the youth in Carolina. However, they continue to be a vital source of advancement and development. SMMEs

have great potential in creating jobs as this sector opens doors for young people to secure employment. However, they still require sufficient support from the government at all levels. It is believed that if the government can invest more in this sector, by having direct institutions for SMME owners where they can address these challenges, a lot can change, and positive results in the form of more jobs being created can be witnessed. The study further suggests that there is a necessity of putting into practice a plan of action targeted at establishing a favorable and encouraging environment where SMMEs could be encouraged and grown. Harsh government policies and regulations have stunted industry's growth.

5.3.3. Objective three

The third objective of the study was to recommend measures that can be put in place to improve SMMEs' contributions to youth employment creation. Based on the findings, this study recommends the following

- Recommendation for local government

Create co-working and incubator spaces: The results of this study show that the municipality does not offer SMME owners enough support. Establishing incubation centers and co-working spaces that provide affordable infrastructure for young entrepreneurs is recommended. These spaces can offer shared resources and access to funding for the youth. The existence of such spaces will also be helpful for SMMEs. The government needs to invest more in SMMEs for better performance.

- The necessity of SMME empowerment initiatives

Since SMMEs are considered the primary drivers of economic growth in many nations throughout the world, nations with dual economies, formal and informal, need to re-evaluate their goals for SMME-driven economic development. This is a result of realizing how difficult it is for SMMEs to obtain funding and how little support they receive for education and training. Research has shown that SMMEs in formerly underprivileged communities do not survive in the commercial

climate for longer than five years. Considering this, the researcher believes that empowerment initiatives are necessary to help SMMEs and entrepreneurs.

- Policy support

Engage with local government to create a favorable business environment, including tax incentives and streamlined regulations.

- Recommendations for future research

The study used semi-structured interviews to gather qualitative data. Although this approach addressed the research objectives and issues, quantitative data on the same subject would be of great interest to key stakeholders. The study drew on the knowledge of young people who work in SMMEs, young people who own SMMEs, and municipal officials to get insight into the role of SMMEs in the creation of youth employment in Carolina. Even so, it was difficult to draw a firm conclusion about the relationship between SMMEs and youth employment given the absence of measurable data. As a result, it is recommended that a quantitative study be carried out to ascertain the connection between SMMEs and youth employment opportunities. Since there are limited studies on SMMEs and the creation of jobs for the youth, particularly in urban-rural settings, this study further suggests more research in this area. Since the current study only looked at SMMEs in Carolina under Chief Albert Luthuli municipality, more research on SMMEs is required. Such research should take larger samples into account and include SMMEs across South Africa in various sectors.

5.4. Study limitations

There are different limitations to the study, which are

- The study's conclusions were limited to the selected region of the Chief Albert Luthuli local municipality. Not every rural community in Chief Albert Luthuli's local municipality had its statistics gathered. The results were limited to two wards in Carolina.

- The researcher's ability to collect data and analyze findings before the deadline was further hampered by time and money constraints resulting from the tardiness of potential volunteers.

5.5. Conclusion

This study explored the role of SMMEs in youth employment creation in Carolina. The study findings revealed that SMMEs do contribute to youth employment creation in Carolina. SMMEs do not only play a significant role in reducing unemployment, particularly youth unemployment, but they also address different socio-economic challenges like crime and poverty, as was indicated by the participants in Carolina. Literature also confirms that SMMEs play a positive role in job creation. The study further indicated that SMMEs also provide young people with skills like entrepreneurship skills and leadership skills as some young people started as employees under different SMMEs and ended up as SMMEs owners. These skills are important for young people to compete within the complex socio-economic sector. In this sense, young people are mostly affected by the issue of unemployment. Therefore, the findings demonstrated that even graduates with qualifications also pave their ways to SMMEs for skills and training as some of these SMMEs look out for certain skills. However, it has been argued that most SMMEs have not been able to create sufficient and sustainable jobs for the youth as the sector does not receive sufficient support. The study found that enterprises in Carolina continue to face challenges including lack of funding, laws imposed on SMMEs, and lack of municipality support that hinder the growth of the SMMEs. Such challenges cause disturbance in the operations of these enterprises, leading to the total shutdown of other SMMEs. The literature also confirms that some SMMEs die within their first five years of operation. Similarly, there are very few SMMEs who have operated for seven years or more in Carolina. Overall, the findings of this study are largely consistent with the results of the previous studies regarding the important role of SMMEs in job creation, including youth employment creation.

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Annexure A: Informed consent form for the participants

I..... agree to participate in the study conducted by Sibusisiwe Nyawo, with student number 201820579, titled “*The role of SMMEs on youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province*”. I acknowledge that my participation is voluntary, and I am free to withdraw at any point in time without any prejudice against me or my position in the company and or my employment. I am also aware that at no time will my identity be revealed to anyone. Moreover, in the process of data collection, it would be necessary to use a voice recorder instrument, to ensure that all the information is captured and recorded accordingly. Again, these recordings will only be used for the purpose of this research and not for any other ulterior purposes. If you agree to this interview procedure, please sign to acknowledge your consent to the requirements of the study:

Participant’s signature:Date:

Researcher’s signature: Date.....

Should you have any questions about the research or the content of this letter, please do not hesitate to contact my supervisor at the University of Mpumalanga: Dr. Zethembe Mseleku (Zethembe.Mseleku@ump.ac.za) respectively, for further information.

Thank you for your participation.



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Creating Opportunities

Annexure B: Research interview guide for municipal officials (LED Officer and Municipal Manager).

The role of SMMEs on youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province.

The interview questions are intended to collect information about the role of SMMEs in youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province. This research project is registered with the Department of Development Studies in the Faculty of Economics, Development, and Business Sciences at the University of Mpumalanga, Mbombela Campus. The research is exclusively for academic purposes. No information will be used against you. The anonymity of the respondents is guaranteed. Participation in this study is strictly voluntary, and participants have a right to withdraw their participation at any given stage without being required to offer any explanation to the researcher.

Section A: Demographic Data

Age	18-26	27-35	35+	
Level of education	Matric	Diploma	Degree	Other

Section B: Interview questions

1. Please tell me about your background based on the position you are serving within the municipality.
2. How would you describe the status of youth employment in Carolina community?
3. Based on your experience, what is the role played by these local SMMEs in creating jobs, especially for young people?
4. What factors do you think undermines the potential of these local SMMEs to create jobs opportunities?
5. Explain to me the support your office provides to the local SMMEs in making sure that they keep operating and creating jobs opportunities.
6. What challenges does your office encounter in the process of assisting the SMMEs owners?
7. What opportunities are provided by your office in relation to SMMEs development programmes for young people of Carolina?
8. What are strategies adopted by your office to attract youth into enterprises?
9. What do you think should be done to strengthen the role of SMMEs in youth employment creation?
10. Is there anything else you would like to share regarding the role of SMMEs in youth employment creation?

Thank you.



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Annexure C: Research interview guide for SMMEs owners.

The role of SMMEs on youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province.

The interview questions are intended to collect information about the role of SMMEs in youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province. This research project is registered with the Department of Development Studies in the Faculty of Economics, Development, and Business Sciences at the University of Mpumalanga, Mbombela Campus. The research is exclusively for academic purposes. No information will be used against you. The anonymity of the respondents is guaranteed. Participation in this study is strictly voluntary, and participants have a right to withdraw their participation at any given stage without being required to offer any explanation to the researcher.

Section A: Demographic Data

Age	18-26	27-35	35+	
Level of education	Matric	Diploma	Degree	Other

Section B: Interview questions

1. What is the nature of your enterprise and what jobs has it created?
2. How long has your enterprise been operating since it was established?
3. How do you perceive the role of your enterprise towards youth employment creation in the community?

4. What are the challenges hindering your enterprise in contributing to job creation for young people in Carolina?
5. What form of support do you receive from the local municipality if there's any?
6. How would you like the municipality to support your enterprise so it can be able to generate jobs for young people within the area?
7. Based on your experience as an enterprise owner, what is the possibility of other SMMEs creating more employment opportunities for young people?
8. What can you recommend as measures that can be put in place to strengthen the capacity of local SMMEs, creating more employment opportunities mainly for youth?
9. Is there anything else you would like to share or add regarding the role of SMMEs in youth employment creation?

Thank you!



Annexure D: Research interview guide for employees in the study area.

The role of SMMEs on youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province.

The interview questions are intended to collect information about the role of SMMEs in youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province. This research project is registered with the Department of Development Studies in the Faculty of Economics, Development, and Business Sciences at the University of Mpumalanga, Mbombela Campus. The research is exclusively for academic purposes. No information will be used against you. The anonymity of the respondents is guaranteed. Participation in this study is strictly voluntary, and participants have a right to withdraw their participation at any given stage without being required to offer any explanation to the researcher.

Section A: Demographic Data

Age	18-26	27-35	35+	
Level of education	Matric	Diploma	Degree	Other

Section B: Interview questions

1. What is your view regarding the SMMEs in youth employment creation in the community of Carolina?
2. What kind of employment opportunities are mostly created by SMMEs for young people in the area?
3. How sustainable are these jobs created by the SMMEs in this area?

4. To maintain the growth trends of SMMEs, what do you think the local municipality should do to support youth in SMMEs in Carolina?
5. What factors do you think undermines the potential of these local SMMEs to create more jobs opportunities?
6. What strategies do you think municipality can implement to attract youth into SMMEs in Carolina?
7. What progress do you think SMMEs have made when it comes to jobs creation mainly for the youth living in Carolina?
8. What can you suggest as ways and measures that can be put in place in making sure that the capacity or ability of SMMEs to create employment for youth improves?
9. Is there anything else you would like to share or add regarding the role of SMMEs in youth employment creation?

Thank you!

Annexure E: Gatekeepers letter

Chief Albert Luthuli Municipality The transparent, innovative, and developmental municipality that improves the quality of life of its people	
HEAD OFFICE 28 Kerk Street Carolina 1185 P.O Box 24, Carolina, 1185 Telephone +27 (0)17 843 4000 E-mail mm@albertluthuli.gov.za Website www.albertluthuli.gov.za	 OFFICES ALSO AT Emanzana +27 (0)17 001 1530 Elukwatini +27 (0)17 001 1540 Empuluzi +27 (0)17 001 1560 Ekulindeni +27 (0)17 001 1521 Call Centre +27 (0)17 004 0210 Toll-Free 080 001 4890
CORPORATE SERVICES DEPARTMENT	
Enquiries: MR SS SIBEKO sibekoss@albertluthuli.gov.za / 017 801 4000	Date: 15 AUGUST 2022

UNIVERSITY OF MPUMALANGA
PRIVATE BAG X 11283
NELSPRUIT
12H00

Attention: Ms Sibusisiwe Nyawo

SUBJECT: PERMISSION TO CONDUCT A RESEARCH STUDY IN CHIEF ALBERT LUTHULI WARD 22 & 15

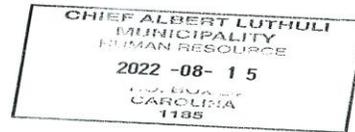
The above subject matter bears the following:

1. Permission is granted to conduct the Research on your research topic "The role of the small medium and Micro Enterprise on youth employment creation in Carolina, chief Albert Luthuli Local Municipality, Mpumalanga province".
2. As CALM management we wish you all the best in your studies.

It is trusted that you will find the above in order.

Yours in good governance.


MR SS SIBEKO
DIRECTOR CORPORATE SERVICES



Annexure F: Plagiarism report

Miss SN Nyawo document 2024_.docx

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Annexure G: Ethical clearance certificate

Research Ethics Clearance Letter

UMP



Office 206. Building 4. C/o R40 & D725. Private Bag X11283. Riverside Mbombela South Africa 1200.
Website: www.ump.ac.za □ Tel: (013) 002 0196 □ Email: Estelle.Boshoff@ump.ac.za

RESEARCH ETHICS CLEARANCE LETTER

Ref: UMP/ Nyawo /MDev/2023

Date: 27 March 2023

Name of Researcher: Sibusisiwe Nyawo

Student number: 201820579

Supervisors: Dr Z Mseleku

School / Department: School of Development Studies

Faculty: Faculty of Economics, Development and Business Sciences

RE: APPROVAL FOR ETHICAL CLEARANCE FOR THE PROJECT:

The role of Small Medium and Micro Enterprises on youth employment creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province.

Reference is made to the above application.

I am pleased to inform you that the Chairperson has on behalf of the University of Mpumalanga's Research Ethics Committee, **approved ethical clearance** of the above mentioned study.

Please Note

1. Any alteration/s to the approved research protocol i.e. Questionnaire/Interviews Schedule, Informed Consent form, Title of the project, Location of the study, Research Approach and methods must be reviewed and approved through the amendment/ modification prior to its implementation.
2. The Ethical Clearance Certificate is only valid for a period of 3 years from date of issue.

A handwritten signature in purple ink, appearing to read 'E. Boshoff', is written over a horizontal line.

Prof Estelle Boshoff

Chairperson: University of Mpumalanga's Research Ethics Committee.

Annexure H: Editing certificate



Certificate of Language Editing

Reg. No.: 2021/536882/07

Date: 05 April 2024

To whom it may concern,

This letter serves to confirm that Research Support Services Pty Ltd edited and made recommendations for the dissertation entitled: **The Role of Small, Medium and Micro Enterprises on Youth Employment Creation in Carolina, Chief Albert Luthuli Municipality, Mpumalanga Province.**

Authored by

Ms Sibusisiwe Nyawo, Student No: 201820579

Issues relating to language, style, punctuation, spelling, grammar etc. were thoroughly checked and corrected where necessary. The responsibility of implementing the recommendations and language changes rests with the author.

Yours truly,
Research Support Team

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