

Understanding South Africa's Entrepreneurship Environment: Insights from the Existing Literature

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Abstract

South Africa's National Development Plan identifies entrepreneurship as an important mechanism for inclusive economic growth, employment creation, and structural transformation. As such, it promises to strengthen the entrepreneurship environment by improving access to finance, easing regulations, market access, education and training, infrastructure, and broader entrepreneurial culture. However, despite these policy priorities, the country continues to face major challenges that result in low entrepreneurial activities. This paper examines South Africa's entrepreneurship environment focusing on six determinants: regulatory frameworks, market conditions, access to finance, research and development and technology, entrepreneurial capabilities, and culture. The paper aims to provide an integrated and context-specific understanding of South Africa's entrepreneurship environment. This study combines qualitative synthesis of the existing literature and quantitative analysis of secondary data to examine South Africa's entrepreneurship environment. First, it conducts a thematic review of the existing literature organised around the six entrepreneurial determinants. Second, it provides a descriptive analysis of South Africa's entrepreneurship environment using selected GEM entrepreneurial framework conditions data corresponding to the six determinants. Lastly, the GEM findings are integrated with the literature synthesis to contextualise the insights identified across each determinant. The findings indicate that South Africa's entrepreneurship environment is characterised by constraints across all six entrepreneurial determinants. Thus, improving one area alone is unlikely to produce sustained entrepreneurship outcomes. Therefore, policy efforts should move beyond fragmented interventions towards a more holistic and coordinated strategies.

Keywords: entrepreneurship, entrepreneurship environment, entrepreneurial ecosystem, South Africa

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