

**THE RELATIONSHIP BETWEEN THE SOCIO-ECONOMIC MILIEU AND  
ENTREPRENEURIAL ACTIVITY IN SOUTH AFRICA**

**By**

**Mackenzie, B. & Kelbrick, J.**

**214033155 & 215303598**

**Treatise submitted in partial fulfilment of the requirements for the degree of  
Bachelor of Commerce Honours  
(Business Management)**

**In the  
Faculty of Business and Economic Sciences  
At the Nelson Mandela University**

**26 October 2018**

**Supervisor: Professor S. Farrington**

## ABSTRACT

Despite the important contribution of entrepreneurship to the South African economy, a lack of entrepreneurial activity exists among its inhabitants. Whether the surrounding contexts of people's lives influences their entrepreneurial activity or not, is not known. A major concern, which led to the inception of this study was South Africa's low level of entrepreneurial activity which is considerably lower than that of the African region. In 2016, the African regional average was measured four times higher, compared to that of South Africa's.

Therefore, the purpose of this study is to gain insights into the relationship between the socio-economic milieu surrounding a person's life and their entrepreneurial activity, ultimately seeking to provide an increased understanding of why entrepreneurial activity in South Africa is so low. More specifically the primary objective is to explore the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity in South Africa.

Firstly, a comprehensive literature review was conducted in order to describe the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic milieu that surrounds potential entrepreneurs. Secondly, an empirical study undertaken where the case study methodology was adopted. More specifically a comparative case study analysis was used to achieve the objectives of this study, where four periods in time were analysed using various socio-economic indicators to explore the possibility of a relationship between the socio-economic milieu and entrepreneurial activity in South Africa.

From the theoretical research findings it can be observed that the environment creates an emotional response in individuals, causing them to respond to different environments with different sets of emotions. These emotions prompt them to either approach or avoid that environment. It can therefore be said that positive emotions enhance an individual's alertness to the external environment generally, such that the person experiencing these positive emotions tends to perceive a broader array of events and stimuli than a person who experiences negative emotions (Isen, 2002:60). In addition the empirical findings conclude that South Africa's overall TEA rate showed

a general positive trend over the time period. Furthermore, entrepreneurial intentions as measured by the GEM saw a decline between 2008 and 2015, but increased very slightly in the year 2017. Lastly, the general TEA rate and student entrepreneurial intentions over the period followed a similar pattern.

This study has contributed to the body of knowledge by consolidating a wide range of entrepreneurial research and presenting it both theoretically and empirically in a single study. This will help future studies gather entrepreneurial research and expand on the theoretical evidence already provided. In addition, by presenting a wide range of socio-economic and entrepreneurial indicators graphically, this study provides researchers with an empirical database to be used when furthering entrepreneurial research. This database could be a starting point for developing an index that tracks entrepreneurial activity. From a literature perspective evidence shows that a positive relationship exists between the socio-economic environment and entrepreneurial activity. However, from an empirical perspective the findings of this study have not provided clear support for this relationship. If anything, this study has highlighted the need to further investigate what it is that is inhibiting the levels of entrepreneurial activity in South Africa.

## TABLE OF CONTENTS

### CHAPTER ONE INTRODUCTION AND BACKGROUND TO THE STUDY

<b>1.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>1.2</b>	<b>PROBLEM STATEMENT .....</b>	<b>3</b>
<b>1.3</b>	<b>PURPOSE OF THE STUDY .....</b>	<b>4</b>
<b>1.4</b>	<b>RESEARCH OBJECTIVES .....</b>	<b>4</b>
1.4.1	Primary objectives.....	4
1.4.2	Secondary objectives .....	4
1.4.3	Methodological objectives .....	5
<b>1.5</b>	<b>RESEARCH QUESTIONS .....</b>	<b>5</b>
<b>1.6</b>	<b>RESEARCH DESIGN AND METHODOLOGY .....</b>	<b>5</b>
1.6.1	Literature review (Secondary research) .....	6
1.6.2	Empirical investigation (Primary research).....	6
1.6.2.1	Research paradigm and methodological approach .....	6
1.6.2.2	Research methodology .....	7
1.6.2.3	Research method.....	7
1.6.2.4	Trustworthiness.....	8
1.6.2.5	Ethical considerations .....	9
<b>1.7</b>	<b>SCOPE AND DEMARCATION OF THE STUDY .....</b>	<b>9</b>
<b>1.8</b>	<b>CONTRIBUTION OF THE STUDY .....</b>	<b>10</b>
<b>1.9</b>	<b>DEFINITIONS AND KEY CONCEPTS .....</b>	<b>11</b>
1.9.1	Entrepreneur .....	11
1.9.2	Entrepreneurship.....	11
1.9.3	Entrepreneurial intentions .....	11
1.9.4	Milieu.....	11
<b>1.10</b>	<b>STRUCTURE OF THE STUDY.....</b>	<b>12</b>

### CHAPTER TWO LITERATURE OVERVIEW

<b>2.1</b>	<b>INTRODUCTION.....</b>	<b>14</b>
<b>2.2</b>	<b>NATURE AND IMPORTANCE OF ENTREPRENEURSHIP.....</b>	<b>14</b>

2.2.1	Defining entrepreneurship .....	14
2.2.2	Importance of entrepreneurship .....	15
<b>2.3</b>	<b>ENTREPRENEURIAL INTENTIONS .....</b>	<b>17</b>
2.3.1	The nature of entrepreneurial intentions .....	17
2.3.2	The theory of planned behaviour (TPB) .....	18
2.2.1	The social cognitive career choice theory .....	19
<b>2.4</b>	<b>THE STATUS OF ENTREPRENEURSHIP IN SOUTH AFRICA .....</b>	<b>20</b>
<b>2.5</b>	<b>CHALLENGES FACING SOUTH AFRICAN ENTREPRENEURS ....</b>	<b>21</b>
<b>2.6</b>	<b>THE SOCIO-ECONOMIC MILIEU .....</b>	<b>24</b>
<b>2.6.1</b>	<b>Defining the socio-economic milieu .....</b>	<b>24</b>
<b>2.7</b>	<b>THE RELATIONSHIP BETWEEN THE SOCIO-ECONOMIC MILIEU AND ENTREPRENEURIAL INTENTIONS .....</b>	<b>27</b>
2.7.1	Milieu, emotions and entrepreneurship .....	27
2.7.2	The formation of entrepreneurial intentions.....	29
2.7.3	Theories supporting the “milieu – entrepreneurial intentions” relationship.....	31
2.7.4	Environmental aspects and entrepreneurship .....	33
2.7.4.1	Access to capital .....	33
2.7.4.2	Access to information and education .....	35
2.7.4.3	Economic influences .....	35
2.7.4.4	Levels of economic development .....	36
2.7.4.5	Fear of failure and happiness.....	37
<b>2.8</b>	<b>SUMMARY.....</b>	<b>38</b>

## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

<b>3.1</b>	<b>INTRODUCTION.....</b>	<b>39</b>
<b>3.2</b>	<b>LITERATURE REVIEW (SECONDARY RESEARCH) .....</b>	<b>39</b>
<b>3.3</b>	<b>EMPIRICAL INVESTIGATION (PRIMARY RESEARCH).....</b>	<b>40</b>
3.3.1	Research paradigm.....	40
3.3.2	Methodological approach and research methodology .....	41
3.3.3	Case study methodology.....	42
3.3.4	Research method.....	46
3.3.4.1	Data collection.....	46
3.3.4.2	Documentary analysis and historical research .....	48
3.3.4.3	Sample .....	50
3.3.4.4	Data analysis.....	54
<b>3.5</b>	<b>TRUSTWORTHINESS.....</b>	<b>55</b>
<b>3.6</b>	<b>ETHICAL CONSIDERATIONS .....</b>	<b>56</b>

<b>3.7</b>	<b>SUMMARY.....</b>	<b>57</b>
------------	---------------------	-----------

## CHAPTER FOUR

### EMPIRICAL RESULTS

<b>4.1</b>	<b>INTRODUCTION.....</b>	<b>58</b>
<b>4.2</b>	<b>MEASURES OF ENTREPRENEURIAL ACTIVITY AND INTENTIONS</b>	
	.....	<b>58</b>
4.2.1	GEM TEA rate.....	58
4.2.2	Entrepreneurial intentions rate .....	61
4.2.3	Measures of entrepreneurial intentions among students.....	62
<b>4.3</b>	<b>ECONOMIC INDICATORS .....</b>	<b>64</b>
4.3.1	Gross domestic product per capita.....	65
4.3.2	GDP growth rate .....	66
4.3.3	Interest rate .....	67
4.3.4	Inflation rate .....	68
4.3.5	Exchange rate .....	69
4.3.6	Business confidence index.....	71
4.3.7	Consumer confidence .....	72
<b>4.4</b>	<b>SOCIO-CULTURAL INDICATORS.....</b>	<b>74</b>
4.4.1	Corruption index.....	74
4.4.2	Unemployment rate .....	76
4.4.3	Quality of nationality .....	77
4.4.4	Human Development Index.....	79
4.4.5	Health Care Index .....	80
4.4.6	Happiness index.....	82
<b>4.5</b>	<b>LEVELS OF ENTREPRENEURSHIP AND SOCIO-ECONOMIC</b>	
	<b>MILIEU.....</b>	<b>83</b>
<b>4.5.1</b>	<b>CASE 1: 2008 .....</b>	<b>83</b>
4.5.1.1	Entrepreneurship indicators .....	83
4.5.1.2	Economic indicators .....	84
4.5.1.3	Socio-cultural indicators .....	85
<b>4.5.2</b>	<b>CASE 2: 2013 .....</b>	<b>86</b>
4.5.2.1	Entrepreneurship indicators .....	86
4.5.2.2	Economic indicators .....	87
4.5.2.3	Socio-cultural indicators .....	88
<b>4.5.3</b>	<b>CASE 3: 2015 .....</b>	<b>89</b>
4.5.3.1	Entrepreneurship indicators .....	89
4.5.3.2	Economic indicators .....	90
4.5.3.3	Socio-cultural indicators .....	91
<b>4.5.4</b>	<b>CASE 4: 2017 .....</b>	<b>92</b>

4.5.4.1	Entrepreneurship indicators .....	92
4.5.4.2	Economic indicators .....	93
4.5.4.3	Socio-cultural indicators .....	94
<b>4.6</b>	<b>SUMMARY.....</b>	<b>95</b>

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

<b>5.1</b>	<b>INTRODUCTION.....</b>	<b>96</b>
<b>5.2</b>	<b>OVERVIEW OF THE STUDY.....</b>	<b>96</b>
<b>5.3</b>	<b>DISCUSSION OF FINDINGS.....</b>	<b>101</b>
<b>5.4</b>	<b>DEVELOPMENT OF PROPOSITIONS.....</b>	<b>105</b>
<b>5.5</b>	<b>IMPLICATIONS AND CONTRIBUTIONS OF THE STUDY.....</b>	<b>107</b>
<b>5.6</b>	<b>LIMITATIONS OF THE STUDY AND AVENUES FOR FUTURE RESEARCH .....</b>	<b>108</b>
<b>5.7</b>	<b>CONCLUSION .....</b>	<b>109</b>
	<b>REFERENCES.....</b>	<b>110</b>

## LIST OF TABLES

<b>TABLE 2.1: ENVIRONMENTAL VARIABLES .....</b>	<b>25</b>
<b>TABLE 2.2: ECONOMIC VARIABLES .....</b>	<b>26</b>
<b>TABLE 2.3: SOCIO-CULTURAL VARIABLES .....</b>	<b>27</b>
<b>TABLE 3.1 QUALITATIVE RESEARCH METHODOLOGIES .....</b>	<b>42</b>
<b>TABLE 3.2 MEASURES OF ENTREPRENURIAL INTENTIONS.....</b>	<b>51</b>
<b>TABLE 3.3 ECONOMIC INDICATORS .....</b>	<b>52</b>
<b>TABLE 3.4: SOCIO-CULTURAL INDICATORS .....</b>	<b>53</b>
<b>TABLE 4.2.1A: TEA RATES 2008-2017 .....</b>	<b>59</b>
<b>TABLE 4.2.1B SOUTH AFRICA TEA RANKING 2008-2016.....</b>	<b>60</b>
<b>TABLE 4.2.2 ENTREPRENURIAL INTENTIONS RATE 2008-2017.....</b>	<b>61</b>
<b>TABLE 4.2.3 MEASURES OF ENTREPRENURIAL INTENTIONS 2008-2017 .</b>	<b>61</b>
<b>TABLE 4.2.4 ADJUSTED ENTREPRENURIAL INTENTIONS .....</b>	<b>63</b>
<b>TABLE 4.3.1 SOUTH AFRICA GDP PER CAPITA VS WORLD AVERAGE.....</b>	<b>65</b>
<b>TABLE 4.3.2: SOUTH AFRICA GDP GROWTH RATE .....</b>	<b>66</b>
<b>TABLE 4.3.3 SOUTH AFRICA INTEREST RATES 2008-2018 .....</b>	<b>68</b>
<b>TABLE 4.3.4 SOUTH AFRICA INFLATION VS THE WORLD 2011-2017.....</b>	<b>69</b>
<b>TABLE 4.3.5 SOUTH AFRICA EXCHANGE RATE 2008-2017 .....</b>	<b>70</b>
<b>TABLE 4.3.6 SOUTH AFRICA BUSINESS CONFIDENCE 2008-2017 .....</b>	<b>71</b>
<b>TABLE 4.3.7 SOUTH AFRICA CONSUMER CONFIDENCE 2008-2017.....</b>	<b>72</b>
<b>TABLE 4.4.1: SOUTH AFRICA CORRUPTION INDEX SCORE 2008-2017 .....</b>	<b>74</b>
<b>TABLE 4.4.2 SOUTH AFRICA UNEMPLOYMENT RATE 2008-2017 .....</b>	<b>75</b>
<b>TABLE 4.4.3 SOUTH AFRICA QUALITY OF NATIONALITY 2011-2017 .....</b>	<b>77</b>
<b>TABLE 4.4.4 SOUTH AFRICA HUMAN DEVELOPMENT INDEX 2008-2015... </b>	<b>78</b>
<b>TABLE 4.4.5 SOUTH AFRICA HEALTH CARE INDEX SCORE 2012-2017 .....</b>	<b>80</b>
<b>TABLE 4.4.6 HAPPINESS SCORE.....</b>	<b>81</b>
<b>TABLE 5.1 STUDY OBJECTIVES ACHIEVED AND RELEVANT CHAPTERS</b>	<b>99</b>



## LIST OF FIGURES:

FIGURE 4.2.1A: TEA RATES 2008-2017 .....	60
FIGURE 4.2.1B: SOUTH AFRICA TEA RANKING 2008-2016.....	60
FIGURE 4.2.2: ENTREPRENURIAL INTENTIONS RATE 2008-2016.....	62
FIGURE 4.2.3: ADJUSTED MEAN .....	64
FIGURE 4.3.1: SOUTH AFRICA GDP PER CAPITA VS THE WORLD .....	65
FIGURE 4.3.2: SOUTH AFRICA GDP GROWTH RATE.....	66
FIGURE 4.3.3: SOUTH AFRICA INTEREST RATES 2008-2017 .....	68
FIGURE 4.3.4: SOUTH AFRICA INFLATION RATE VS THE WORLD 2008-2017 .....	69
FIGURE 4.3.5: SOUTH AFRICA EXCHANGE RATE 2008-2017 .....	70
FIGURE 4.3.6: SOUTH AFRICA BUSINESS CONFIDENCE 2008-2017 .....	71
FIGURE 4.3.7: SOUTH AFRICA CONSUMER CONFIDENCE 2008-2018.....	73
FIGURE 4.4.1: SOUTH AFRICA CORRUPTION INDEX SCORE 2008-2017 ...	74
FIGURE 4.4.2: SOUTH AFRICA UNEMPLOYMENT RATE 2008-2017 .....	76
FIGURE 4.4.3: SOUTH AFRICA QUALITY OF NATIONALITY 2011-2017 .....	77
FIGURE 4.4.4: SOUTH AFRICA HUMAN DEVELOPMENT INDEX 2008-2015	79
FIGURE 4.4.5: SOUTH AFRICA HEALTHCARE INDEX SCORE 2012-2017 ...	80
FIGURE 4.4.6: SOUTH AFRICA HAPPINESS SCORE.....	82
FIGURE 4.5.1A: ENTREPRENEURSHIP INDICATORS 2008 .....	83
FIGURE 4.5.1B: ECONOMIC INDOCATORS 2008 .....	84
FIGURE 4.5.1C: SOCIO-CULTURAL INDICATORS 2008 .....	85
FIGURE 4.5.2A: ENTREPRENEURSHIP INDICATORS 2013 .....	86
FIGURE 4.5.2B: ECONOMIC INDOCATORS 2013 .....	87
FIGURE 4.5.2C: SOCIO-CULTURAL INDICATORS 2013 .....	88
FIGURE 4.5.3A: ENTREPRENEURSHIP INDICATORS 2015 .....	89
FIGURE 4.5.3B: ECONOMIC INDICATORS 2015 .....	90
FIGURE 4.5.3C: SOCIO-CULTURAL INDICATORS 2015 .....	91
FIGURE 4.5.4A: ENTREPRENEURSHIP INDICATORS 2017.....	92

<b>FIGURE 4.5.4B: ECONOMIC INDICATORS 2017 .....</b>	<b>93</b>
<b>FIGURE 4.5.4C: SOCIO-CULTURAL INDICATORS 2017 .....</b>	<b>94</b>
<b>FIGURE 5.4.1: ENTREPRENEURIAL INDICATORS.....</b>	<b>101</b>
<b>FIGURE 5.4.2: ECONOMIC INDICATORS .....</b>	<b>102</b>
<b>FIGURE 5.4.3: SOCIO-CULTURAL INDICATORS .....</b>	<b>103</b>

## CHAPTER ONE

### 1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

According to Bachenheimer, as cited by Fernandez (2018), “entrepreneurship is a mind-set, a way of thinking and acting. It is about imagining new ways to solve problems and create value”. Entrepreneurship has materialised as an imperative component in the establishment of economies and has been deemed a crucial mechanism for economic development (Bunyasrie, 2010:148). Through innovative and creative ideas entrepreneurs are able to form businesses and create new industries, which in turn leads to the creation of jobs (Dempsey, 2009:2). Given the high levels of unemployment in South Africa (27.6%), and specifically the high levels of youth unemployment (65%), the importance of entrepreneurship cannot be overemphasised (StatsSA, 2018). Porter (1990:125) asserts that all forms of entrepreneurship are important as they contribute to economic growth and form the “heart” of national advantage.

According to Herrington, Kew and Mwanga (2017:41), the state of entrepreneurship in South Africa is “nothing better than mediocre”, with an average business establishment rate of 2.5 per cent annually. The Global Entrepreneur Monitor (GEM) and the Global Entrepreneurship Index (GEI) are the most widely recognised reports and measures of entrepreneurship throughout the world (Geitlinger, 2016:1). The GEM measures the Total Early-stage Activity (TEA) rate in countries. The TEA rate identifies the percentage of working individuals that are involved in starting up a business or currently own a business younger than 42 months. South Africa currently expresses a TEA rate of only 6.5 per cent and ranks 28<sup>th</sup> out of 32 efficiency-driven economies. Since 2014, South Africa has shown a constant downward trend in its TEA rate which provides reason for concern. This concern is highlighted by the significant gap between South African and its African counterparts with their respective TEA rates recorded at 2.5 times higher than that of South Africa (Herrington et al., 2017:7). South Africa’s entrepreneurial intentions have also extensively declined by more than a third, from 15.4 per cent in 2013 to 10.1 per cent in 2016. Entrepreneurial intentions in South Africa are also considerably lower than that of the African region. In 2016, the African regional average was measured

four times higher, namely 41.6, compared to that of South Africa's 10.1 (Herrington et al., 2017:22).

Several reasons are given for the low levels of entrepreneurial activity in South Africa. These reasons are seen to have an impact not only on entrepreneurial activity but also on the intentions to engage in entrepreneurship, often acting as barriers which impede individuals from acting on their intentions (Peng, Lu & Kang, 2012:96). Reasons include, amongst others, poor entrepreneurial education (Herrington et al., 2017:17), stringent government policies, a lack of access to finance, 'market openness' (Alan Gray Orbis Report, 2017:2) and of support structure, as well as high fiscal and administrative costs (Malebana, 2014:713). In addition, entrepreneurs face a challenging external business environment (Alan Gray Orbis Report, 2017; Bosch, Tait & Venter, 2011:43), which is characterised by high unemployment, high levels of corruption, a large shadow economy as well as constraints to energy consumption (Allan Gray Orbis, 2017:1). Furthermore, entrepreneurs themselves are described as being risk-averse and lacking in self-confidence (Malebana, 2014:713).

The South African external environment in particular presents numerous factors contributing to low levels of entrepreneurial activity in the country. High inflation and a near stagnant Gross Domestic Product (GDP) growth rate (0.3%) in 2016 (Herrington et al., 2017:6) are both evidence of this. Furthermore, the constant threats associated with high unemployment, labour, service delivery and student protests, electricity shortages and high crime, as well as the threats posed by a volatile exchange rate, downgrades to junk status, rising inflation, low commodity prices, political uncertainty, and the worst drought in two decades, have been ever present (Farrington, 2017:47). The aforementioned have all contributed to a report based on polls conducted by Gallup between 2015 and 2017, which named South Africa the World's 105th happiest country – out of 156 countries. According to the report countries on the lower end of the scale show poor average life evaluations and typically suffer from some combination of "economic, political, and social stresses" (De Villiers, 2018).

According to Ryff and Singer (2006:14), individuals are influenced by the surrounding contexts of their lives. They are influenced by their external circumstances as well as the challenges they face (Huppert, 2009:18; Oishi, Diener & Lucas, 2007). As such an individual's surrounding context or milieu will also influence their career choice. This contention is supported by the social cognitive career theory (SCCT) (Lent, Brown & Hackett, 2000), which proposes that contextual or environmental influences determine whether career interests become career goals and whether these goals eventually lead to action (Zunker, 2002:92). Similarly, the theory of planned behaviour (TPB) describes entrepreneurial activity in relation to a set of external circumstances (Ajzen, 1991). Taking the SCCT and the TPB into account, one could argue that the surrounding context of a person's life or their surrounding milieu could also influence their career choice of becoming an entrepreneur, their entrepreneurial intentions and ultimately entrepreneurial activity in a country.

It is against this background that the problem statement and research objectives for the current study are formulated.

## **1.2 PROBLEM STATEMENT**

Despite the important contribution of entrepreneurship to the South African economy, a lack of entrepreneurial activity exists among its inhabitants. Whether the surrounding contexts of people's lives influences their entrepreneurial intentions and entrepreneurial activity as suggested by Ryff and Singer (2006), or not, is not known. Existing research on entrepreneurial intentions has focused primarily on the relationship between happiness and entrepreneurial intentions (Giacomin., Janssen., Pruett., Shinnar., Llopis & Toney, 2011; Lee., Wong., Foo., & Leung, 2011), teaching programs and entrepreneurial intentions (Fayolle & Gailly, 2004), and environmental factors and entrepreneurial intentions (Lucky & Ibrahim, 2014; Noel, 2001). As far as can be established no study has specifically investigated whether the socio-economic milieu surrounding a person's life influences their entrepreneurial intentions or entrepreneurial activity. The current study attempts to fill this research gap.

### **1.3 PURPOSE OF THE STUDY**

The purpose of this study is to gain insights into the relationship between the socio-economic milieu surrounding the lives of South African's and the level of entrepreneurial activity in the country, ultimately seeking to provide an increased understanding of why entrepreneurial activity in South Africa is so low. By understanding the factors that influence the entrepreneurial intentions one could assist tertiary institutions to develop relevant entrepreneurial programs (Khuong & Huu An, 2016). An increased understanding of the factors that influence entrepreneurial intentions could lead to higher entrepreneurial activity and ultimately improved economic growth in the country.

### **1.4 RESEARCH OBJECTIVES**

#### **1.4.1 Primary objectives**

The primary objective of this study is to explore the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity in South Africa.

#### **1.4.2 Secondary objectives**

In order to address the primary objectives of this study, the following secondary objectives have been formulated:

- SO<sup>1</sup> To identify the levels of entrepreneurial activity at four different points in time.
- SO<sup>2</sup> To identify and calculate several socio-economic environmental indicators at the four different points in time.
- SO<sup>3</sup> To provide theoretical support based on a literature study for a relationship between the socio-economic environmental indicators and measures of actual and potential entrepreneurial activity.
- SO<sup>4</sup> To provide empirical support based on secondary data (indices) for a relationship between socio-economic environmental indicators and measures of actual and potential entrepreneurial activity.

- SO<sup>5</sup> To make propositions supported both theoretically and empirically on the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity.

#### **1.4.3 Methodological objectives**

- MO<sup>1</sup> To determine the appropriate research methodology to address the identified research problem and research objectives.
- MO<sup>2</sup> To undertake a theoretical investigation into the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic environment.
- MO<sup>3</sup> To analyse secondary data collected measuring entrepreneurial activity as well as several socio-economic environmental indicators at four different points in time.
- MO<sup>4</sup> To provide conclusions and recommendations based on the findings of this research.

### **1.5 RESEARCH QUESTIONS**

Based on the objectives of this study, the following research questions (RQ) are posed:

- RQ<sup>1</sup> Has the level of actual and potential entrepreneurial activity changed over time?
- RQ<sup>2</sup> Is the socio-economic milieu (surrounding environment), as measured by several indicators, related to the actual and potential entrepreneurial activity of South Africans.

### **1.6 RESEARCH DESIGN AND METHODOLOGY**

In the following section the research design is presented which aims to articulate what data is required, the methods used to collect such data and how it contributes towards answering the research questions posed.

## **6.1 Literature review (Secondary research)**

A comprehensive literature review will be conducted in order to describe the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic milieu that surrounds potential entrepreneurs. International and national data searches will be done using the facilities of the Nelson Mandela University library. These data searches will make use of EBSCO Host, Google scholar and Research gate.

### **1.6.2 Empirical investigation (Primary research)**

The research design of the empirical investigation will be described in terms of four subsections, namely an overview of the selected research paradigm, the methodological approach, the methodology and the method of data collection selected for the current study. Furthermore, the data analysis methods used in the study will be described and motivated.

#### **1.6.2.1 Research paradigm and methodological approach**

A paradigm is viewed as a shared world view that represents the beliefs and values in a discipline and that guides how problems are solved (Schwandt, 2001:1). According to McGreggor and Murnane (2010), research paradigms can either be positivistic, which are often associated with a quantitative methodology or they can be interpretivistic, which are mostly associated with a qualitative methodology. A positivistic paradigm involves a deductive process with a view to providing explanatory theories to understand social phenomena (Collis & Hussey, 2010:43). On the other hand an interpretivist paradigm involves the discovery of reality through the participant's views and past experiences (Yanow & Schwartz-Shea 2013:133). Given the objective of the current study, an interpretivist paradigm has been chosen. Through the adoption of an interpretivist paradigm the researches will use the secondary data collected to interpret an understanding from the gathered data (Thanh & Thanh, 2015:24).



### 1.6.2.2 Research methodology

According to Kothari (2004:8), research methodology can be defined as a “way to systematically solve the research problem”. It may be perceived as a science of studying how research is done scientifically. The research methodology involves the various steps taken by the researchers in studying the research problem as well as the logic behind them. The approach to the research methodology of a study can either be quantitative or qualitative in nature. Quantitative research is applicable to phenomena that are measurable and can be expressed in numerical terms. Qualitative research on the other hand involves phenomena relating to quality. The current study will adopt a qualitative approach and will involve investigating factors influencing human behaviour.

Qualitative research methodology involves mainly explanatory research, which is used to develop an understanding of the underlying reasons, opinions, and motivations of individuals (Cresswell, 2003:173). The case study methodology and more specifically a comparative case study analysis, will be adopted to achieve the objectives of this study. “A comparative case study analysis “involves the analysis and synthesis of the similarities, difference and patterns across two or more cases that share common focus or goal in a way that produces knowledge that is easier to generalise about casual questions” (Goodrick, 2014:1).

### 1.6.2.3 Research method

Kothari (2004:22) defines a research method as “all the methods and techniques that are used in conducting the research” including collecting the data. In the current study the data will be collected from secondary sources and will thus be secondary data. Secondary data can be defined as data which has originally been collected for a different purpose and reused for another research question (Hox & Boeije, 2005:593).

Secondary data can be collected timeously through referring to sources such as online articles, books and journals. Secondary data can be found through a number of channels. Firstly, data which has been used by various universities is stored on

databases and made available to future researchers with identical or similar research questions. Secondly, data used by researchers around the world are captured on archives and released to the broader public for further research. Finally, data agencies also provide a channel to search and retrieve data which has been capture on behalf of themselves or other institutes (Hox & Boeijs, 2005:594).

In the current study, the unit of analysis will be a socio-economic milieu at a specific “period of time.” Four cases of specific phenomena will be examined – these phenomena will be measured at four different time periods. Each period of time will represent a case which will be described in terms of two sets of indicators. Entrepreneurial activity on the one hand and socio-economic indicators on the other. The four cases, or period of time, will be compared in terms of the various socio-economic indexes to provide insights into the levels of entrepreneurial activity and potential explanation for these levels.

In this study the researchers will carefully report on each of the respective indexes. They will be tabulated and plotted against each other and against the measure of entrepreneurial activity for each ‘period of time’ using multiple bar charts. The bar charts, reflecting different cases or ‘periods of time’, will then be compared to each other. Moreover, differences amongst the recorded indexes will be identified and compared and possible relationships with the measures of entrepreneurial intentions will be explained.

#### 1.6.2.4 Trustworthiness

It is important to address how qualitative researchers establish that their research study’s findings are trustworthy. To ensure the trustworthiness of the results of the current study the researchers will focus on establishing the credibility, transferability, dependability and confirmability of the data and findings (Devault, 2017:1). These four aspects make up the fundamentals of trustworthiness and are described in more detail in Chapter 3.

#### 1.6.2.5 Ethical considerations

Ethics refers to a set of values and rules that define right and wrong behaviour (Hellriegel, Slocum, Jackson, Louw, Staude, Amos & Klopper, 2012:143). Research ethics involves seeking approval from a relevant ethics committee's to undertake research concerning humans as well as everyday ethical issues that arise in the doing of research. Another dimension of research ethics is the professional codes of ethics or conduct. In qualitative research that involves humans, one of the early stages of the research process is the completion of the application form for a research ethics committee, which entitles the researchers to partake in examining human behaviour (Guillemin & Gillam, 2004:262). However, as the research method of the current study involves the use of secondary data and does not require new or human respondents to participate in the data collection process, ethical clearance is not required.

### 1.7 SCOPE AND DEMARCATION OF THE STUDY

The purpose of this study is to gain insights into the relationship between the socio-economic milieu surrounding the lives of South African's and the level of entrepreneurial activity in the country. Although many factors have been identified as influencing entrepreneurial activity, this study focusses on the socio-economic milieu. Although a vast amount research exists on entrepreneurial intentions and entrepreneurial activity (Robinson, 2016:4), limited research has been found on the relationship between entrepreneurial activity and the external socio-economic milieu.

The socio-economic milieu can be described in terms of several indicators. For the purpose of this study the following economic and socio-cultural indicators have been used, namely: economic growth rate, exchange rate, inflation, Interest rate, Unemployment rate, Consumer confidence and Business confidence. These variables have been chosen because they are most commonly referred to when describing each of the respective environments and easily obtained from secondary data.

The level of student entrepreneurial intentions will be based on those of Nelson Mandela University students only, and at four different points in time. This university and time periods were chosen because of the availability of secondary data on student entrepreneurial intentions. The TEA rate and entrepreneurial intentions rate were used as they provide a reliable measurement for total entrepreneurial activity and allows for cross case comparison.

The study will make use of a case study methodology, more specifically a “comparative case study”, as it allows the researchers to compare more than two cases over a period of time while analysing the similarities and differences across the given cases.

## **1.8 CONTRIBUTIONS OF THE STUDY**

As highlighted by the GEM report, entrepreneurial activity in South Africa, and especially amongst the youth, is alarmingly low. Although many studies have been undertaken to find explanations for these low levels, few, if any, have investigated the surrounding context of people’s lives. This study aims to add value and expand on the limited body of knowledge that currently exists regarding entrepreneurial intentions and entrepreneurial activity, and the influence of the external environment or surrounding milieu on these measures of entrepreneurship.

By gaining greater clarity on the factors which influence an individual’s propensity to become an entrepreneur and participate in entrepreneurial activity, this study also provides greater insight into the influences facing an individual in his/her external environment and how they contribute to entrepreneurial activity.

Knowledge of the relationship between entrepreneurial activity and the socio-economic milieu will also assist educationalists as well as government officials. For teachers and lecturers, the findings of this study could allow for a more focused approach to entrepreneurial education, whereby students can be prepared to deal better with their surrounding contexts. In addition, government officials can be assisted in developing programs and initiatives to encourage entrepreneurship. By highlighting and providing further evidence on the external environment and its

influence on entrepreneurial activity, government entrepreneurship programmes can be focused on overcoming these external barriers facing entrepreneurs as part of an effort to promote entrepreneurship.

## **1.9. DEFINITIONS AND KEY CONCEPTS**

In the section below several definitions and key concepts used in this study will be elaborated on.

### **1.9.1 Entrepreneur**

An entrepreneur is an innovative person who perceives and creates new opportunities under uncertainty through introducing new products to the markets (Wennekers & Thurik, 1999).

### **1.9.2 Entrepreneurship**

Generally, entrepreneurship has been described as a process of the creation of new things that will improve the standard of living or solve a particular problem of human being, which leads to the creation of a new wealth (Drucker, 1985).

### **1.9.3 Entrepreneurial intentions**

Entrepreneurial intentions refer to the action of an entrepreneur to start a new business (Venter & Urban 2015:47).

### **1.9.4 Milieu**

The milieu refer to the people, physical, and social conditions and events that provide the environment in which someone acts or lives (Cambridge Dictionary, 2018).

## **10. STRUCTURE OF THE STUDY**

The structure of the research is as follows:

Chapter 1 will provide an introduction and background to the study. In addition, reference will be made to the problem statement, the purpose of the research, as well as the research objectives, including the primary, secondary and methodological objectives. To follow will be an overview of the research design and methodology, which includes secondary and primary research. Thereafter, the scope as well as the significance of the study will be clarified. The first chapter will then be concluded with definitions of key concepts and an overview of the structure of the succeeding chapters.

Chapter 2 will provide a literature overview of the nature and importance of entrepreneurship, entrepreneurial intentions, as well as the external environment. The chapter will commence by defining entrepreneurship and entrepreneurial intentions in general, as well as highlighting the importance of entrepreneurship to the South African economy. The two theories that underlie this study and how they relate and contribute towards the study, namely Azjen's (1991) TPB and Lent et al.'s SCCT will also be described. In addition, the challenges and barriers facing individuals when participating in entrepreneurial ventures will be elaborated on. Thereafter, the external business environment and milieu will be described, with attention being given to several indicators describing this external environment.

Chapter 3 will focus on the research design and methodology to be used in this study, as well as the rationale behind the selected methodology. This will be done by elaborating on the research paradigm, the methodology and method of collecting data, as well as the sample of data and how it is analysed. The chapter will then conclude by taking into account the trustworthiness of the data and the ethical considerations of the study.

Chapter 4 will present the empirical results.

Chapter 5 will conclude the study by providing a brief overview of the aforementioned chapters, together with an abstract of the main findings. Based on the results of the literature review and the empirical investigation, conclusions will be drawn and propositions formulated. Furthermore, the contributions and the limitations of the study will be explained, and recommendations for future research will be proposed.

## **CHAPTER TWO**

### **LITERATURE OVERVIEW**

#### **2.1 INTRODUCTION**

In the previous chapter, several aspects used to contextualise the study were introduced and further discussed. These aspects included, amongst others the problem statement, objectives of the study, research design and methodology, scope and demarcation, contribution of the study and structure of the study. Chapter 2 will commence by defining entrepreneurship and elaborating on the various criteria used to define the term. To follow, the importance of entrepreneurship will be examined, with specific reference to the South African context. Thereafter, entrepreneurial intentions and two theories underlying the current study will be elaborated on, namely the Theory of Planned Behaviour and the Social Cognitive Career choice theory. Thereafter, the status of entrepreneurship in South Africa will be discussed, followed by the various challenges entrepreneurs face. In addition, the socio-economic milieu is dissected and further contextualised. Chapter 2 then conclude with a discussion on the socio-economic milieu as well as the relationship between this milieu and entrepreneurial intentions.

#### **2.2 NATURE AND IMPORTANCE OF ENTREPRENEURSHIP**

##### **2.2.1 Defining entrepreneurship**

Over the years, many definitions of entrepreneurship have been put forward by academics, entrepreneurs and successful business people. These definitions provided by individuals take different views on the meaning of entrepreneurship. For example, Wennekers and Thurik (1999:46), define entrepreneurship as “the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organisations, to perceive and create new economic opportunities and to introduce their ideas in the market, in the face of uncertainty and other obstacles”. Similarly Shane and Venkataraman (2000:218), define entrepreneurship as “an activity that involves the discovery, evaluation and exploitation of



opportunities to introduce new goods and services, ways of organising, markets, processes and raw materials through organising efforts that previously had not existed”.

Kruger (2004:12), defines entrepreneurship by saying, “entrepreneurship begins with action, the creation of a new organisation including the antecedents to its creation, inter alia, scanning the environment for opportunity, the identification of the opportunity to be pursued and the evaluation of feasibility of the new venture.” The Organisation for Economic Cooperation and Development (OECD) adopt a simpler approach, by defining entrepreneurship as “human action in pursuit of new products, processes, or markets (Ahmad & Hoffman, 2008:8). While Bachenheimer, as cited in Fernandez (2018), defines entrepreneurship in a slightly different manner, “at its core, [entrepreneurship] is a mind-set – a way of thinking and acting. It is about imagining new ways to solve problems and create value”.

Finding a common definition of an entrepreneur remains “elusive” and currently there is no universal definition of entrepreneurship (Gartner, 1988:11). However, through analysing the various definitions of entrepreneurship, several key concepts are reiterated. These key concepts surround the identification and exploitation of opportunities through the development of new products which create value.

### **2.2.2 Importance of entrepreneurship**

Given that entrepreneurship plays a pivotal role in economic growth and social prosperity, it is progressively viewed as a key force for achieving economic development around the world (Fereidouni, Masron, Nikbin, & Amiri, 2010:176). In addition, it is widely recognised that entrepreneurship is an imperative component in the establishment of economies and has been deemed a crucial mechanism of economic development (Bunyasrie, 2010:148). Entrepreneurs, over the years have introduced new technologies that have spawned countless industries, creating jobs and improving the social and economic conditions of nations (Zahra & Wright, 2016:5).

Simultaneously, a recurring empirical finding suggests that economic growth is highly correlated to the abundance of small entrepreneurial firms. It is estimated that two thirds of all empirical research conducted on entrepreneurship concludes that there is a strong positive correlation between entrepreneurial activity and growth in any given country (Karlsson & Nystrom, 2007). Jovanovic and Rousseau (2005:1215) indicate that an increased presences of entrepreneurial start-ups is associated with increased competition and deregulation as well as the introduction of new technology and knowledge. Furthermore, these entrepreneurial small firms form vital links between knowledge creation and the commercialisation of this knowledge (Braunerhjelm, 2010:27).

Audretsch and Thurik (2004:6), provide empirical evidence showing that increased entrepreneurship is associated with higher rates of employment growth. They also point out that entrepreneurship contributes towards economic growth through two main channels, “knowledge spill overs” and “increased competition”. The generation of knowledge spill overs refers to when newly formed firms make (knowledge) investments to generate innovative output, ultimately equipping involved personnel with endowments of new economic knowledge (Dilger, 2013:3). Entrepreneurship also enhances competition through increasing the number of firms in the market. This increase in the number of firms enhances competition for new ideas and encourages more firms to specialize (Audretsch & Thurik, 2004:7).

However, Acs (2006) points out that the type of entrepreneurship also determines the level of influence on a country’s economic growth. Acs (2006:97) indicates that necessity entrepreneurs have “no effect” on economic development while opportunity entrepreneurs have a “positive and significant” effect. This finding sparks questions over South Africa’s poor economic performance, with 67.5 per cent of entrepreneurs in South Africa found to be opportunity driven (Harrington et al., 2017:27).

In terms of job creation, it has been observed that during the start-up phase of any new enterprise, employment is seen to rise rapidly, but soon levels off or declines until the firm goes out of business. Consequently, it is in those early years that net employment growth improves which has an impact on an entire economy (Cleslik,

2014:111). Glaeser and Kerr (2010:154) show that a 10 per cent increase in the number of firms per worker improves employment growth by 9 per cent. Conversely, a 10 per cent increase in the average size of firms results in a 7 per cent decrease in employment growth. Stated otherwise, an increase in the number of firms has a positive effect on employment growth, while an increase in the size of existing firms has a negative effect on employment growth.

Shane (2008:81), however, contends that the net effect of employment growth created by new start-ups is “limited” as these jobs tend to be short lived. Research conducted by Astebro and Tag (2015:3) shows that the average entrepreneur does not create any jobs for anyone other than him/her-self. Furthermore, those who start a corporation are substantially more likely to create jobs than those who start sole proprietorships. However, Badal (2010:1) argues that through the establishment and implementation of the correct policies and entrepreneurial development programmes, government can facilitate sustainable job creation within the economy.

In the context of South Africa, where high unemployment continues to stifle economic growth (World Bank, 2017:12), entrepreneurship is viewed as an opportunity to a better future. Bunyasrie (2010:149) contends that entrepreneurship provides a catalyst for South Africa to break free of lacklustre growth rates and achieve sustainable economic development going forward.

## **2.3 ENTREPRENEURIAL INTENTIONS**

Closely related to entrepreneurship is entrepreneurial intentions. Entrepreneurial intention serves as a means to further understand the concept of entrepreneurship and can be considerably valuable in explaining entrepreneurial behaviours (Fayolle & Gailly, 2004; Kolvereid, 1996).

### **2.3.1 The nature of entrepreneurial intentions**

Bird (1988:442) defines entrepreneurial intentions as a “state of mind that directs attention, experience, and action towards a specific goal, in this case, a business

idea". Furthermore, Bird states that the ideas and intentions of an entrepreneur form the initial foundation of new organisations and are important keystones in the development of new ventures. Similarly, Khuong and Huu An (2016:105), define entrepreneurial intention as the "developing conscious state of mind that an individual desires to start a new business enterprise or a new business venture." The underlying theory explaining entrepreneurial intentions is the theory of planned behaviour (TPB). In addition, theories relating to career choice can also be applied to entrepreneurial intentions. The theory of planned behaviour as well as one of the most common career choice theories, namely the social cognitive career choice theory will be described below.

### **2.3.2 The theory of planned behaviour (TPB)**

Fundamental to the theory of planned behaviour is an individual's intention to perform a given behaviour at any point in time (Gray, Farrington & Sharp, 2013:4). Furthermore, Azjen (1991) states that the greater the intention to engage in a behaviour, the more likely will be the performance of that behaviour. The fundamental assumption with regards to this theory is that an individual's intentions can be predicted using three conceptual elements. These elements are: attitude towards the behaviour, the individual's subjective norms, and the individual's perceived behavioural control (Fayole & Gailly, 2004:3).

Attitude towards the behaviour refers to the degree to which a person has a positive or negative assessment of the behaviour in question (Azjen, 1991:188). As stated by Bhaskar and Garimella (2017:4), the attitude that is reflected towards the behaviour is the individual's assessment of the personal attractiveness of for example creating a new business venture. When issues arise that require a calculative response from an individual, they can draw relevant information from their beliefs stored in memory. As each of these beliefs holds evaluative repercussions, attitudes are automatically formed (Fayolle and Gailly, 2004:3). Subjective norms refers to the social stresses to perform or not perform the behaviour (Azjen, 1991:188). In other words, this refers to the individual's perception of other people's opinions of the proposed behaviour. In the context of entrepreneurship, Bhaskar and Garimella (2017:4) describe subjective norms as "a

reflection of an individual's perceptions of what important people in that person's life think about venture creation". According to Fayolle and Gailly (2004:3), these pressures can have an instrumental role in the creation of a new venture. Perceived behavioural control refers to the supposed ease or difficulty of performing a behaviour (Ajzen, 1991:188). Krueger and Dickson (1994:386) state that an increase in perceived behavioural control increases the observation of opportunity. In summary, Ajzen's (1991) theory of planned behaviour proposes that the more promising the attitude and subjective norm regarding a behaviour, and the higher the perceived behavioural control, the more probable it would be that someone would intend to perform the behaviour under consideration (Ajzen, 1991:188).

#### **2.3.4 Social Cognitive Career Choice Theory**

The social cognitive career choice theory (SCCT), proposed by Lent et al. (1994), is a more recent attempt to understand the means through which people form interests, make choices and achieve fluctuating levels of success in work-related pursuits (Lent et al., 2000:35). The social cognitive career choice theory focuses on how the cognitive-person variables such as self-efficacy, outcome expectations, and goals interact with other aspects of an individual's external environment to influence career choice (Lent et al., 2000:36). The SCCT is guided both by objective as well as perceived environmental factors. Objective factors include the quality of one's education as well as the available financial support for pursuing particular options. Such factors can greatly influence an individual in their career development (Lent et al., 2000:36). However, Vondracek, Lerner and Schulenberg (1986) argue that the effects of these objective factors often rely on how the individual reacts and responds to them.

According to the SCCT, perceived environmental factors can have a direct influence on the way people make and implement their career related choices. Furthermore, it has been established that people are less likely to convert their career interests into goals, and their goals into action, when they perceive themselves to be blocked by conflicting environmental factors. According to Swanson and Woitke (1997:434), barriers are "events or conditions, either within the person or in his or her environment that make career progress difficult." These perceived environmental

factors include: overwhelming barriers in the market as well as inadequate support systems (Lent et al., 2000:38). These environmental factors that influence career choices and goals could be identified by means of several indicators, amongst others: the economic growth rate, the interest rate, the exchange rates, and fiscal policy (Bosch et al., 2013:60). The SCCT suggests that when an individual is confronted with these environmental variables, it is likely that their choice behaviour will be guided less by personal interests and more by the environmental conditions that surround them (Lent et al., 2000:38).

## **2.4 THE STATUS OF ENTREPRENEURSHIP IN SOUTH AFRICA**

As previously mentioned, the Total Early-Stage Activity (TEA) index serves as a benchmark for entrepreneurial activity and allows for comparisons between countries over time to take place. In 2017, South Africa's TEA rate was at 6.5 per cent. Putting this rate into perspective, the African region recorded an average TEA of 2.5 times higher than South Africa. Entrepreneurial activity in South Africa is therefore much lower compared to other emerging economies and has been described as having a difficult environment to start new firms (Lehohla, 2017:23). Moreover, South Africa ranked 28<sup>th</sup> out of 32 efficiency-driven economies, with one of the lowest TEA rates of participating countries (Harrington et al., 2017:6).

Similarly the levels of entrepreneurial intentions in South Africa are also low - entrepreneurial intentions in South Africa dropped from 15.4 per cent in 2013 to 10.1 per cent in 2016 (Herrington et al., 2017:22). Wu and Wu (2012:754) define entrepreneurial intentions as a "state of mind that people wish to create a new firm or a new value driver". Harrington et al. (2017:22) suggest that although potential entrepreneurs have the ability to seek out good opportunities they may not acquire the necessary skill which leads to the intent of starting a business.

When profiling entrepreneurs in South Africa, Herrington et al. (2017:7) report that the proportion of 18-24 year olds participating in early-stage entrepreneurial activity is significantly lower than that of the African average, which sits at 2.4 times higher than South Africa. South Africa has also seen a significant drop in entrepreneurial activity participation in the age bracket of 25-34 years old. This could be as a result

of decreased entrepreneurial education levels in South Africa. Fatoki (2011:731) indicates that as education levels decrease, a subsequent drop in managerial capacity and entrepreneurial activity becomes apparent. This drop in entrepreneurial activity equates to a 40 per cent decrease when compared to the levels of 2015. It has been found that the age cohort of 25-34 years is typically viewed as the group with the highest entrepreneurial activity (Herrington et al., 2017:17).

South African men are more likely to take part in entrepreneurial activity than women, with 53 per cent of entrepreneurs being male (SeedAcademy, 2017:5). In fact, for every ten male entrepreneurs approximately seven females are engaged in early-stage entrepreneurship, which is seemingly in line with the global average. However, in recent years a noticeable decrease in the male TEA rate in South Africa has occurred (dropping 31%), while the female TEA rate only decreased by 16 per cent, relative to the 2015 report (Herrington et al., 2017:7). There is a general consensus that male entrepreneurs are 3.7 times more likely to be opportunity driven than necessity driven entrepreneurs in South Africa. On the other hand, women were only 2.6 times more likely to be opportunity driven rather than necessity driven entrepreneurs (Herrington et al., 2017:31).

Although black Africans showed a decrease in entrepreneurial activity in 2015 (from 85% in 2013 to 68%), they showed an almost immediate recovery in subsequent years. As a result, the recovery saw black Africans make up three-quarters of the entrepreneurial population in South Africa by 2016 (Herrington et al., 2017). The early-stage entrepreneurial activity amongst white South Africans decreased considerably from 18 per cent to 12 per cent over the same time period. Black Africans are 2.7 times more likely to be opportunity driven than necessity entrepreneurs (Herrington et al., 2017).

## **2.5 CHALLENGES FACING SOUTH AFRICAN ENTREPRENEURS**

According to Bosch et al. (2018:91), South African entrepreneurs face several challenges, including a poor standard of education, restrictive government policies and regulations, access to finance and support, market openness, and social and

cultural norms. Other barriers effecting entrepreneurial activity in South Africa include: levels of corruptions, crime, red tape, the risk averseness of South African youth, labour regulations and disruptions due to strikes, market attractiveness, the lack of financial support, lack of business and managerial skills, as well as the lack of education and training (Fatoki & Chindoga, 2012; Herrington et al., 2017:22). These challenges or barriers facing entrepreneurs not only influence entrepreneurial activity but also the intentions of individuals to become entrepreneurs.

Similarly, amongst the 36 experts surveyed in the National Experts Survey (NES) conducted by Herrington et al. (2017:41), the three main areas identified as serious restraints to entrepreneurship were access to finance, government policy, and education and training. One less significant area restraining entrepreneurship in South Africa is 'market openness', with 19 per cent of experts identifying market openness' as a counter acting force to entrepreneurship.

Along with South Africa's high cost, low performance education regime comes weak entrepreneurial education for the youth. Just less than half of early stage entrepreneurs in South Africa in 2016 have at least a secondary qualification, while one quarter have only limited secondary education – making a large portion of South African entrepreneurs highly dependent on basic education (Herrington et al., 2017:33).

Louw, Van Eeden, Bosch and Venter (2003), contend that an entrepreneurial culture, which should be driving entrepreneurship and innovation in South Africa, is missing. Furthermore, Louw et al. (2003:8), highlights that a culture of dependency exists in the country, with the youth specifically expecting the government to do everything for them. According to Herrington et al. (2009:17), this idealism is negatively influencing youth intentions towards entrepreneurship.

According to a National Experts Survey (NES) conducted by Herrington et al. (2017:41), South Africa's entrepreneurial environment was viewed as 'mediocre'. The Alan Gray Oribis Report (2017) showed that the South African entrepreneurship environment is affected by several forces. Firstly, the recent recession, which was partly caused by a slow economic growth of 0.1 per cent in 2016, coupled with



devastating unemployment. Secondly, bureaucracy and red tape, which relates to large state owned enterprises (SOE) preventing smaller firms from competing in key sectors and prohibiting competition in these sectors. Thirdly, going hand in hand with bureaucracy and red tape is large firm dominance. Large firm dominance further prohibits competition and leads to a monopolistic market. In South Africa, large firms account for more than 90 per cent of South Africa's market. Fourth, South Africa includes a dual economy, which includes a large informal sector. Therefore, many entrepreneurs from disadvantaged backgrounds suffer from lack of service delivery and adequate resources. Moreover, these entrepreneurs are faced with high market barriers which contribute towards increased failure rates. Lastly, South Africa suffers from volatile energy constraints making it hard for entrepreneurs smoothly carry out business operations. Harrington et al. (2009:8), argues that the South African government has introduced many small business and entrepreneurial initiatives such as the Small Enterprise Development Agency. However, most people are not aware of these initiatives and the general consensus among South Africa's youth is that there is no government support for entrepreneurs in the country (Fatoki, 2010:732).

As previously mentioned individuals are influenced by the surrounding contexts of their lives (Ryff & Singer 2006). They are influenced by their external circumstances as well as the challenges they face (Huppert, 2009; Oishi, Diener & Lucas, 2007). Similarly, Bosch et al. (2011:66), suggest that there are "large scale forces within cultures and societies that affect the thoughts, feelings and behaviours of individuals". The noticeable differences between entrepreneurial activity in different countries points to the possibility that other forces in the external environment could be at play (Uhlener & Thurik, 2004:3).

According to Bosch et al. (2011:57), external environmental forces such as socio-cultural, economic, legal/political, technological, demographic and international influence entrepreneurial activity. The most frequently identified influencing factors at macro-level are unemployment rates, investment, levels, GDP growth, inflation and interest rates (Bosma et al., 2005:38; Wang, 2006:314). Other factors such as government spending on education, health and infrastructure have also been found to have a positive correlation with start-up rates (Braunerhjelm, 2010:13).

As such in addition to the entrepreneurial environment, an individual's surrounding context or milieu also influences their entrepreneurial intentions. This surrounding context or milieu will be described below.

## **2.6 THE SOCIO-ECONOMIC MILIEU**

In order to analyse the influence of the surrounding contexts or stated differently the external socio-economic milieu on an individual's entrepreneurial intentions, the two theories described above were used, namely Azjen's (1991), theory of planned behaviour and Lent et al. (1994), social cognitive career choice theory. These theories aim to describe entrepreneurial behaviour in relation to a set of external circumstances (Azjen, 1991). These external surrounding circumstances are referred to as the socio-economic milieu in the current study.

### **2.6.1 Defining the socio-economic milieu**

A milieu can briefly be defined as the "people, physical, social conditions and events that provide the environment in which someone acts or lives" (Cambridge Dictionary, 2017). Milieu can also be used to describe an environment where it is in general or applied to a situation such as a social environment or the earth's atmosphere (Nugent, 2013).

This environment that surrounds an individual can be seen as similar to that which surround an organisation. An organisation's external environment consists of the social and working environment which has an influence over the structural governance and decision-making processes that exist in the organisation (Oktavina, 2007:47). This external environment can be broken down into two sub-environments, namely the market environment and the macro environment. The market environment consists of variables in the market which can positively or negatively affect the formation, growth, survival and deliverables of a business enterprise. On the other hand, the macro environment includes all the interrelating variables outside of the business and their markets that have a positive or negative influence over operations (Bosch et al., 2011:41).

Variables in the external environment are of particular importance because they are beyond the control of the organisation. Bosch et al. (2018:43-60), identify several variables in the external business environment, these are summarised in Table 2.1.

**Table 2.1: Environmental variables**

<b>Environmental variables</b>	<b>Description</b>
Technological	Comprises all products and services that are the result of human expertise, including the development of new processes, systems and approaches to management (Bosch et al., 2011:57; Erasmus, Strydom and Rudansky-Kloppers, 2013)
Economic	Economic forces relate to factors that affect consumer purchasing power and spending patterns (Claessens, 2015). This includes the interaction between all the institutions and the processes that play a role in applying the available scarce resources, in order to satisfy the multiple needs of consumers (Bosch et al., 2011:60).
Demographic	Involves the study of human population in terms of size, density, location, age, sex, race, home language, profession and other statistics (Bosch et al., 2011:64).
Socio-cultural	Refers to larger scale forces within cultures and societies that affect the thoughts, feelings and behaviours of individuals (Bosch et al., 2011:66). The basis of these factors are built upon the fact that people are part of society and cultural groups which influence their beliefs and values (Claessens, 2015).
Institutional	Includes all those institutions to which individual businesses have direct or indirect commitments or links (Bosch et al., 2011:71).
Political	Includes government regulations that influence business operations positively or negatively (Bosch et al., 2011:74). Government may intervene through legislations, taxation, import controls, tariffs, price controls and health regulations (Erasmus et al., 2013).
Physical/Ecological	Refers to the available infrastructure and the availability, improvement, development and conservation of a country's raw materials (Bosch et al., 2011:75). Important trends in the ecological environment surround the increasing shortage of raw materials and the care of renewable resources (Claessens, 2015).

The focus of the current study is on the socio-economic environment and thus warrants further description. For the purpose of this study the socio-economic environment incorporates aspects from both the economic and the socio-cultural environments described above.

Bosch et al. (2011:60) argue that the economic system plays an important role in a country, and describe the economic environment as the interaction between all institutions and the processes which play a role in applying scarce resources to

satisfy the multiple needs of consumers. Furthermore, Coase (2002:47) states that the welfare of human society is dependent on the flow of goods and services, which in turn depends on the productivity of the economic system. The status of a country's economy can be described using specific economic indicators which relate to certain economic variables (Oktavina, 2007:47). Several of these variables and indicators are described in Table 2.2.

**Table 2.2: Economic variables**

<b>Economic variables/indicators</b>	<b>Description</b>
Business cycles	Are a type of fluctuation found in the macroeconomic activities of nations. They refer to the general level and pattern of growth in economic activity, and movements in individual series that seemed to arise from supply or demand conditions specific to individual markets (Lucas, 1980). These movements consist of expansions occurring simultaneously in many economic activities, followed by contractions, recessions and revivals that merge into the next business cycle (Olsen, 2009:14)
Economic growth rate	Is measured in terms of Gross Domestic Product (GDP) and refers to the total value of finished products and services produced in a given period, within the borders of a country (Bosch et al., 2011:61).
Consumer price inflation	Is defined as the continuous increase in the general price level, as measured by the Consumer Price Index (Bosch et al, 2011:61). The consumer price index is appropriate to forecast inflation rate change (Lahiri and Moore, 2003:409)
Interest rates	Refers to the price of money (expressed as a percentage) (Bosch et al., 2011:62).
Exchange rate	Refers to the rate at which the currency of one country can be exchanged for that of another (Bosch et al., 2011:62).
Fiscal Policy	Fiscal policy relates to government adjusting its spending levels and tax rates to monitor and influence a nation's economy (Perkins & Radelet, 2013:393)
Black economic empowerment	Refers to the economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies (Bosch et al., 2011:63).

Economic indicators (as summarised in Table 2.2) are statistical measures of the economic conditions of a specific market or economy, used by analysts to interpret the overall health of the economy. They are produced to support economic analysis and act as snapshots of economic performance at a specific sector, at a specific point in time (Olsen, 2009:20).

The social-cultural environment is also described in terms of several variables. These are summarised in Table 2.3.

**Table 2.3: Socio-cultural variables**

<b>Socio-cultural variables</b>	<b>Description</b>
Changing role of families and working women	In modern day society women are working their way into the labour force, and expanding their roles to include working outside the home as well as being wives and mother (Kaufman, 1999:40).
Literacy and general level of education	Education and literacy are the core of economy development, with higher educated individuals displaying a greater tendency to be innovative and pursue entrepreneurial activities (Driver, Wood, Segal & Herrington, 2001:8; Nelson & Phelps, 1966:70).
Poverty	Poverty can be viewed as a multidimensional social phenomena and can routinely be defined as the lack of what is necessary for material well-being (Sen, 1997).
Unemployment	Unemployment can be defined as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work (Bureau of Labour Statistics, 2015)
Skilled human resources	The proportion of the workforce person who are trained, well-educated, energetic, experienced, devoted to their field and is capable of doing any specific work efficiently (Gud, 2017).
HIV and AIDS pandemic	Acquired immunodeficiency syndrome (AIDS) is a chronic, potentially life-threatening condition caused by the human immunodeficiency virus (HIV) (Longo, 2015:3).
Crime	A <u>h</u> armful act or omission against the public (Bosch et al, 2011:70).

In summary, the socio-economic milieu, for the purpose of this study, will be described using several indicators which represent some of the economic and socio-cultural variables described in Tables 2.2 and 2.3 above.

## **2.7 THE RELATIONSHIP BETWEEN THE SOCIO-ECONOMIC MILIEU AND ENTREPRENEURIAL ACTIVITY**

### **2.7.1 Milieu, emotions and entrepreneurship**

According to Dietrich (2013:1), the experiencing of negative or positive emotions may impact not only on a person's experiences within an environment, but also their tendency to engage in certain behaviours in that environment. Discrete emotion theorists link the function of specific emotions to the concept of specific action tendencies (Fredrickson, 2001:1367). Furthermore, Huynh (2011:10) argues that

beyond an individual's personal characteristics and behaviours, the environment in which one lives may play an important role in shaping one's emotional well-being. The environment creates an emotional response in individuals, causing them to respond to different environments with different sets of emotions. These emotions prompt them to either approach or avoid that environment. Approach behaviours are associated with positive emotions, while avoidance behaviours are associated with negative emotions (Ryu, Soochong & Jang, 2007:58). Positive emotions have been found to increase entrepreneurial creativity right as far back as opportunity recognition. Positive emotions impact the ability of entrepreneurs to materialise their past experiences into present solutions through heuristic processing (Baum & Locke, 2004:590). Therefore, it can be said, that positive emotions enhance an individual's alertness to the external environment generally, such that the person experiencing these positive emotions tends to perceive a broader array of events and stimuli than a person who experiences negative emotions (Isen, 2002:60).

Baron (2008:328) contends that affect (feelings and emotions) has a strong influence on cognition and behaviour. From a theoretical perspective, attitudes are viewed as involving an affective and cognitive component. The affective component relates to the feelings or emotions associated with an attitude object, and the cognitive component concerns beliefs or thoughts associated with the attitude object (Zampetakis et al., 2009:599). The relationship between affect and cognition has been observed in a wide variety of business contexts, where it has been seen to influence several individual, interpersonal and organisational processes (Baron, 2008:328).

Affect influences cognition in several ways (Baron 2008:329). The first relates to the way affect influences cognition, which in turn influences one's perceptions of the outside world. Individuals with more positive affect tend to perceive objects, other people, ideas, and almost everything else more approvingly than individuals experiencing negative affect. Affect has also been found to influence cognition through creativity. Evidence suggests that individuals feeling positive affect tend to be more creative than those with negative affect (Isen, 2000:61). Affect has been found to impact cognition through the tendency to embark on heuristic processing, namely thinking that relies heavily on mental shortcuts and previously acquired

knowledge through experience. Baron (2008:330) suggests that individuals with positive affect are more likely to engage in heuristic thought processes. This in turn, has significant results for decision-making and problem solving – activities frequently undertaken by entrepreneurs that could strongly influence the success of their new ventures (Park & Banaji, 2000:1005).

Affect has been found to have an influence on the cognitive strategies used by individuals when coping with intense and persistent stress (Carver & Scheier, 2001:33). For example, research shows that students with positive affect are more stress tolerant, experiencing more confidence and control over the requirements of a business start-up and enabling them to express a higher degree of personal initiative (Zampetakis et al., 2009:599).

An individual's affect is vital because those with a more positive affect display an enhanced preference for effective strategies for dealing with stress, such as taking direct actions to address and solve problems (Carver & Scheier, 2001:31). Individuals with a negative affect tend to display enhanced preferences for less effective strategies, such as avoidance behaviour, denial, and reliance on alcohol or other drugs (Cohen, Doyle, Turner, Alper, & Skoner, 2003:655). In addition, Lyubomirsky et al. (2005:810) argues that positive affect encourages flexibility in solving a variety of problems, including the ability to respond effectively in dynamic environments.

Baron, Franklin and Hmieleski (2013:23) found that stress levels, in part, are derived from an individual's level of self-efficacy, with the level of stress exhibiting a negative relationship with the one's perceived level of self-efficacy. Furthermore, stress-reducing effects of self-efficacy were found to be stronger in older individuals than younger.

### **2.7.2 The formation of entrepreneurial intentions**

The formation of entrepreneurial intentions can be credited to an abundance of factors, generally belonging to two domains, namely, the individual and contextual factors facing entrepreneurs (Chamola & Jain, 2017:27). Individual factors relate to

skills and knowledge, demographics, psychological characteristics, personal traits and social ties. Whereas contextual factors refer to available environmental support, the degree of environmental influences as well as organisational factors. Evidence from Zhao, Seibert and Hills (2005:1265) shows that an individual's psychological characteristics, together with their developed skills and abilities, influences their entrepreneurial intentions. Research suggests that the psychological attributes of an individual associated with entrepreneurship can be culturally acquired (Ferreira & Raposo, 2012:428), and that these social values and beliefs affect the motivational antecedents of intention. Furthermore, Santos, Roomi et al. (2016:2) contends that cultural values and beliefs play a role in shaping the institutions of a country, and therefore influences the decision to become self-employed.

Entrepreneurship literature also provides support for the influence of surrounding environments on entrepreneurial behaviour. Over the year's entrepreneurial research has been conducted following two main schools of thought: the personal characteristics of the entrepreneur, and the influence of contextual dynamics on entrepreneurship (Robinson, Stimpson, Huefner & Hunt, 1991:13). Existing literature has recognised individual domains (e.g. personality, motivation, education and experience) and contextual variables (e.g. social context, markets, and economics) as the two aspects influencing entrepreneurial intentions (Bird, 1988:443). Research shows that contextual dimensions such as environmental influences and environmental support (financial support) affect entrepreneurial intentions (Franke & Luthje, 2003:137). According, Turker and Selcuk (2008:143), individuals can be influenced by situational factors. Situational factors are related to their personal backgrounds and present lives.

Baron (2008:328) found that the feelings and moods that individuals experience (i.e. their affect) influence many elements of cognition and behaviour, and is thus an important part of the entrepreneurial process. From this perspective, experiences of positive affect prompt individuals to engage with their environments and partake in activities (Fredrickson, 2001:1368), including that are entrepreneurial in nature.

The environments in which entrepreneur's function are often highly unpredictable and filled with rapid change (Lichtenstein, Dooley, & Lumpkin, 2006:154). Baron



(2008:330) suggests that in these contextual environments involving high uncertainty and unpredictability, an individual's affect (feelings and emotions) can be influential in tipping the balance toward specific actions or decisions, and thus affect may have important consequences for entrepreneurship.

Against this background one can argue that the surrounding context in which entrepreneurs live (milieu) influences their emotions and ultimately could influence their entrepreneurial behaviour. This argument is supported by both Azjen's theory of planned behaviour and Lent et al's social cognitive career choice theory which will be elaborated on below.

### **2.7.3 Theories supporting the “milieu – entrepreneurial intentions” relationship**

As described in Section 2.3.2, Azjen's (1991) theory of planned behavior explains how an individual's social and cultural environment influences their behavior. Central to this theory is the role of intention and its power of predicting important behavior (Azjen, 1991). Azjen theorizes that intentions toward a target behavior depend on the underlying attitudes. More specifically, the formation of intentions to undertake a certain course of action depends on the individual's perceptions regarding the social desirability and feasibility to perform the task (Florin & Karri, 2007:22). Drawing on this argument, Krueger (1993:5) states that perceived feasibility and desirability predict the intention to become an entrepreneur. Furthermore, perceived social norms and self-efficacy are clear antecedents of perceived desirability and feasibility. Perceptions are dependent on the social context and on what can be regarded as personally desirable. The theory of planned behaviour states that perceived desirability or personal attitudes depend on the perceptions of the consequences of those outcomes for performing the specific behaviour (Ajzen & Fishbein, 2005:175).

Using Azjen's theory, Linan (2008:258) argues that an individual's immediate environment has the highest effect on his/her personal attitude and subjective norms. As such, when a person is supported by society and the environment is supportive of entrepreneurial activity, it is more likely that the individual will feel

inclined towards entrepreneurship as a career choice. It could also be argued that a high self-perception of possessing entrepreneurial skills would be associated with more favourable attitudes and subjective norms. According to the theory of planned behavior, attitudes, subjective norms and perceived control predict intention, while intention and perceived control predict behavior (Fini & Grimaldi, 2009:11).

Closely related to perceived behavioral control is the concept of entrepreneurial self-efficacy which has long been studied as one of the triggers of entrepreneurial intentions (Krueger et al., 2000). Self-efficacy is one's set of competence: a belief that one can take action and do something specific (Bandura, 2001:3). Self-efficacy is imperative because if motivation determines what a person wants to do, then self-efficacy determines what a person thinks he/she can do. Previous research by Pihie (2009:340) proposes self-efficacy as a critical antecedent of entrepreneurial intentions and behavior. While Lee, Wong, Der Foo & Leung (2011:5) provide further evidence that self-efficacy influences entrepreneurial intentions. High self-efficacy is seen to improve commitment and thus make the individual more motivated to continue (Elving et al, 2009:31). Moreover, empirical evidence shows that entrepreneurial self-efficacy is positively related to student's intentions to start their own business (Mortan, Ripoll, Carvalho & Bernal (2014:99). According to Kickul, Wilson, Marlino and Barbosa (2008:323) self-efficacy considerably influences entrepreneurial behaviour, therefore supporting the self-efficacy in entrepreneurial education is a vital tool to promote students' entrepreneurial intentions (Ferreira & Raposo, 2012:428). Emotions play a vital role in the prediction of the entrepreneurial process, proving that the relationship between certain emotional dimensions and entrepreneurial intentions are mediated by self-efficacy (Mortan et al, 2014:102).

Furthermore, according to Ferreira and Raposo (2012:428), self-efficacy is a motivational concept that has been found to notably influence entrepreneurial behaviour. Personal efficacy determines the initiation of behaviours, how much effort is spent, and how long it is sustained in the face of obstacles and adverse experiences (Mortan, Ripoll, Carvalho & Bernal, 2014:99). Individuals high in emotional self-efficacy are likely to persevere when problems arise (Zampetakis, Kafetsios, Bouranta, Dewett & Moustakis (2009:596).

Shapero's (1982) research focused on factors that contribute to an 'entrepreneurial event', such as venture creation happen, and concluded that entrepreneurial events are a result of interacting situational and social cultural factors. These situational and social cultural factors are seen to influence one's social-milieu, indirectly influencing one's entrepreneurial intentions (Wennekers & Thurik, 1999:27).

The self-efficacy concept stems from the social cognitive (SCC) theory, which posits that human functioning is a result of the interaction between personal, behavioral, and environmental influences (Barbosa, Gerhardt & Kickul, 2007:88). The social cognitive theory (Lent et al, 1994) proposes that the social environment surrounding an individual contributes towards shaping his/her cognition and ultimate behavior. The environmental factors reflect the social dynamics of entrepreneurship, where the level of economic activity within a community is an unintended consequence of many individual choices with respect to entrepreneurship (Bygrave and Minniti 2000:261).

The influence of the social environment on an individual's attitudes and behaviors is exerted at both macro and micro level (Santos, Roomi and Linan, 2016:4). The SCC theory places focus on how the cognitive person variables such as self-efficacy, outcome expectations, and goals interact with other aspects of an individual's external environment to influence career choice (Lent et al, 2000:36).

Previous literature has identified several environmental aspects which interact with an individual's entrepreneurial intent, and thus subsequent career choice, some of which will be described in the next section.

## **2.7.4 Environmental aspects and entrepreneurship**

### **2.7.4.1 Access to capital**

An important environmental aspect influencing entrepreneurship relates to an individual's access to capital (Luthje & Franke, 2003). Henderson (2002:58) highlights the importance of financing, stating that access to finance in any given area, particularly venture capital, is vital to the development of early-stage

entrepreneurs. Furthermore, when external financing is available, individuals have greater confidence about their potential to succeed when pursuing entrepreneurship as a career choice (Okhomina 2010:6).

Finì and Grimaldi (2009:9) state that financial support, such as venture capital availability and entrepreneurial support services (Foo et al., 2005:5), such as small loans and training opportunities, have been identified as leading factors in the promotion of entrepreneurship and the intention to start a business. Stated otherwise, when external funding is available, individuals have greater confidence about their potential to succeed when pursuing entrepreneurship as a career choice (Okhomina 2010:6). Further highlighting the importance of financing. Asfaw (2015:295), indicates a noteworthy relationship between entrepreneurial intentions and the major barriers to pursue entrepreneurship, such as access to finance. In line with such, Sesen (2012:634) shows how students with little experience in securing capital finance could lead to fading optimism after being faced with the “harsh realities” surrounding venture capital.

Empirical findings show that starting a business is more likely if an entrepreneur perceives that he/she will be able to access capital and business information within their social network (Sequeira, Mueller & McGee, 2007:275).

Furthermore, market imperfections such as those caused by underdeveloped financial and legal systems, could limit entrepreneur’s ability to source necessary investment capital, thus negatively impeding one’s intention to start a business (Beck, Demirgüç-Kunt & Maksimovic, 2005:3). However, it is important to note that although access to finance is a contributing factor in entrepreneurial behaviour, it is not the sole factor at play. As simply providing finance in the absence of adequate infrastructure, market opportunities and business and management skills is unlikely to lead to an increase in the number of successful start-ups (Herrington et al., 2017:28).

Administrative complications, banks reluctance to finance new ventures, along with the stigma associated with failure and risk aversion, have all been identified as elements that could disrupt entrepreneurial intentions (Giacomin et al., 2011:222; Shinnar et al. 2009:152).

#### **2.7.4.2 Access to information and education**

Availability of business information is another environmental aspect influencing entrepreneurship. Kristiansen and Indarti (2004:54) identify a significant and positive relationship between the availability of business information and the entrepreneurial intentions of students. Furthermore, they argue that the availability of business information is imperative to starting a new venture and sustaining growth.

Another environmental aspect influencing entrepreneurship is an individual's university education (Cheng, Chan & Mahmood, 2009:556). Sesen (2013:629) argues that students who have studied entrepreneurship or taken an entrepreneurship module during their university education displayed higher entrepreneurial intentions than those who did not. Similarly, Franke and Luthje (2004:137) found that students who viewed the university environment as insufficient or negative displayed significantly lower entrepreneurial intentions than those who had positive perceptions. Furthermore, self-efficacy is seen as a crucial instrument in entrepreneurship education to enhance student's entrepreneurial intentions (Zhao, Seibert & Hills, 2005:1266).

#### **2.7.4.3 Economic influences**

According to Uddin and Bose (2012:129), a strong correlation between the economic environment and entrepreneurial intention has also been identified. They argue that the economic environment may either encourage or discourage individuals from becoming entrepreneurs. Wennekers (2002:2) shows how rising real wages increases the opportunity cost of self-employment relative to the return, persuading marginal entrepreneurs to become employees. Furthermore, Wennekers argues that as economic development rises, fewer individuals will be willing to run the risk of entrepreneurship, as the relatively "safe" professional earnings rise.

In the context of South Africa, access to capital, along with bearing financial risk and general economic environment are the three highest perceived barriers to founding a business (Fatoki, 2010:729; Viviers, 2013:10). For instance, a high interest rate may imply high opportunity costs of entrepreneurship because of foregone alternative investment opportunities. A high interest rate will thus discourage these potential entrepreneurs from starting up a business (Bosma et al., 2005:39).

One of the most challenging work-related stressors for entrepreneurs is economic decline (Vasumathi, Govindarajalu, Anuratha, & Amudha, 2003). According to Pollack, Vanepps & Hayes (2012:790) when things are going smoothly in the economy, it is easier to pursue one's business related goals. However, in stressful economic times when one's business is negatively impacted by the economy, goal engagement becomes more difficult. In addition, Egan & Tosanguan (2009:17) state that when the economy is having a negative impact on business, entrepreneurs are obligated to change their strategies, cut costs, reduce assets, and seek alternative revenue streams.

#### **2.7.4.4 Levels of economic development**

One significant finding postulates that differences in economic development yields different entrepreneurial activity levels (Bosma, Wennekers & Amoros, 2012:15). That is, the extent to which a country's level of economic development may determine a "natural rate" of entrepreneurial dynamics. Wenneker (2005:2) argues that analogous to entrepreneurship, the relationship with economic development and the rate of entrepreneurial dynamics is U-shaped. That is, as a nation develops economically its frequency of entrepreneurship and new business start-ups is likely to deteriorate until a recovery occurs at the high end of economic development. Time series data in several of the most highly developed economies gives further evidence of this, as developed countries showed a deteriorating trend in entrepreneurship for at least the first three quarters of the twentieth century (Wennekers, 2002:2). Several authors, including Kuznets (1971), Schultz (1990) and Yamada (1996), support these findings, all reporting a negative empirical relationship between the level of economic development and the rate of business ownership in the labour force (Wennekers, 2005:5).

Research regarding entrepreneurial intentions of university students in developed and developing countries, found that students in developing countries had stronger entrepreneurial intentions than those in developed countries (Santos et al. 2015:54). They suggest that the economic dynamism in developing countries encourages students to embark in venture creation. Moreover, Franco, Haase and Lautenschlager (2010), found that regional differences have strong impacts on entrepreneurial intentions. This implies that the economic climate and dynamic activities depict the intentions of a particular region. This inter-regional level of analysis is conceptually similar to that of Naude, Gries, Wood and Meintjies (2008:12), who determined that economic differences between regions of South Africa are significantly related to regional differences in the rate of business start-ups.

#### **2.7.4.5 Fear of failure and happiness**

Conroy, Poczwadowski & Henschen (2001:301) suggest that environmental circumstances such as economic stress play a vital role in influencing the experience of fear of failure. Fear of failure emerges as a combination of cognition, affect and action (Cacciotti, Hayton, Mitchell & Giazitzoglu, 2016:304) where fear may cause individuals to postpone both the planning and execution of action (Van Gelderen, Kautonen & Fink, 2014:15). Existing literature has observed fear of failure from both an economic and psychological perspective. The economics-based perspective posits that fear of failure negatively influence entrepreneurship as an occupational choice (Arenius and Minniti 2005:239). In contrast, the psychological-based perspective views fear of failure as a socio-cultural trait that influences attention to rewards in the social environment (Gómez-Araujo, Martinez & Martinez, 2015:163). Furthermore, research by Cacciotti et al. (2016:305) has compared fear of failure to of risk aversion. As such, fear of failure reduces the chances that an individual will expose themselves to environments characterised by the risk of failure resulting in for example a behaviour associated with the withdrawal from entrepreneurship. However, evidence suggests that the fear of failure can also result in motivating effects (Morgan and Sisak, 2016:3). Cacciotti et al (2016:305) argue that individuals may avoid failure by working harder to achieve success, rather than

undertake withdrawal behaviour.

In contrast to the fear of failure, research findings by Foo and Wiklund (2012) and Saiz-Alvarez, Martinez and Martinez (2014:37) show that an individual's experience of happiness can have a significant effect on entrepreneurial intent. Successful implementation of new ideas is related to increased levels of happiness when starting up a business (Uy, Foo & Song, 2013:583). The relationship between desire to partake in entrepreneurship and the feeling of happiness is particularly intense in entrepreneurs (Saiz-Alvarez et al, 2014:40).

## **2.8 SUMMARY**

In Chapter 2 a comprehensive literature review was undertaken. The chapter commenced by defining entrepreneurship and elaborating on the various criteria used to define the term. The importance of entrepreneurship was examined while making specific reference to the South African context. Thereafter, entrepreneurial intentions and the two theories underlining the current study were elaborated on, namely the theory of planned behaviour and the social cognitive career choice theory. To follow the status of entrepreneurship in South Africa was discussed, proceeded by the various challenges entrepreneurs face. In addition, the socio-economic milieu was dissected and further contextualised. The chapter then concluded with a discussion on the socio-economic milieu as well as the relationship between this milieu and entrepreneurial intentions. To follow in Chapter 3 the research design and methodology adopted to achieve the objectives of this study will be described. The literature review and empirical investigation will be elaborated on by looking at the research paradigm, methodological approach and the method adopted. Thereafter, the trustworthiness and ethical considerations applicable to this study will be addressed.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 INTRODUCTION**

In Chapter 2 a comprehensive literature review was undertaken. Whereby entrepreneurship was defined and the importance of entrepreneurship was examined, with specific references to the South Africa context. Thereafter entrepreneurial intentions and the two theories underlining the study were discussed. The chapter was then concluded with an examination of the socio-economic milieu as well as the relationship between this milieu and entrepreneurial intentions.

To follow in Chapter 3 the research design and methodology adopted to achieve the objectives of this study will be described. The literature review and empirical investigation undertaken will be elaborated on. In terms of the empirical investigation, the research paradigm, the methodological approach and the method adopted will be described and justified. The case study methodology which has been selected for the purpose of this study will be described and the method of data collection, sampling and data analysis will be elaborated on. Lastly, the trustworthiness and ethical considerations applicable to this study will be addressed.

#### **3.2 LITERATURE REVIEW (SECONDARY RESEARCH)**

A comprehensive literature review was conducted in order to describe the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic milieu that surrounds potential entrepreneurs. In Chapter two the perceived relationship between the socio-milieu and entrepreneurial intentions was thoroughly examined by firstly defining the term of “entrepreneurship”, followed by displaying the importance of such with specific reference made to the South African context. Thereafter, entrepreneurial intentions were described in terms of two underlying theories, The Theory of Planned Behaviour and The Social Cognitive Career Choice Theory. To follow information pertaining to the current status of

entrepreneurship in South Africa was presented and accompanied by the various challenges that entrepreneurs encounter. Lastly, the relationship between the socio-economic milieu and entrepreneurial intentions was carefully dissected by looking at variables such as, emotions and intentions, formation of entrepreneurial intentions as well as the environmental aspects of entrepreneurship.

In order to undertake the literature review presented in Chapter 1, International and national data searches were done using the facilities of the Nelson Mandela University library. These data searches used the databases of EBSCO Host, Google scholar and Research Gate.

### **3.3 EMPIRICAL INVESTIGATION (PRIMARY RESEARCH)**

The empirical investigation is described in terms of four subsections, namely an overview of the research paradigm, the methodological approach, the methodology and the method of data collection selected for the current study. The sampling technique adopted will be elaborated on and the data analysis and presentation method used, will be described.

#### **3.3.1 Research paradigm**

A paradigm refers to a shared world view that represents the beliefs and values in a discipline and that guides how problems are solved (Schwandt, 2001:1). According to McGregor and Murnane (2010:420), the most common research paradigms are a positivistic or an interpretivistic paradigm. A positivistic paradigm involves a deductive process with a view to providing explanatory theories to understand social phenomena (Collis & Hussey, 2010:43). On the other hand an interpretivist paradigm involves the discovery of reality through the participant's views and past experiences (Yanow & Schwartz-Shea 2011:133). Given the objective of the current study, an interpretivist paradigm has been chosen. Through the adoption of an interpretivist paradigm the researches will use secondary data to interpret an understanding from the gathered data (Thanh & Thanh, 2015:24).

### **3.3.2 Methodological approach and research methodology**

According to Kothari (2004:8), research methodology is defined as a “way to systematically solve the research problem”. Research methodology is also perceived as the science of studying how research is done scientifically. The research methodology involves the various steps taken by the researchers in studying the research problem as well as the logic behind them. The approach to the research methodology or the methodological approach adopted, can either be quantitative or qualitative in nature. A quantitative methodological approach is applicable to phenomena that are measurable and can be expressed in numerical terms. On the other hand, a qualitative methodological approach focuses on the processes that are not measured in terms of quantity, amount, intensity or frequency, but rather focusses on aspects relating to quality (Jajoo, 2014:50). A qualitative approach can be characterised by its aims, which relate to attempting to understand some aspect of social life (Quinn & Cochran, 2002:2). In the context of this study, where little is known about the level of entrepreneurial intentions, it is recommended to start with a qualitative approach which could in future be used to generate hypotheses which can then be tested using quantitative methods (Quinn & Cochran, 2002:2).

Qualitative research methodologies involves mainly explanatory research, which is used to develop an understanding of the underlying reasons, opinions, and motivations of individuals (Cresswell, 2003:173). The primary focus when using explanatory research is to analyse a situation or specific problem, and to explain the patterns of relationships between variables (Dudovskiy, 2018:1). One reason for the use of explanatory research is to identify any causal links between these variables that relate to the research problem and further seek answers to questions about these links which are too complex for quantitative strategies to examine (Van Wyk, 2012:9; Milliot, 2016:11).

Various types of qualitative research methodologies can be identified, several of which are summarised in Table 3.1 below.

**Table 3.1: Qualitative research methodologies**

Methodology	Definition
Hermeneutics	The study of human cultural activity through the process of co-creation between the researcher and participant, and closely relies on the epistemological and philosophical insights offered by classical hermeneutic theory (Laverty, 2003:24; Prasad, 2002:13).
Ethnography	Attempts to study social life as it unfolds in the practices of day-to-day life and is dependent on standard techniques which require a degree of cultural empathy and appreciation of the value of observation (Van Donge, 2006:180).
Phenomenology	Involves a detailed examination of the participant's life, in order to explore how participants make sense of their personal and social world. Phenomenology attempts to explore personal experiences and is concerned with the participants perception of the experience from a subjective, personal point of view (Smith & Osborn, 2007:1)
Action research	A process in which participants examine their own educational practice systematically and carefully by using the techniques of research. It is different from general problem-solving in the sense that it is not trying to find out what is wrong, but rather a quest of knowledge on how to improve (Ferrance, 2000:2).
Grounded theory	An overall approach to inquiry with the fundamental purpose of generating theories that explain the interactions and/or setting of interest. Grounded theory seeks to build explanations of social phenomena by working backward, from data into theory, rather than through the more traditional approaches (Marshall & Rossman, 2016:27)
Feminist research	Research done by, for, and about women. What makes feminist research feminist are the unique types of questions, methodologies, knowledge and purpose brought forward to the research process (Brayton, Ollivier & Robbins, 2005:1)
Case study	An in-depth study often undertaken over time, where the researcher seeks to increase his or her understanding of the phenomena studied (Goodrick, 2014:1; Johansson, 2002:2).

The case study methodology is adopted for the current study. More specifically a comparative case study analysis, will be undertaken to achieve the objectives of this study. The aforementioned will be described in more detail in the section to follow.

### 3.3.3 Case study methodology

A case study is an in-depth study undertaken over time, where the researcher seeks to increase his or her understanding of the phenomena studied (Goodrick, 2014:1; Johansson, 2002:2). It is a method that enables a researcher to carefully examine data within a specific context and ensures that the issues is not explored through one lens but rather a variety of lenses, which allows for multiple facets of the

phenomenon to be revealed and understood (Baxter & Jack, 2008:544; Zainal, 2007:1). According to Simmons (2009:21), a case study method offers, “an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular phenomenon in real-life”. Through making use of a case study methodology, the researcher is able to investigate ‘everything’ in that specific situation, be it individuals, groups, activities or specific phenomena (Cronin, 2014:21).

Zainal (2007:5), provides a brief summary of the various advantages and disadvantages associated with the case study methodology. Firstly, case studies are considered useful as they allow researchers to examine data at a micro level, as well as providing a practical solution when a big sample population is difficult to obtain. However, although case studies have various advantages, they are also criticised for their inability to generalise their results. In addition, case studies have been criticised for their lack of rigour and the tendency for a researcher to have a biased interpretation of the data (Baxter & Jack, 2008:541).

Case studies can include either single or multiple cases (Meyer, 2001:332). A single case study utilises data from one instance or situation to confirm or challenge a theory, or to represent an extreme case (Dul & Hak, 2008:4; Yin, 1994:38). A researcher can adopt a single-case design in situations where there are no other cases available for replication (Zainal, 2007:2). A drawback of using the single-case design is the absence of generally accepted methods for developing relationships and the difficulty in reaching generalised conclusions, in particular when events are infrequent (Ruddin, 2006:805; Zainal, 2007:2). Using multiple case studies allows the researcher to obtain information from real life events that show numerous sources of evidence, which are then analysed in a qualitative manner to achieve a stipulated research objective (Dul & Hak, 2008:45).

The use of multiple case studies has become increasingly popular within management and marketing research (Falay, Salimaki, Ainamo & Gabrielsson, 2007; Helfen & Sydow, 2013; Lochrie, 2016). Where most case studies only make use of one source of data, using multiple sources increases the reliability and validity of the data (Vohra, 2016:58). A typical approach when using a multiple case study

is to describe each case by presenting the themes within the case, followed by a cross case analysis (Harling, 2012:2). A multiple case study approach enables the researcher to explore differences within and between each case, with the goal of replicating findings across cases (Yin, 2003:34). One advantage of using a multiple-case study design is the ability to create a more convincing argument when findings are more intensely grounded in several cases (Guftafsson, 2017:3). However, multiple case studies can be enormously expensive and time consuming to implement (Baxter & Jack, 2008:550).

A multiple case study design was used to achieve the objectives of the current study. Each case is represented by a socio-economic milieu at a specific “period of time.” Four cases of specific phenomena are examined – these phenomena will be measured at four different time periods. Each period of time will represent a case which will be described in terms of two sets of indicators.

A comparative case study analysis “involves the analysis and synthesis of the similarities, difference and patterns across two or more cases that share common focus or goal in a way that produces knowledge that is easier to generalise about casual questions” (Goodrick, 2014:1). These discoveries may in turn contribute to the development or the confirmation of theory (Campbell, 2010:28). In addition, comparative case studies makes use of a multiple cases for the purpose of gathering in-depth insight in the different cases to perform a cross-unit comparison and produce some degree of generalisation (Byrne & Ragin, 2009:223; Mann, 2006:73). This type of study is used when it is not feasible to conduct an experimental design or when there is a need to explain how and why particular programmes or policies work or fail to work (Goodrick, 2014:1). The most common reason for conducting a comparative case study, is that it is not possible to collect data from a large sample, either because there simply are no more cases or because it is not feasible to do so (Dul & Hak, 2008:158).

Bartlett and Vavrus (2017:6) concur that the comparative case study design pertains to macro, meso and micro dimensions of case-based research. With Byrne *et al.* (2009:54), stating that macro-studies, and further non-probabilistic quantitative approaches, indicate that substantive generalisation and comparative specification

go hand in hand. One inherent strength when using a qualitative comparative case study methodology lies in the combination of a holistic commencement of the case as a complex entity, with the ability to explore complex causality across multiple cases (Rihoux & Lobe, 2009:115).

In the current study, a comparative case study analysis has been undertaken, and is best suited because of its ability to analyse the four different data sets and provide cross unit comparison at the four different points in time. However, Becker and Bryman (2004:325) have identified a notable weakness of the comparative method, which lies in the objectivity and vulnerability of the data being shaped by the researchers own interests and perspectives. To address this issue, it is imperative to consciously retain an objective perspective throughout the study.

There are three categories of case study designs, namely, the illustrative case study, the exploratory case study and the explanatory case study. *Illustrative* case studies are used to describe a situation or phenomenon, what is happening with it, and why it is happening. This design is helpful when the study is addressing a target audience that is largely uniformed about the topic being presented (Hayes, Kyer & Weber, 2015:8). Illustrative case studies bridge the information gap and aid in making the unfamiliar familiar, while giving readers a general understanding of the topic (Mann, 2006:71). These case studies are not made to span over a vast number of cases as the high number of elements may make it difficult to hold the reader's attention (Hayes et al., 2015:9).

Exploratory case studies explore any phenomenon in the data which serves as a point of interest to the researcher (Zainal, 2007:3). Exploratory research is usually focused on a single case or a limited number of cases. This type of case study is used to better understand and emerging phenomenon, and to propose new theoretical insights (Milliot, 2016:11). Exploratory case studies can be used to gain preliminary insights into what is happening in a situation. These case studies usually precede large scale investigations, offering insights into a situation and aiding in the development of analytical strategies, designs, questions and goals (Hayes et al., 2015:10). An exploratory case study helps set priorities for the research, while also identifying the dimensions of problems so that subsequent research projects will be

on track (Manerikar & Manerikar, 2014:95). When undertaking exploratory research using case studies, the number of cases sampled should be large enough and collected from enough sources to accurately represent the diversity of the phenomenon being studied (Hayes et al., 2015:11).

In the current study, the case study design will adopt an explanatory approach. Explanatory research approach can be used in the context of explaining the extent and nature of cause-and-effect relationships, while assessing the impact of specific changes on existing norms and processes (Dudovskiy, 2018:1; Jajoo, 2014:50). When making use of an explanatory approach, it is imperative to clearly define each case at the outset of the study (Simons, Ziviani & Copley, 2011:258). Explanatory research is associated with the comparison of a small number of variables across a few cases (Haverland & Blatter, 2012:2). This comparison allows for careful examination of the data, both at the surface and deeper level in order to explain the phenomenon in the data (Zainal, 2007:3).

An explanatory case study method starts with the documentation of theory used in the literature review to enable the identification of characteristics relating to the studied cases (Simons et al., 2011:259). Case studies must meet three conditions to be deemed suitable for explanatory research. Firstly, the research must seek to explain “how” and “why” a phenomenon occurs. Second, it must seek to examine a modern phenomenon, and lastly, the researcher must have no control over the phenomenon being studied (Yin, 2014:219).

### **3.3.4 Research method**

Kothari (2004:1) defines a research method as “all the methods and techniques that are used in conducting the research”, including the collection of the data and the data analysis.

#### **3.3.4.1 Data collection**

Researchers can collect two types of research data, namely primary and secondary data. *Primary data* is new data collected for a study and *secondary data* is available



data that already exists from existing sources other than the current study (Struwig & Stead, 2013:82).

Primary data is data collected for the specific research problem being examined and can be collected using techniques that best suit the research problem (Hox & Boeije, 2005:593). The ultimate goal of collecting primary data is to learn about something new that can be confirmed by others and eliminate any potential researcher bias (Driscoll, 2011:154). One imperative advantage of collecting primary data is that the research design and data collection strategy can be tailored to the research question. This ensures that the study is coherent and that the data obtained helps to solve the research problem (Hox & Boeije, 2005:594). Primary data in qualitative studies is mostly collected by mean of interviews and/or observations. According to Kvale (1996:174) interviews are “conversations, whose purpose is to gather descriptions of the interviewee, with respect to the meaning of the described phenomena”. Whereas, observations are a data collection method whereby researchers make observations by watching behaviour, events or noting physical characteristics within specific research populations (Bryant, n.d:5)(ETA, 2008:1).

In contrast to primary data, secondary data is data that has originally been collected for a different purpose and is re-used to answer a different research question (Hox & Boeije, 2005:593). According to Ghauri (2005), one of the main advantages of secondary data is the ability to save time in the research process. In the past secondary data has required hours of tracking in libraries, however, technological advancements have revolutionised the way people collect data. Perez-Sindin Lopez (2013:1) highlight that secondary data has not always been accessible to the general public, but has in the past been confined to libraries and institutions. The internet age has been revolutionary in this sense, making secondary data easily accessible to all. As a result of the improved accessibility and time savings of using secondary data, researchers have been able to save a lot of money, using secondary data is one of the less expensive ways of collecting data. Another advantage of using secondary data is the ability to gain new insights from previous analyses or research projects. This re-analysis of data can lead to new discoveries and may further advance research undertaken in the past (Perez-Sindin Lopez,

2013:1). Document analysis and historical research are two methods for collecting secondary data. Each will be described below.

#### 3.3.4.2 Documentary analysis and historical research

Documentary analysis is a systematic process of evaluating and reviewing previously collected data (Bowen, 2009:27). Payne and Payne (2004:60) describe documentary analysis as the techniques employed to categorise, investigate, interpret and identify the limitations of public sources of information. There are three different types of documents which can be used for documentary analysis, namely: public records, personal documents and physical evidence (O'leary, 2014:126). However, according to Mogalakwe (2006:222), these documents capture the everyday dealings of individuals and groups, and are not deliberately produced for the purpose of research.

Like all data collection methods, documentary analysis requires that data be examined and interpreted in order to extract meaning, gain understanding and develop empirical knowledge (Repley, 2007:64). The procedure utilised when undertaking a documentary analysis involves finding, selecting, appraising and synthesising data contained in documents. This iterative process combines elements of content analysis and thematic analysis (Bowen, 2009:28). Where content analysis refers to the organising of information into categories which are related to the central question of research (Labuschangne, 2003:101), thematic analysis involves pattern recognition within the data, with identified themes becoming the categories for analysis (Fereday & Muir-cochrane, 2006:82).

Documentary analysis also serves various functions in the data collection process (Bowen, 2009:29). Firstly, it helps researcher's gain a better contextual understanding of the historical roots of a particular phenomenon. Secondly, information obtained through documentary analysis can help develop questions that need to be asked and situations that need to be observed as part of the research (Goldstein & Reiboldt, 2004:246). Thirdly, it provides a means of tracking changes throughout the collection process, and lastly, offers a method for verifying findings or supporting evidence from other sources (Bowen, 2009:30). One potential

disadvantage of using documentary analysis as a data collection method is the inherent unreliability and inconsistency that exists amongst the data (Triad, 2016:1; Bowen, 2009:32).

Shafiee (2015:1) describes historical research as the systematic collection and assessment of data to try and understand and explain any event that has happened in the past. Libraries and historical archives are regarded as the main foundations for preserving historical documents. Historical data can be in both primary and secondary form, with data created during the period of interest characterised as primary data, while data created later on based on the examination of the primary sources is characterised as secondary (Elena, Akrivi, Costas, Georgios & Constantin, 2010:1) There is no manipulation of, or control over the data as there is in experimental research, it is rather an objective evaluation and amalgamation of evidence to establish facts and draw deductions about past events (Walliman, 2011:9). In addition to informing one about what has happened in the past, historical data can be useful in finding concrete solutions from the past in order to inform present and future trends (Walliman, 2011:10). Historical research is undertaken to create awareness of what has happened in the past so that people will be able to apply those situations to present day problems, and learn from past failures (Shafiee, 2015:2). Kolbl and Straub (2001:8) note that an historical awareness is fundamental to one's ability to recall and imagine past events. Lukacs (1968:9) states that this ability involves cognition and recognition, which are closely related to one's reasoning process.

For both documentary analysis and historical research, the secondary data necessary is obtained from various sources, including the internet, books and journals. Secondary data can be found through a number of channels. Firstly, data which has been used by various universities is stored on databases and made available to future researchers with identical or similar research questions. Secondly, data used by researchers around the world are captured on archives and released to the broader public for further research. Finally, data agencies also provide a channel to search and retrieve data which has been captured on behalf of themselves or other institutes (Hox & Boeije, 2005:594).

The data used in the current study is existing data which has been collected from various secondary sources, most notably the internet. As such, the study makes use of secondary or historical data on which to undertake the data analysis.

#### 3.3.4.3 Sample

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole (Fridah, 2002:1). Emmel (2013) describes qualitative sampling not as a solitary planning decision but rather as a constant sequence of decisions throughout the process of research. The primary purpose of qualitative sampling is to collect precise cases, events or actions that clarify deepen the researchers understanding about a particular phenomenon (Ishak & Bakar, 2014:29). Flick (2014:91) states that individuals or cases are selected as participants for a qualitative study not because they represent their populations but owing to their relevance to the research topic. However, qualitative researchers seldom determine their sample size prior to their study nor have great idea or knowledge about the population they are going to study (Neuman, 2013:247). Moreover, qualitative researchers place less focus on the samples representativeness when drawing a probability sample and are rather concerned with identifying cases or units of analysis that will broaden what other researchers have discovered about particular phenomenon (Ishak et al., 2014:29).

Three broad approaches have been identified as appropriate when selecting a sample for a qualitative study. Firstly, the convenience sampling. This is the least demanding sampling technique, whereby the selection of the sample is done at the convenience of the researcher using the most accessible subjects. This kind of sample is the least costly in terms of time, effort and money, but it may result in poor quality data that lacks intellectual credibility (Elmusharaf, 2012:6). Secondly, judgemental sampling (purposive), is used when the researcher selects what appears to be the most representative sample of the population. Thirdly, theoretical sampling refers to the process of data collection for generating theory, whereby the analyst jointly collects and analyses his/her data and decides what to collect next and where to find it, in order to develop the theory as it emerges (Marshall, 1996:524).

In the current study, the unit of analysis is the socio-economic milieu at a specific “period of time.” Four cases of specific phenomena are examined – these phenomena are measured at four different time periods. Each period of time represents a case which will be described in terms of two sets of indicators, entrepreneurial intentions on the one hand, and socio-economic indicators on the other. The time periods chosen are 2008, 2013, 2015 and 2017. These period were chosen because of the availability of data measuring entrepreneurial intentions among students. As such convenience sampling was used to select the four different cases or periods of time.

In the current study the indicators of entrepreneurial intentions are sourced from four existing studies. These are summarised in Table 3.2 below.

**Table 3.2: Measures of entrepreneurial intentions**

Reference	Survey Year	Cronbach Alpha	Mean
Campodonico, M. 2019. <i>The influence of psychological well-being on the entrepreneurial intentions of students</i> . Unpublished Master Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.	2017	0.968	4.412
Porter, S.J and Mashologu, N.T. 2016. The influence of individual entrepreneurial orientation on the entrepreneurial intentions of Nelson Mandela Metropolitan University students. Unpublished Honours Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.	2015	0.950	3.728
Mamoudou, H. 2014. The influence of students' perceived happiness on their entrepreneurial intention at a higher educational institution in South Africa. Unpublished Honours Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.	2013	0.951	5.366
Gray, B., Farrington, S. M., and Sharp, G. 2010. <i>Applying the theory of planned behaviour to entrepreneurial intention</i> . The 4 <sup>th</sup> International Business Conference (IBC), Zambia, Victoria Falls, 12-14 October.	2008	0.863	4.86

Various other indices measuring entrepreneurial activity will also be used, most specifically the indicators of entrepreneurial activity and entrepreneurial intentions reported in the Global Entrepreneurship Monitor.

Furthermore, the indicators that that will provide an overview of the surrounding socio-economic milieu at the time of measuring the levels of entrepreneurial activity and intentions, will be selected from those summarised in Tables 3.3.

**Table 3.3: Economic indicators**

Index	Interpretation	Source
Interest rate	The interest rate is based on the interest rate of a given country and serves as a benchmark to calculate the interest amount that lenders may be charged on financial products.	(Investopedia, 2018)
Inflation rate	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of the currency is falling.	(Investopedia, 2018)
Consumer price index (CPI)	The Consumer Price Index (CPI) measures monthly changes in prices for a range of consumer products. Changes in the CPI record the rate of inflation.	(StatsSA, 2013)
GDP per capita	The total value of all the goods and services produced in a country in a particular year, divided by the number of people living there.	(Unicef, 2018)
Exchange rate	Refers to the rate at which the currency of one country can be exchanged for that of another.	(Bosch et al, 2011:62)
Business confidence	The business confidence index is published by both the Bureau for Economic Research (BER), as well as the South African Chamber for Commerce and Industry (SACCI). The business confidence index is constructed from BER's quarterly business tendency surveys, guided by one specific question: "Are prevailing business conditions satisfactory or unsatisfactory?" The BCI is then a weighted percentage of the respondents that rated prevailing business conditions as satisfactory and reflects a rating of business conditions at a specific point in time.	(Boshoff & Binge, 2017:4).
Consumer confidence	The Consumer Confidence Index is a measurement of how optimistic or pessimistic consumers are with regard to the economy in the foreseeable future.	(Investopedia, 2018).

The above indices will be calculated in the period prior to when the levels of entrepreneurial intentions are measured. For example, an average interest rate and inflation rate will be taken twelve months prior to when entrepreneurial intentions were measured. GDP per capita and growth rates will be retrieved from the latest national budget speech prior to when entrepreneurial intentions are measured. While an average exchange rate from the previous twelve months prior to the

measurement of entrepreneurial intentions will be formulated. The various socio-cultural indicators used are summarised in Table 3.4

**Table 3.4: Socio-cultural indicators**

Index	Interpretation	Source
Unemployment rate	The unemployment rate can be defined as the number of unemployed people as a percentage of the labour force.	(OECD, 2018).
Happiness Index	The happiness index reports on variables such as well-being, leadership approval ratings, confidence in national institutions, employment rates, and other issues effecting people and the choices they make.	(Ray, 2017).
Corruption index	The corruption index ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople. It uses a scale of 1 to 100, where 0 is highly corrupt and 100 is very clean.	(Transparency International, 2017).
Human development index	The Human Development Index is compiled on an annual basis and measures the average achievement in key dimensions of human development, namely, a long and healthy life, being knowledgeable and having a decent standard of living.	(UNDP, 2018)
Health care index	The Health Care Index (HCI) is an estimation of a country's overall quality of health care system, health care professionals, equipment, staff, doctors and costs. The HCI is compiled semi-annually and retrieves data from online surveys completed on the "Numbeo" website. The survey measures the quality of health care by looking at factors which include: hospital quality, health plan quality, physician quality, quality of other health professionals and patient experiences.	(Numbeo, 2018)
Crime Index	The crime index is an annual study conducted by the FBI for the purpose of comparing criminal law statistics to create more uniformity among state statutes.	(Africacheck, 2017)
Quality of Nationality Index (QNI)	The QNI provides a measure of quality of life and personal growth opportunities within the origin country, as well as the quality of opportunities that South Africa's nationality allows individuals to pursue outside of the origin country.	(Nationalityindex, 2018)
Stress level index	The stress level index conducted by Bloomberg, ranks 74 countries on their respective stress levels through analysing seven key variables: homicide rates, GDP per capita, income inequality, corruption	(Bloomberg, 2013).

	perception, unemployment, life expectancy and urban air pollution.	
--	--	--

The above indexes are lagging indicators of the previous twelve months. Therefore the data for these indexes will be retrieved at the end of each recording year as it best depicts the socio-cultural environment to which the participants, whose entrepreneurial intentions have been measured, had been exposed to.

In this study the researchers will carefully report on each of the respective indexes provided above. The indexes will be tabulated and plotted against each other and against the measure of student entrepreneurial intentions for each 'period of time' using line charts. The bar charts reflecting different cases or 'periods of time' will then be compared to each other. Moreover, differences amongst the recorded indexes will be identified and compared, and possible relationships with the measures of entrepreneurial intentions will be highlighted and explained.

#### 3.3.4.4 Data analysis

The four cases, or periods of time, are compared in terms of the various socio-economic indexes to provide insights into the levels of entrepreneurial activity and intentions. In addition, potential explanations for these levels and relationships will be proposed.

A constant comparative analysis has been conducted. Constant comparative analysis enables researchers to identify similarities and differences across the data and develop theories regarding the relationships, patterns and themes (Shi, 2008:158). The constant comparative method integrates systematic data collection, coding and analysis with theoretical sampling, in order to generate theory that is cohesive and articulated in a clear enough manner for further testing (Kolb, 2012:83). The constant comparative method along with theoretical sampling form the core of qualitative analysis in qualitative research (Boeije, 2002:391). This method is utilized to develop concepts from the data through simultaneous coding and analysis (Kolb, 2012:83). Furthermore, researchers are able to improve the overall trustworthiness of data by allowing outside researchers to perform



independent coding during the constant comparative method (Thomas, 2003:4). External validity can also be improved through cross case analysis (Olson, McAllister, Grinnell, Walters & Appum, 2016:29).

### **3.5 TRUSTWORTHINESS**

Establishing how qualitative researchers address the trustworthiness of their findings is of great importance. To ensure the trustworthiness of the results in the current study the researchers focussed on establishing the credibility, transferability, dependability and confirmability of the data and findings (Devault, 2017:1). These four aspects make up the fundamentals of establishing trustworthiness and are thus elaborated on below.

Credibility is defined as “the confidence that can be placed in the truth of the research findings” (Holloway & Wheeler, 2002; Macnee & McCabe, 2008). To ensure the credibility of the data and results, two core attributes were applied, namely triangulation and member checks (Devault, 2017:1). Triangulation makes use of multiple methods, investigators, sources and theories in order to acquire valid evidence (Onwuegbuzie & Leech, 2007:239). Member checks involve establishing structural coherence, i.e. testing all the data to ensure that there are no internal inconsistencies (Anney, 2014:277). In the context of this study, member checks were conducted internally by the research supervisor.

To ensure creditability in the current study, triangulation was implemented. The researchers used two investigators and multiple sources from which to gather the secondary data. Furthermore, several indices reflecting the levels of entrepreneurial activity and several indicating the socio-economic milieu were used, as such the various indices supported each other in describing the levels of entrepreneurial activity and a description of the socio-economic milieu.

Transferability is defined as the “degree to which the results of qualitative research can be transferred to other contexts with other respondents” (Bitsch, 2005; Tobin & Begley, 2004). “Other contexts” can relate to similar situations, similar populations and phenomena. The transferability of this study was assessed by having more than

one economic and socio-economic indicator, allowing for the application across multiple contexts and environments.

Dependability aims to ensure that if the research were to be repeated over time, the findings would be consistent (Bitsch, 2005:86). To ensure dependability an outsider is required to examine and review the data analysis and research process in order to guarantee that the findings are consistent and can be repeated (Olivia, 2016:1). This involves an audit trail and a stepwise replication. An audit trail involves an inspection of the inquiry process to validate the data, whereby the researchers disclose all research activities to demonstrate how the data was collected, recorded and analysed (Bowen, 2009; Li, 2004). A stepwise replication serves as a data evaluation procedure and involves two or more researchers who inspect the same data separately to carefully compare the findings (Chilisa & Preece, 2005). In the context of this study the two researchers collected and plotted the data, thereafter a third party collaborated the findings to achieve dependability.

Lastly, confirmability relates to the degree of neutrality in the findings of the research and is concerned with ensuring the results are clearly derived from the data and not potential bias or personal motivations of the researcher (Olivia, 2016:1; Tobin & Begley, 2004:392). This is necessary to certify that the research findings of the participants are not skewed to fit a certain context (Olivia, 2016:1). The confirmability of this study was ensured by strictly adhering to the methodology process outlined in Chapter three.

### **3.6 ETHICAL CONSIDERATIONS**

Ethics refers to a set of values and rules that define right and wrong behaviour (Hellriegel, Slocum, Jackson, Louw, Staude, Amos & Klopper, 2012:143). Research ethics involves seeking approval from a relevant ethics committee's to undertake research concerning humans as well as everyday ethical issues that arise in the doing of research. Another dimension of research ethics is the professional codes of ethics or conduct. In qualitative research that involves humans, one of the early stages of the research process is the completion of the application form for a research ethics committee, which entitles the researchers to partake in examining

human behaviour. (Guillemin & Gillam, 2004:262). However, as the research method of the current study involves the use of secondary data and does not require new or human respondents to participate in the data collection process, ethical clearance is not required.

### **3.7 SUMMARY**

In Chapter 3 the research design, methodological approach and method adopted in the literature review and empirical investigation were elaborated on. To follow, the case study methodology selected for the study was described and method of data collection, sampling and data analysis were explained. Concluding the chapter, the trustworthiness and ethical considerations pertaining to this study were addressed in detail. In Chapter 4, the various measures of entrepreneurial activity and intentions as well as the economic and socio-cultural indicators that describe the four cases will be described and presented graphically. To conclude the chapter, the relationship between the levels of entrepreneurship and the socio-economic milieu will be examined by performing a cross case comparison at the four periods in time.

## **CHAPTER FOUR**

### **EMPIRICAL RESULTS**

#### **4.1 INTRODUCTION**

In Chapter 3 the research design and methodology adopted to achieve the objectives of this study was presented. In this chapter the various measure of entrepreneurial activity and intentions will be presented as well as the economic and socio-cultural indicators that describe the four cases. The chapter will conclude with a summary of the various entrepreneurial, economic socio-cultural milieu for the four cases or period of time. A case comparison, to provide insights into the socio-economic milieu and entrepreneurial activity in South Africa, will be provided in the final chapter of this study, Chapter 5.

#### **4.2 MEASURES OF ENTREPRENEURIAL ACTIVITY AND INTENTION**

For the purpose of this study two existing measures of entrepreneurial activity will be used, namely the Global Entrepreneurship Monitor's (GEM) Total Early-stage Entrepreneurial Activity (TEA) rate as well as the GEM's entrepreneurial intention rate. These measures will be described and the rates reported over the period 2008 to 2017 will be summarized below.

##### **4.2.1 GEM TEA rate**

The TEA rate identifies the percentage of working individuals that are involved in starting up a business or currently own a business younger than 42 months (Herrington et al., 2017:23). The GEM collects data to calculate the TEA rate through the issuance of an Adult Population Survey (APS) (GEM, 2018). This survey is administered by academic teams in each participating economy and is conducted using a random representative sample of 2000 adults between the ages 18 and 64 years old. The TEA rate combines two sub-indexes, the nascent entrepreneurship rate and the new business owner rate (Van Stel, Brouwer & Wennekers, 2007:11). Nascent entrepreneurs can be described as individuals who have committed

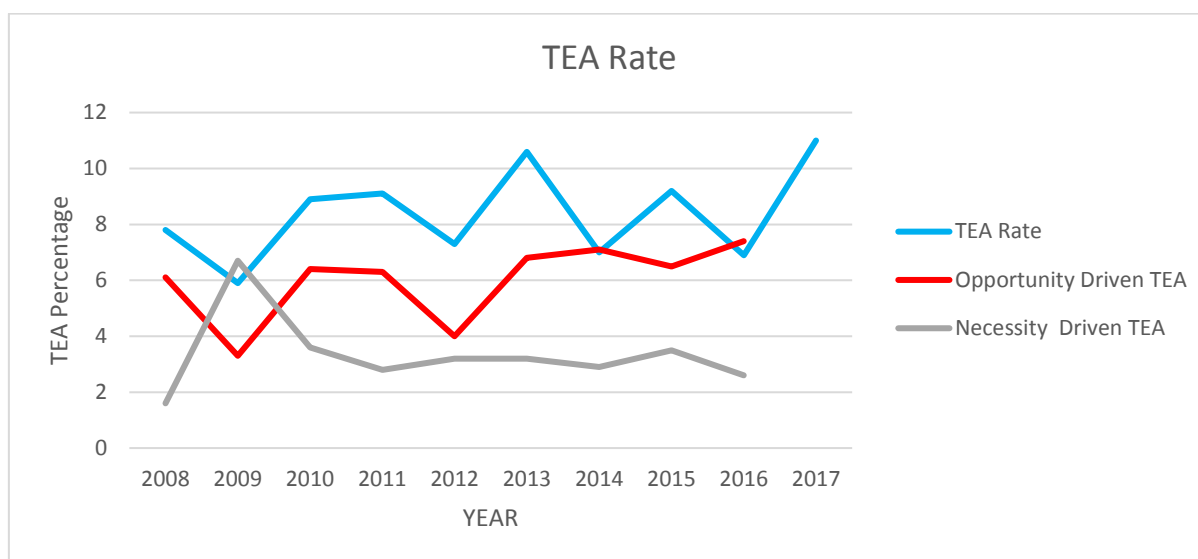
resources to starting a business, but have not paid salaries or wages for more than three months. An individual can be considered a nascent entrepreneur if the following three conditions are met: if he/she has acted to start a new business in the past few years, if he/she expects to share ownership of the new firm, and if the firm has not yet paid salaries and wages for more than three months (Reynolds, Bygrave, Autio, Cox & Hay, 2002:38). The new business owners rate measures those who have moved beyond the nascent stage and have paid salaries and wages for more than three months but less than forty-two months (Herrington et al, 2017:23). The TEA rate provides a benchmark for the level of entrepreneurial activity across nations as well as a longitudinal comparison within economies. Furthermore, Reynolds (2002:14) proposes that the TEA rate can be regarded as highly reliable and tends to mirror variations of growth in GDP.

In Table 4.2.1a and Figure 4.2.1a these rates are depicted and tabulated where it can be seen that in 2009 South Africa experienced its lowest overall TEA rate of 5.9, along with its highest necessity driven TEA rate of 6.7. This figure reported could be explained by the 2008 global financial crisis. Overall, South Africa has experienced a sustainable improvement in its TEA rates since the first reporting year (2008) and currently sits at its highest point of 11. South Africa has also seen a consistent decrease in its necessity driven TEA rate indicating that less individuals are resorting to starting their own business due to lack of employment options.

**Table 4.2.1a: TEA rates 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>TEA (%)</b>	7,8	5,9	8,9	9,1	7,3	10,6	7	9,2	6,9	11
<b>Opportunity TEA</b>	6,1	3,3	6,4	6,3	4	6,8	7,1	6,5	7,4	-
<b>Necessity TEA</b>	1,6	6,7	3,6	2,8	3,2	3,2	2,9	3,5	2,6	-

(Source: Global Entrepreneurship Monitor, 2018)

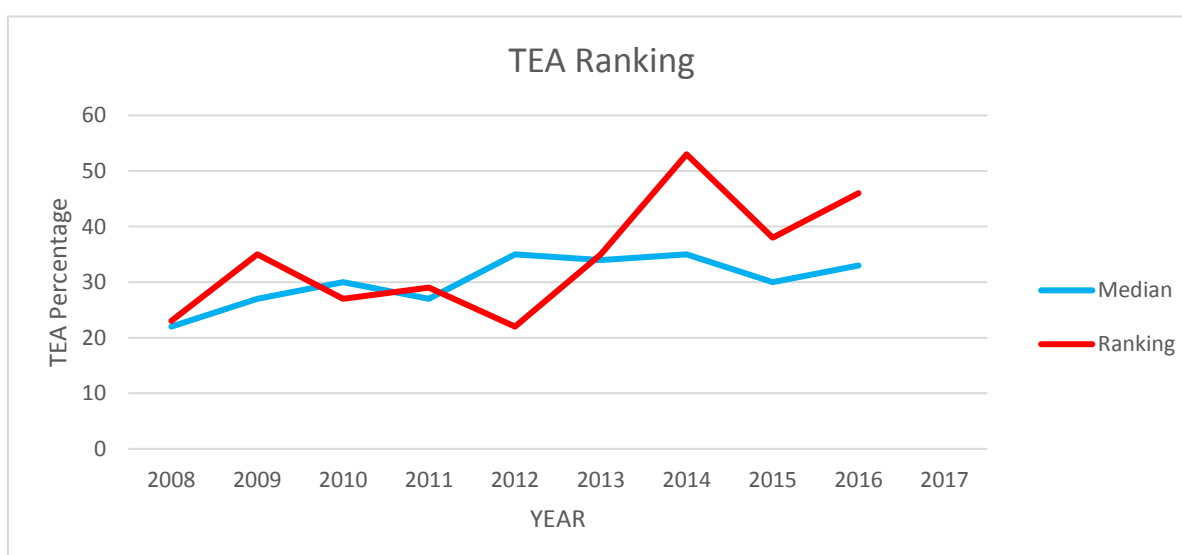
**Figure 4.2.1a: TEA rates 2008 - 2017**

(Source: Global Entrepreneurship Monitor, 2018)

**Table 4.2.1b: South Africa TEA Ranking 2008-2016**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Median Ranking	22	27	30	27	35	34	35	30	33	-
SA ranking	23	35	27	29	22	35	53	38	46	-

(Source: Global entrepreneurship Monitor, 2018)

**Figure 4.2.1b: South Africa TEA Ranking 2008-2016**

#### 4.2.2 Entrepreneurial intentions rate

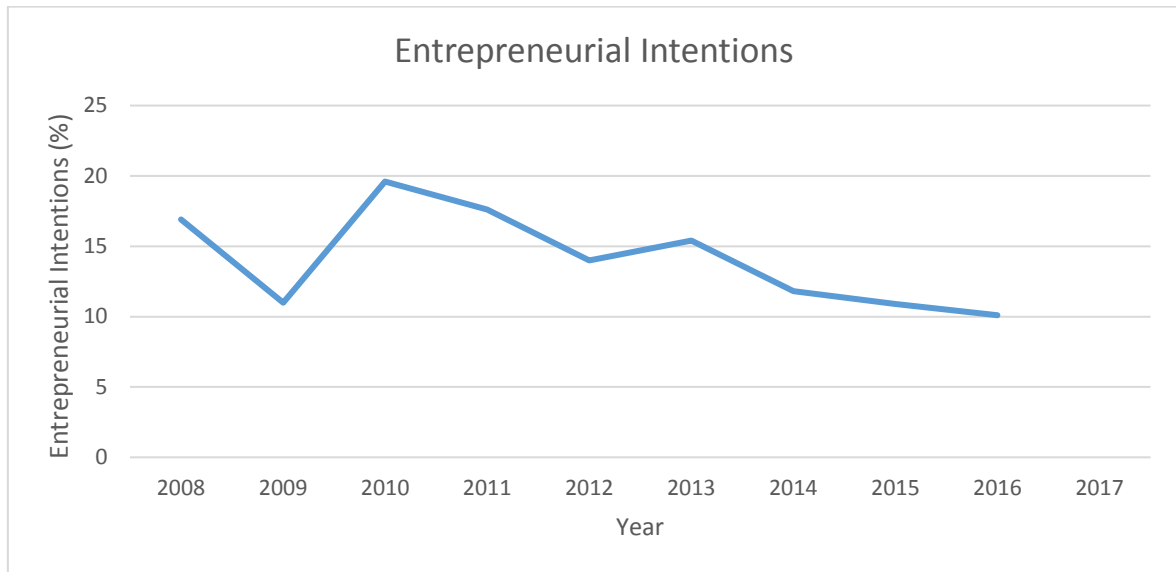
The GEM defines entrepreneurial intentions as the percentage of the 18-64 year old population who intend to start a business within the next three years (Herrington et al., 2017:22). This definition excludes individuals who are already engaged in any stage of entrepreneurial activity. The GEM acquires information on key entrepreneurial indicators through the use of the Adult Population Survey (APS). As stated earlier, the APS is administered by academic teams in each participating economy and is conducted using a random representative sample of 2000 adults between the ages 18 and 64 years old. In 2016, Nielson was accredited to conduct the APS in South Africa which included face-to-face interviews with individuals in rural and urban areas as well as with South Africans of all races (Herrington et al., 2017:18). Interviews were conducted using a structured questionnaire which asked questions relating to business characteristics, motivations for starting a business, actions taken to start a business and entrepreneurship related attitudes (GEM, 2018). The rates depicted and tabulated in Figure 4.2.2 and Table 4.2.2 show that although an increase in entrepreneurial intentions occurred during the period 2009 to 2010, South Africa has since experienced a downward trend in entrepreneurial intentions.

**Table 4.2.2: Entrepreneurial intentions rate 2008-2016**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Entrepreneurial Intentions (%)	16,9	11	19,6	17,6	14	15,4	11,8	10,9	10,1	11,7

(Source: Global Entrepreneurship Monitor, 2018)

**Figure 4.2.1: Entrepreneurial Intentions rate 2008-2016**



(Source: Global Entrepreneurship Monitor, 2018)

#### **4.2.3 Measures of entrepreneurial intentions among students**

Four studies done among South African students have been identified measuring student entrepreneurial intentions. A summary of these studies is tabled below.



**Table 4.2.3: Measures of entrepreneurial intention**

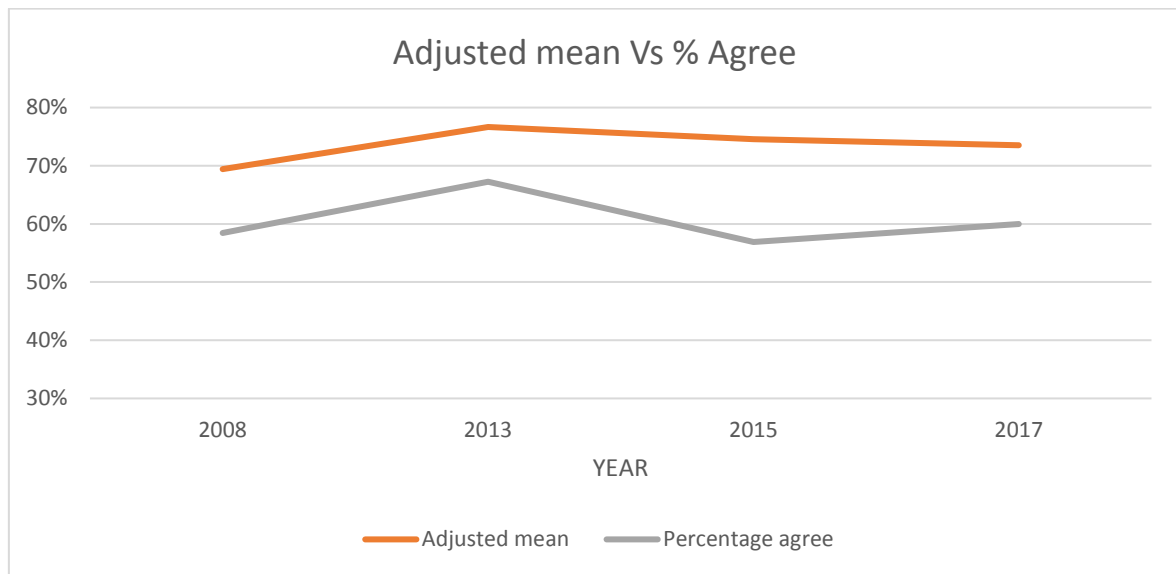
Year undertaken	# of items	Point scale	Mean	Adjusted mean	Frequency	Factor loading	Cronbach Alpha
Gray, B., Farrington, S. M., and Sharp, G. 2010. <i>Applying the theory of planned behaviour to entrepreneurial intention</i> . The 4 <sup>th</sup> International Business Conference (IBC), Zambia, Victoria Falls, 12-14 October.							
2008	4	7	4,86	$4.86/7 \times 100 = 58\%$	Disagree: 12.58% Neutral: 28.96% Agree: 58.46%	Min: 0,762 Max: 0,800	0.863
Mamoudou, H. 2014. <i>The influence of students' perceived happiness on their entrepreneurial intention at a higher educational institution in South Africa</i> . Unpublished Honours Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.							
2013	7	7	5,366	$5.366/7 \times 100 = 67\%$	Disagree: 11.04% Neutral: 21.17% Agree: 67.25%	Min: 0,750 Max: 0,931	0,951
Porter, S.J and Mashologu, N.T. 2016. <i>The influence of individual entrepreneurial orientation on the entrepreneurial intentions of Nelson Mandela Metropolitan University students</i> . Unpublished Honours Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.							
2015	12	5	3,728	$3.728/5 \times 100 = 75\%$	Disagree: 9,33% Neutral: 33,78% Agree: 56,89%	Min: 0,572 Max: 0,896	0.950
Campodonico, M. 2019. <i>The influence of psychological well-being on the entrepreneurial intentions of students</i> . Unpublished Master Dissertation. Port Elizabeth: The Nelson Mandela Metropolitan University.							
2017	12	6	4,412	$4.412/6 \times 100 = 74\%$	Disagree: 15,54% Neutral: 24,46% Agree: 60%	Min: 0,6994 Max: 0,931	.968

(Source: Self constructed)

**Table 4.2.4: Adjusted entrepreneurial intentions**

YEAR	2008	2013	2015	2017
Adjusted mean	69%	77%	75%	74%
Agree (%)	58%	67%	57%	60%

(Source: Self-constructed)

**Figure 4.2.3: Adjusted mean**

(Source: Self-constructed)

Table 4.2.3 displays the various variables used to calculate the level of entrepreneurial intentions at four different points in time. Firstly, the number of items used ranges between four and twelve and refers to the number of questions asked to each respondent. Secondly, point scales employed also differ between studies, ranging between five and seven, all of which are “likert” point scale. In the third column an adjusted mean score has been provided. The adjusted mean score normalizes each study’s results so that a cross comparison can be used when analyzing the data. The frequency located in column four depicts the divergence of responses across the three possible answers of Disagree, Neutral and Agree. Factor loading represents part of the outcome from factor analysis, which serves as a data reduction method designed to explain the correlations between observed variables using a smaller number of factors (Salkind, 2010:2). Lastly, the Cronbach Alpha which is a measure of internal consistency, shows that results acquired in all study’s maintained a relatively high internal consistency, obtaining an average Cronbach Alpha of 0.933.

### 4.3 ECONOMIC INDICATORS

In order to describe the economic milieu in South Africa, several economic indicators highlighting the economic conditions over the past ten years (2008-2017) have been selected. These indicators are described below.

### 4.3.1 Gross domestic product per capita

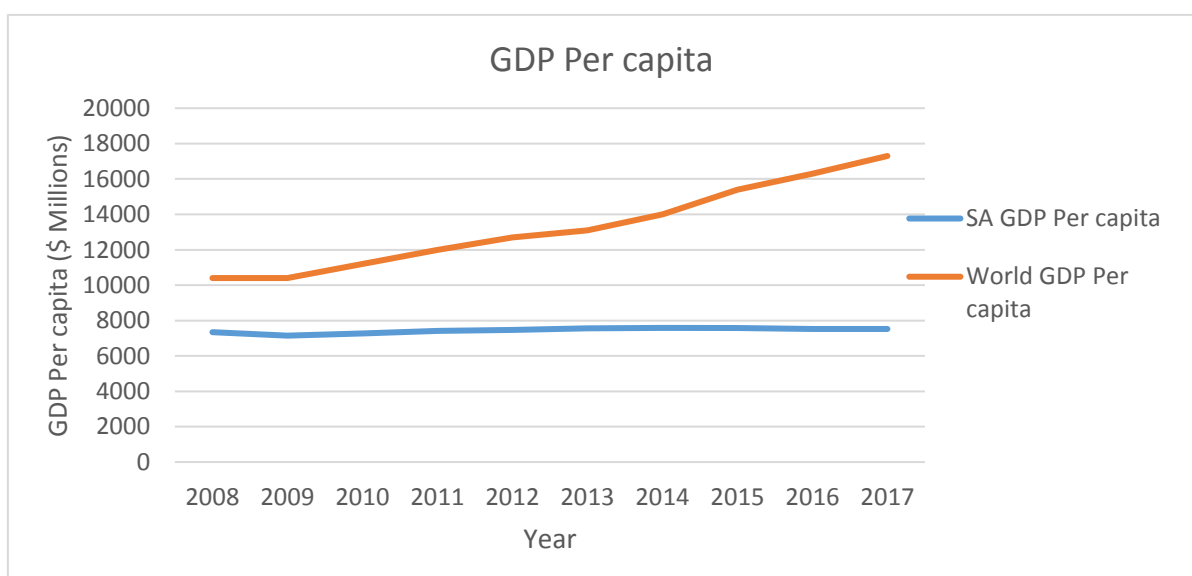
Gross domestic product (GDP) is the market value of all the goods and services produced in an economy within a given year (Brooks, 2014:4). The levels of GDP per capita are calculated by dividing GDP at current market prices by the total population. This is a basic economic indicator which is able to reflect both changes in economic growth as well as changes in overall well-being of the population (UN, 2018:265). GDP per capita is measured on an annual basis. From Table and Figure 4.3.1 below it can be seen that in contrast to the World average GDP per capita, which has increased, South Africa has seen no increase in the overall economic output over the past ten years.

**Table 4.3. 1: GDP Per capita South Africa vs World average 2008-2016**

Year/ GDP	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Per capita	7337	7145	7275	7416	7475	7552	7582	7575	7519	7524
World average	10400	10400	11200	12000	12700	13100	14000	15400	16300	17300

(Source: Index Mundi, 2018)

**Figure 4.3.1: South Africa GDP per capita VS the World**



(Source: Index Mundi, 2018)

### 4.3.2 GDP growth rate

The economic growth rate is a measure of economic growth from one period to the next in percentage terms. In practice, it is a measure of the rate of change that a nation's gross domestic product undergoes year on year (Investopedia, 2018:1). The economic growth rate is calculated from data on GDP estimated by countries statistical agencies (Investopedia, 2018).

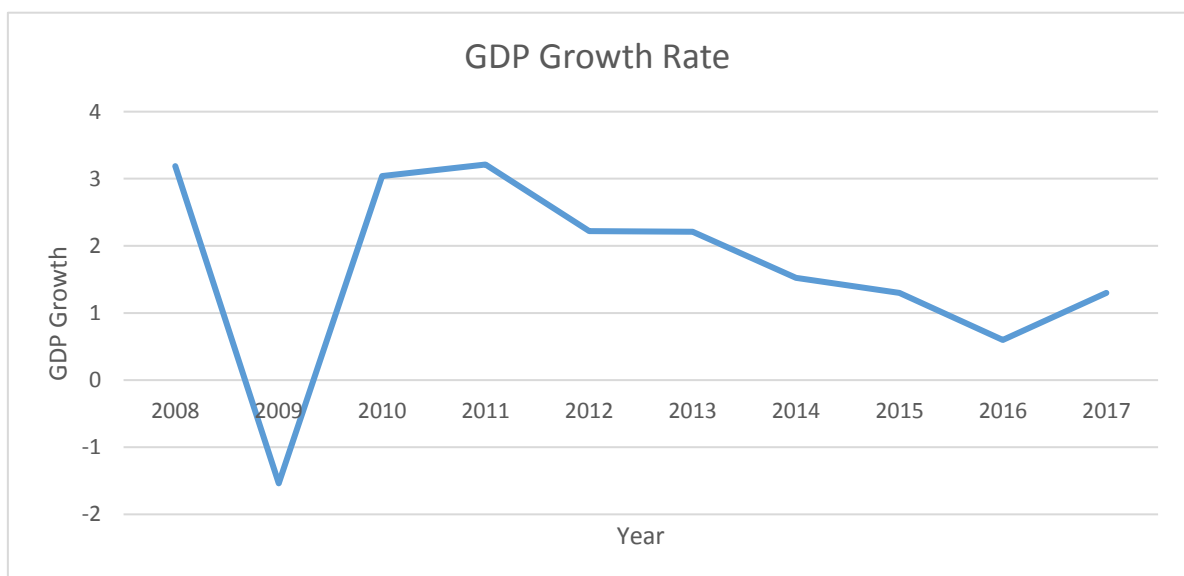
Table 4.3.2 as well as Figure 4.3.2 represents South Africa's GDP growth rate for the period of 2008 to 2017. It can be seen that following the 2008 financial crisis South Africa had a drastic decline in GDP growth which saw the growth rate enter into negative figures, before recovering during 2009. Since then South Africa's GDP growth has been on a downward trend, showing a slight increase during 2017.

**Table 4.3.2: South Africa GDP growth rate**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GDP Growth</b>	3,19	-1,54	3,04	3,21	2,22	2,21	1,53	1,3	0,6	1,3

(Source: International Monetary Fund, 2018)

**Figure 4.3.2: South Africa GDP growth rate**



(Source: International Monetary Fund, 2018)

### 4.3.3 Interest rate

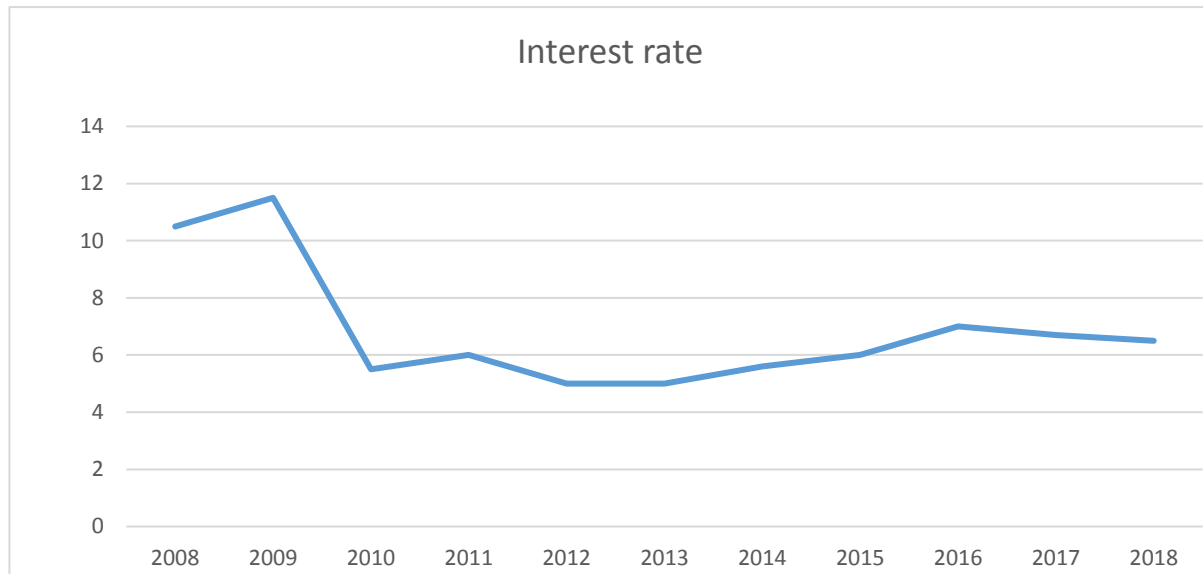
The interest rate measures the rate at which commercial banks lend money to borrowers in a given country, the rate serves as a benchmark to calculate the interest amount that lenders may be charged on financial products. The time period to which the interest rate applies is in the future as funds are provided to borrowers for future repayment (SARB, 2007:2). A binding interest rate decision is made by the Monetary Policy Committee (MPC) based on the Reserve Bank's decision to partake in expansionary or contractionary monetary policy. The state of the economy will lead the markets and the Reserve Bank to respond in certain ways which may or may not lead to interest rate changes. When interest rates are high, fewer people and business can afford to borrow, which lowers the amount of credit available to fund purchases resulting in decreased consumer demand. In addition, high interest rates reduce the amount of capital available to expand businesses, strangling supply and slowing the economy (Amadeo, 2018:1). In contrast, low interest rates encourage businesses to borrow money, resulting in business expansion and new jobs (Johnston, 2018:1). The interest rate for the period 2008 to 2018 is summarised in Figure 4.3.3 and Table 4.3.3 below. The values shown in both the table and figure below were calculated using the monthly interest rate figures to determine the average over the year. It can be seen that South Africa's interest rate declined rapidly following the 2008 global financial crisis but has remained stable ranging between 5 and 7 percent, since then.

|

**Table 4.3.3: South Africa Interest rates 2008-2018**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
%	10.5	11.5	5.5	6	5	5	5.6	6	7	6.7	6.5

(Source: Trading Economics, 2018)

**Figure 4.3.3: South Africa Interest rates 2008-2017**

(Source: Trading Economics, 2018)

#### 4.3.4 Inflation rate

The inflation rate represents the general rate at which prices of goods and services are rising, while consequently the purchasing power of the currency is falling (Investopedia, 2018). A measure of inflation is the annual percentage increase of the cost of living, as measured by the Consumer Price Index (CPI). The CPI is an economic indicator constructed to measure the changes over time of the general level of prices of consumer goods and services that households acquire. The index is measured by using a weighted average of a representative basket of consumer goods and services such as transportation, food and medical care (Investopedia, 2018:1). It is calculated by taking the price changes for each item in the basket and averaging them. The CPI serves three important objectives in the South African economy. Firstly, to measure the inflation of the economy to aid with

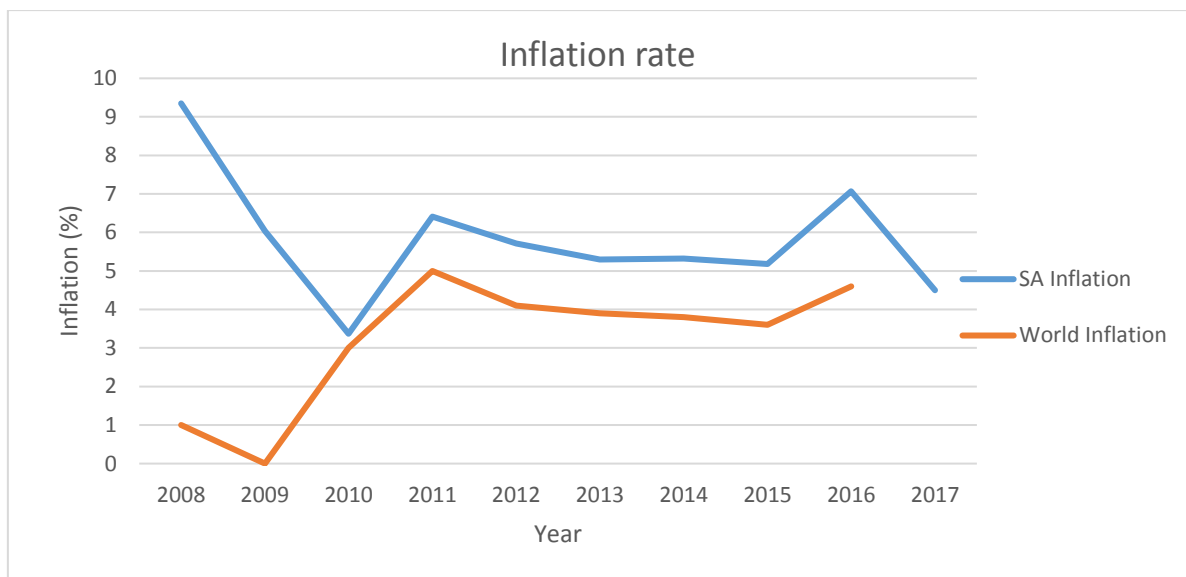
macroeconomic policy. Secondly, to provide a deflator of consumer expenditure, and thirdly, to measure the changes in cost of living for South African households. Table 4.3.4 and Figure 4.3.4 below shows that South Africa's inflation rate saw significant decline through 2009 and 2010 before making a slight recovery in 2011. From 2011 onwards the inflation rate remained stable until experiencing a decline from 7.07% in 2016 to 4.5% in 2017.

**Table 4.3.4: Inflation rate South Africa vs World 2008-2018**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Inflation rate (%)</b>	9,35	6,04	3,37	6,41	5,71	5,3	5,32	5,18	7,07	4,5
<b>World inflation (%)</b>	8,95	2,91	3,49	4,97	3,78	2,69	2,51	1,52	1,6	3,05

(Source: Triami Media, 2018; World Bank, 2018)

**Figure 4.3.4: Inflation rate South Africa vs World 2008-2017**



(Source: Triami Media, 2018; World Bank, 2018)

#### 4.3.5 Exchange rate

In a world where there are many different national currencies, the exchange rate defines the ratio of which these currencies can be exchanged for one another at any given point in time (Evans, 2014:1). Exchange rates are quoted as foreign currency per unit of domestic currency or vice versa. For example, referring to Table 4.3.5, in 2008 South Africans would have paid R8,26 per USD, R12,06 per Euro and R15,06

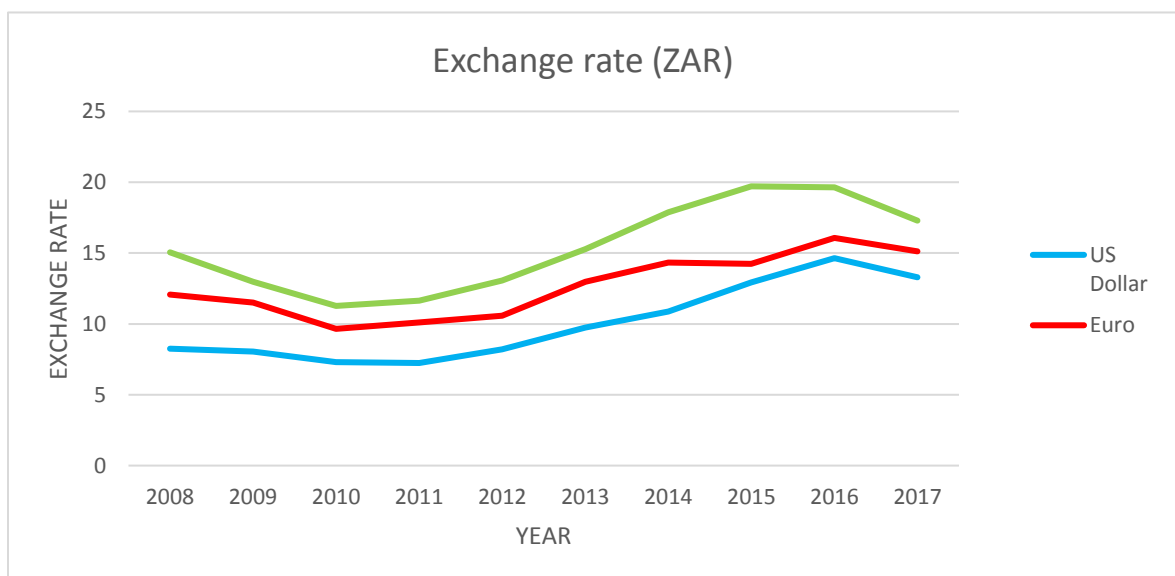
per Great Britain Pound. While in 2017, the South African Rand was trading at R13,29 to the US dollar, R15,13 to the Euro, and R17,30 to the Pound. Therefore, it is clear that the South African Rand has devalued against the US Dollar, Euro and the British Pound in the past decade.

**Table 4.3.5: South African Exchange rate to USD/EUR/GBP 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>USD</b>	8,26	8,05	7,3	7,24	8,198	9,74	10,87	12,93	14,64	13,29
<b>Euro</b>	12,06	11,51	9,65	10,11	10,58	12,97	14,34	14,25	16,07	15,13
<b>GBP</b>	15,06	12,97	11,27	11,65	13,06	15,29	17,88	19,71	19,63	17,3

(Source: Investing, 2018)

**Figure 4.3.5: South African Exchange rate to USD/EUR/GBP 2008-2017**



(Source: Investing, 2018)

#### 4.3.6 Business confidence Index

The Business Confidence Index (BCI) is compiled on a quarterly basis by the Bureau of Economic Research (BER) and provides information on executive's business confidence levels, ratings of business conditions and expectations for the following quarter (BER, 2018). The BER's Business Confidence index is measured through the distribution of surveys which contain a small number of questions which



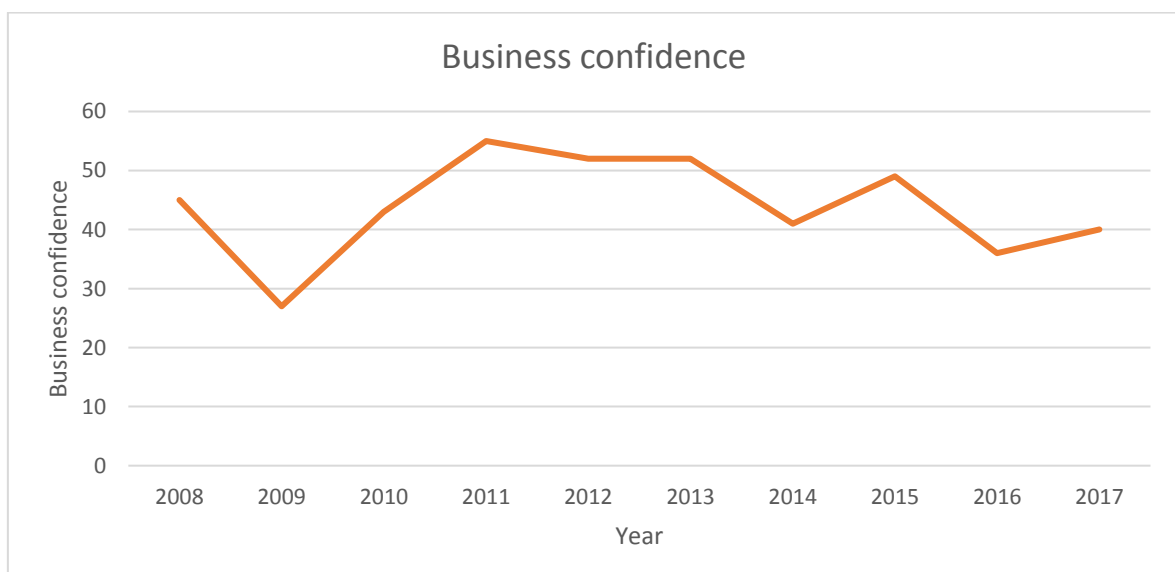
are qualitative in nature (Kershoff, 2000:1). These surveys are found to be sectoral focused, mainly being distributed to respondents in the retail, wholesale, motor trade, manufacturing, building and construction sectors (BER, 2018). The results retrieved from these surveys reveal beforehand the direction of sales, selling prices, employment and as well as the forecasted state of the economy (Kershoff, 2000:3). The BER measures BCI on a scale of 0 to 100, where 0 indicates an extreme lack of confidence (unsatisfactory), 50 neutrality and 100 extreme confidence (satisfactory). When interpreting the BCI it should be translated as the gross percentage of respondents responding “satisfactory” (BER, 2018). The annual results of the BCI are summarised in the Table 4.3.6 and Figure 4.3.6 below. These figures are reflective of the first quarter of each year which commences on 1 January. It can be seen that over the past decade South Africa’s business confidence has faced a serious decline. South Africa’s BCI dropped from an all-time high in 2008 of 80, to an all-time low of 27 in 2009. Since 2009 the BCI score has made a steady recovery but still remains low with a score of 40 in 2017.

**Table 4.3.6: Business Confidence South Africa 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business Confidence</b>	45	27	43	55	52	52	41	49	36	40

(Source: Bureau of Economic Research, 2018)

**Figure 4.3.6: Business Confidence South Africa 2008-2017**



(Source: Bureau of Economic Research, 2018)

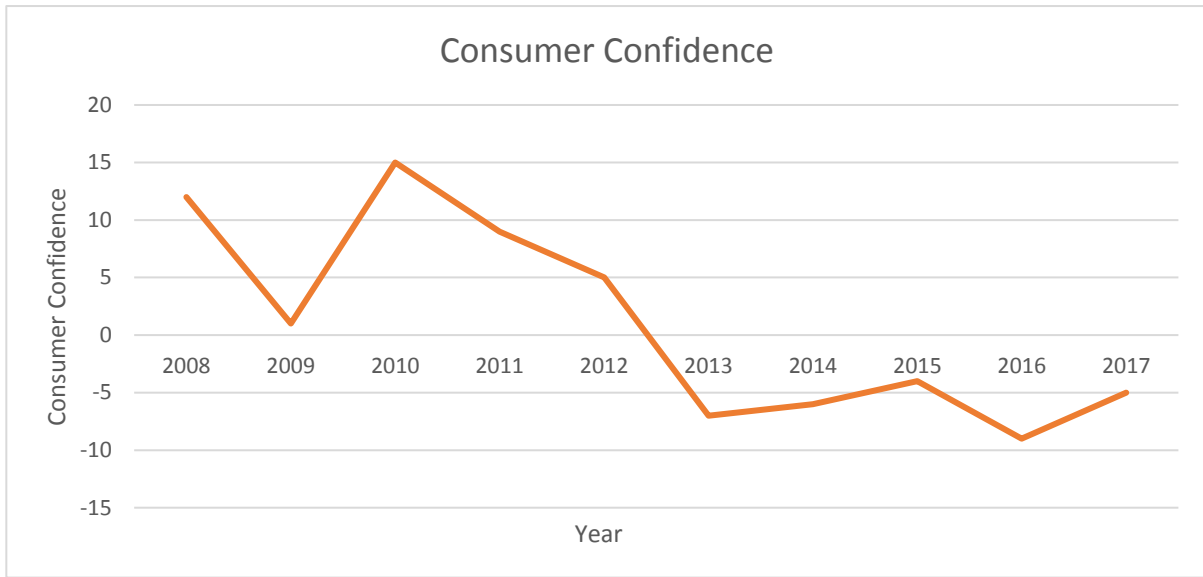
#### 4.3.7 Consumer Confidence

The FNB/BER Consumer Confidence Index (CCI) is compiled on a quarterly basis by the Bureau of Economic Research and explores why changes in consumer expectations occur and how these changes influence consumer spending and saving decisions (Koshoff, 2000:7). Data for the index is obtained through the distribution of surveys to adults living predominantly in urban areas of South Africa (BER, 2018). The sample includes 2 500 households with the total coverage representing 53% of the adult population (Koshoff, 2000:7). Surveys are designed to pose three qualitative questions, namely the expected performance of the economy, the expected financial position of the household and the rating of the appropriateness of the present time to buy durable goods (BER, 2018). Consumer confidence can be expressed as a net balance which is calculated as the percentage of respondents expecting an improvement less the percentage expecting a deterioration (Koshoff, 2000:7). In theory, the CCI can vary between measures of -100 (extreme lack of confidence) and +100 (extreme confidence), however since its inception in 1982 confidence levels have ranged between -33 and +23 (BER, 2018). The annual results of the CCI for the period 2008 to 2017 are summarized in Table 4.3.7 and Figure 4.3.7 below. These figures are reflective of the first quarter of each year which commences on 1 January. From the data presented below it can be seen that South African consumers have expressed a consistent lack of confidence since 2012. For the period between 2008 and 2012 South Africa experienced positive results in consumer confidence. However, the past five years since 2013 have seen consumer confidence results in negative figures.

**Table 4.3.7: Consumer Confidence South Africa 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Consumer Confidence</b>	12	1	15	9	5	-7	-6	-4	-9	-5

(Source: Bureau of Economic Research, 2018)

**Figure 4.3.7: Consumer Confidence South Africa 2008-2018**

(Source: Bureau of Economic Research, 2018)

#### 4.4 SOCIO-CULTURAL INDICATORS

In order to describe the socio-cultural milieu in South Africa, several indicators highlighting the socio-cultural conditions over the past ten years (2008-2017) have been selected. These indicators are described below.

##### 4.4.1 Corruption index

The corruption index (CI) ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople (Transparency International, 2017:1). In 1993, a several individuals took a stand and created Transparency International, which is now present in over 100 countries. The index aims to stir the world's collective conscience and bring about change. It uses a scale of 1 to 100, where a score of 0 is representative of a highly corrupt public sector and a score of 100 is representative of a very clean public sector (Transparency International, 2017). Transparency International makes use of thirteen sources to collect data. The most notable sources include the Africa Development Bank, the World Bank, a survey of executives at the World Economic Forum (WEF), as well as country risk ratings from the Economist Intelligence Unit

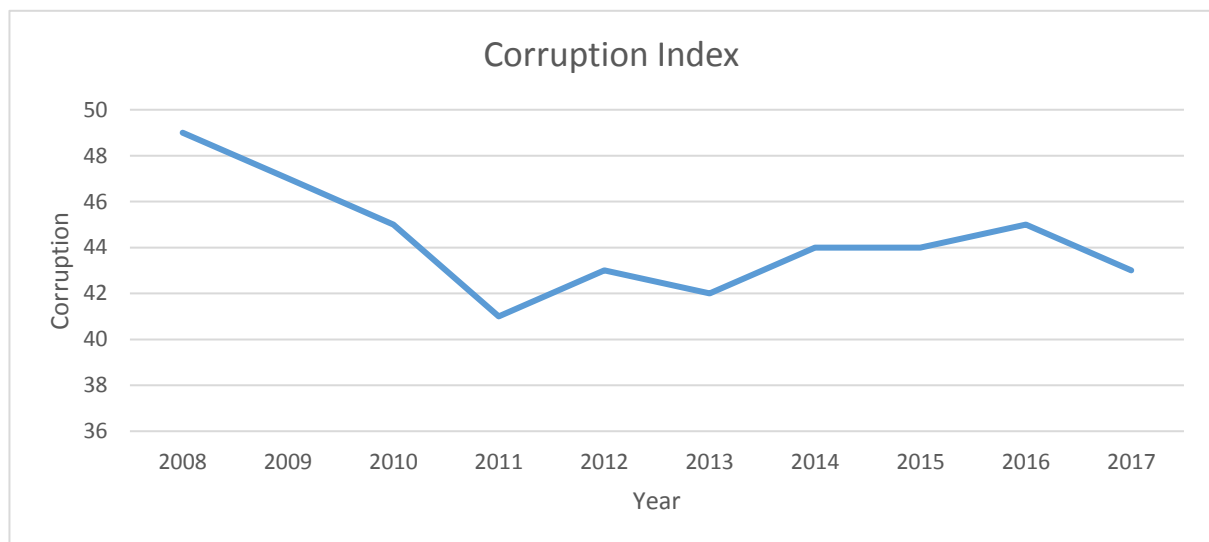
and Global Insight (Investopedia, 2018). In order to ensure the reliability of the collected data, Transparency International has incorporated quality control mechanisms which consist of independent data collection and calculations by two in-house researchers and two independent researchers from Academia (Corruption Perception Index, 2017:1). Figure 4.4.1 below shows South Africa's corruption score over the past decade, while the data scores are captured in Table 4.4.1. It can be seen that South Africa's CI has been under 50 for the last ten years. Although the trend was increasing during the period 2011 to 2016, the index saw a decline again in 2017.

**Table 4.4.1: South Africa Corruption Index Score 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corruption score	49	47	45	41	43	42	44	44	45	43

(Source: Statistics South Africa, 2018)

**Figure 4.4.1: South Africa Corruption Index Score 2008-2017**



(Source: Statistics South Africa, 2018)

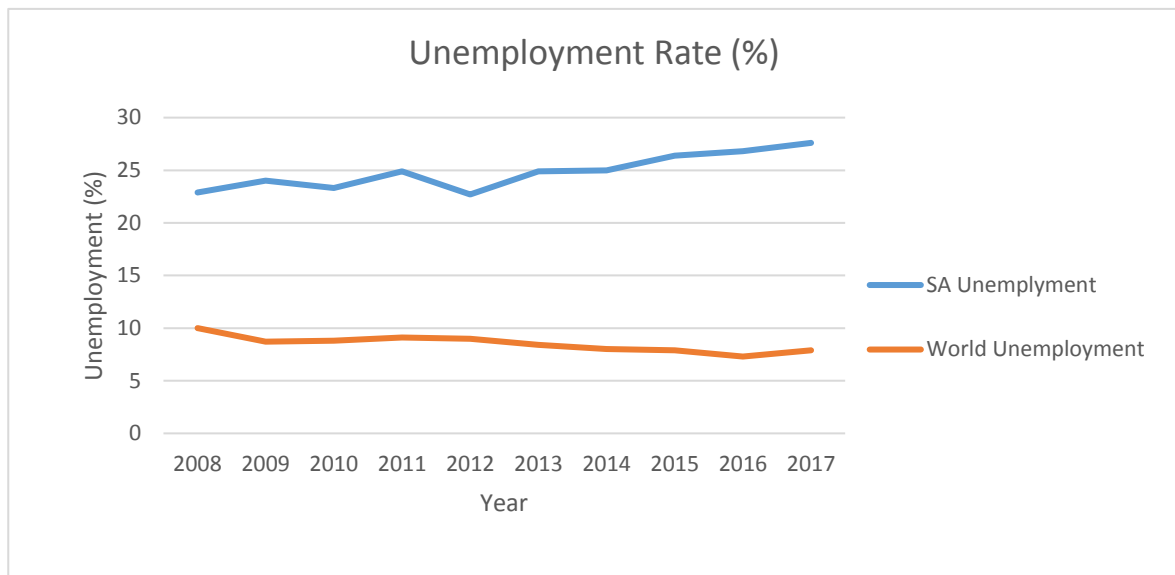
#### 4.4.2 Unemployment Rate

The unemployment rate, as defined by the Organisation for Economic Cooperation and Development (OECD) (2018), “is the number of unemployed people as a percentage of the labour force, where the latter consists of the unemployed plus those in paid or self-employment. Unemployed people are those who are currently without work and have made active steps to find work in the last four weeks”. Unemployment on a national scale is recorded on a quarterly basis through the compiling of a “Quarterly Labour Force Survey” (QLFS), carried out by StatsSA. The Quarterly Labour Force Survey was first published in January 2008 and is designed to accurately measure the dynamics of the South African labour market through observing indicators such as employment, unemployment and inactivity (StatsSA, 2018). The survey makes use of a household-based sample and collects data relating to market activities in the labour force. The labour force is classified as any individual between the age of 15 and 65 years old (OECD, 2018; StatsSA, 2018). The annual results of South Africa’s unemployment rate are summarised in the Table 4.4.2 and Figure 4.4.2 below. These results are reflective of the first quarter of each year which commences on 1 January. From the data presented below it can be seen that South Africa’s unemployment rate has been steadily increasing over the past decade, and sits at a figure well above the global average. South Africa has experienced a substantial increase in unemployment rates since 2008, while world unemployment has decreased over the same period.

**Table 4.4.2: South Africa Unemployment Rate 2008-2017**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Unemployment rate (%)</b>	22.9	24	23,3	24,9	22,7	24,9	25	26.4	26.8	27.6
<b>World unemployment rate</b>	10	8,7	8,8	9,1	9	8,4	8	7,9	7,3	7,9

(Source: Statistics South Africa, 2018)

**Figure 4.4.2: South Africa Unemployment Rate 2008-2017**

(Source: Statistics South Africa, 2018)

#### 4.4.3 Quality of nationality

The Henley & Partners – Kochenov Quality of Nationality Index (QNI) is the first of its kind, and offers a credible evaluation of the world's nationalities. The QNI objectively measures and ranks the world's nationalities according to the value they provide to those who hold them (Henley Global, 2018:1). In the first year of this index 147 nationalities were included, with additional nationalities added each year. This index is established by measuring both the internal value of nationality, which is the quality of life and opportunities within the origin country, as well as the external value of nationality, which identifies the diversity and quality of opportunities that a nationality allows its citizens to pursue outside the origin country (Henley Global, 2018:1). Nationalities are ranked on a 0%-100% scale and divided into 'quality tiers', ranging from extremely high quality to extremely low quality. The QNI index is calculated annually using a wide variety of quantifiable data including a combination of industry-leading metrics such as the Global Peace Index, the Human Development Index and the Henley Passport Index – which are all used to determine the quality of opportunities and limitations that nationalities impose on their citizens (Henley Global, 2018:1).

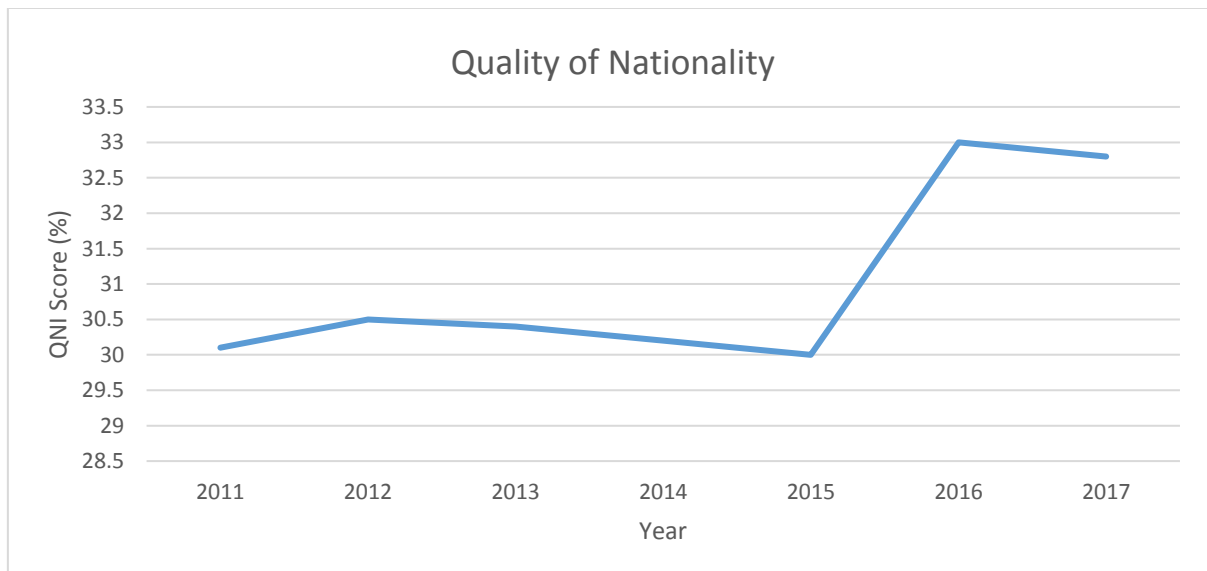
The QNI is useful when performing comparisons of nationalities as well as observing the local, regional, and global opportunities and limitations associated with each nationality. The most recent edition of the index saw the French surpass the Germans in top position with a score of 81,7%, while the Somalian nationality sits at the bottom end of the scale with a score of 13,4%. From the Quality of Nationality results presented in Table 4.4.3 and Figure 4.4.3 below, it can be seen that South Africa has increased its score for this index, however, the countries rank relative to the rest of the world has been steadily declining.

**Table 4.4.3: South Africa Quality of Nationality 2011-2017**

Year	2011	2012	2013	2014	2015	2016	2017
Score (%)	30,1	30,5	30,4	30,2	30,0	33,0	32,8
Rank	79	83	83	85	89	87	92

(Source: Henley Global, 2018)

**Figure 4.4.3: South Africa Quality of Nationality 2011-2017**



(Source: Henley Global, 2018)

#### 4.4.4 Human Development Index

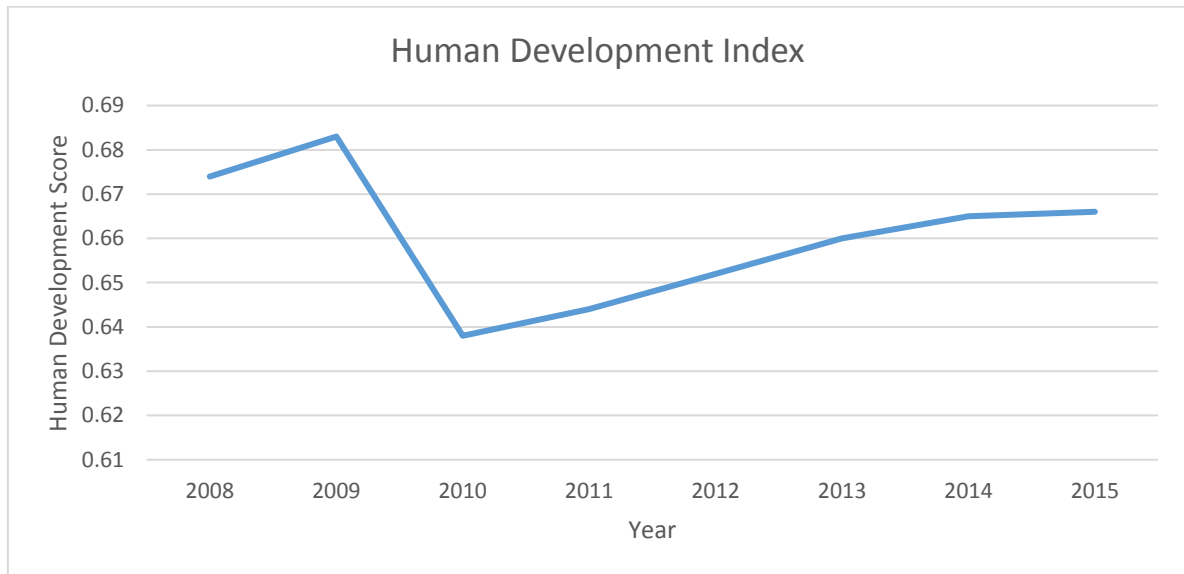
The Human Development Index (HDI) was established by the United Nations Development Programme (UNDP) in 1990 to highlight the fact that people and their capabilities can be the ultimate criteria for assessing the development of a country and not solely economic growth (Jahan, 2016:2). The index includes 175 United Nations member countries and offers a global assessment of country achievements in different areas of development (Jahan, 2016:5). The Human Development Index is compiled on an annual basis and measures the average achievement in key dimensions of human development, namely, a long and healthy life, being knowledgeable and having a decent standard of living. Where health is measured by life expectancy taken at birth, the dimension of education is measured by analysing the number of years of schooling for individuals over the age of 25 years as well as the expected years of schooling for children entering school. While the standard of living dimension is assessed based on Gross National Income per capita. The indicators of the three dimensions are then calibrated and combined to generate an HDI score between zero and one, where zero displays a country of low well-being and one displays a country of high well-being (Jahan, 2016:201). The Human Development Index acts as a geometric mean of indices for each of the three measured dimensions. South Africa's HDI levels for the period 2008 to 2018 are summarised in Table 4.4.4 and depicted in Figure 4.4.4 below showing that South Africa saw a substantial drop between 2009 and 2010, followed by a steady increase to 0.666 in 2017.

**Table 4.4.4: South Africa Human Development Index score 2008-2015**

Year	2008	2009	2010	2011	2012	2013	2014	2015
<b>Human Development Score</b>	0,674	0,683	0,638	0,644	0,652	0,66	0,665	0,666
<b>Global average</b>	0,743	0,753	0,624	0,682	N/A	0,694		0,711

(Source: United Nations Development Programme, 2018)



**Figure 4.4.4: South Africa Human Development Index score 2008-2015**

(Source: United Nations Development Programme, 2018)

#### 4.4.5 Health Care Index

The Health Care Index (HCI) is an estimation of a country's overall quality of health care system, health care professionals, equipment, staff, doctors and costs (Numbeo, 2018). Health care is delivered by health professionals in respective health professions and includes the work done in providing primary, secondary and tertiary care to the public (Health Care Index, 2016). Access to health care varies across countries, groups, and individuals, largely influenced by social and economic conditions as well as current health policies (Rees, Hawksworth, Moore & Dondeh, 2016; World Health Organisation, 2012:14). The HCI is compiled semi-annually and retrieves data from online surveys completed on the "Numbeo" website. Questions posed in the survey are laid out in a similar manner to that of scientific and governmental surveys (Numbeo, 2018). The survey measures the quality of health care by looking at factors which include: hospital quality, health plan quality, physician quality, quality of other health professionals and patient experiences (Health Care Index, 2016). To ensure trustworthiness of data, surveys are filtered to eliminate potential spam and skewed results. Each respondent is asked to rank the pre-mentioned factors on a scale of -2 (poor) to +2 (good). Lastly, Numbeo weight each factor in terms of overall influence and present final rankings on a 0 to 100 scale, where 0 represents very poor health care quality and 100 represents

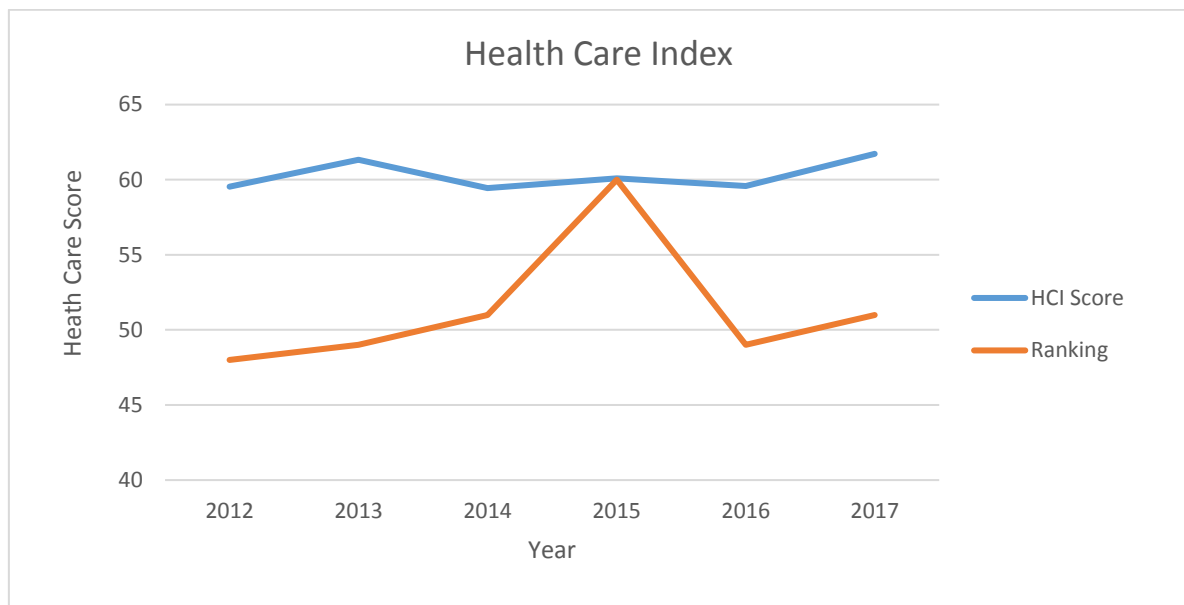
exceptional health care quality within the given country (Numbeo, 2018). South Africa's annual HCI levels for the period 2012 to 2018 are presented in Table 4.4.5 and Figure 4.4.5. These results are historical and therefore reflect the trailing twelve months prior to the annual index release. These recordings show that South Africa have maintained a consistent level of Health Care since 2012, but has lost ground when compared to the rest of the world currently and in 2017 has an HCI of 61.72 and a ranking of 51.

**Table 4.4.5: South Africa Healthcare Index score 2012-2017**

Year	2012	2013	2014	2015	2016	2017
Health Care score	59,54	61,33	59,44	60,09	59,58	61,72
Ranking	48	49	51	60	49	51

(Source: Numbeo, 2018)

**Figure 4.4.5: South Africa Healthcare Index score 2012-2017**



(Source: Numbeo, 2018)

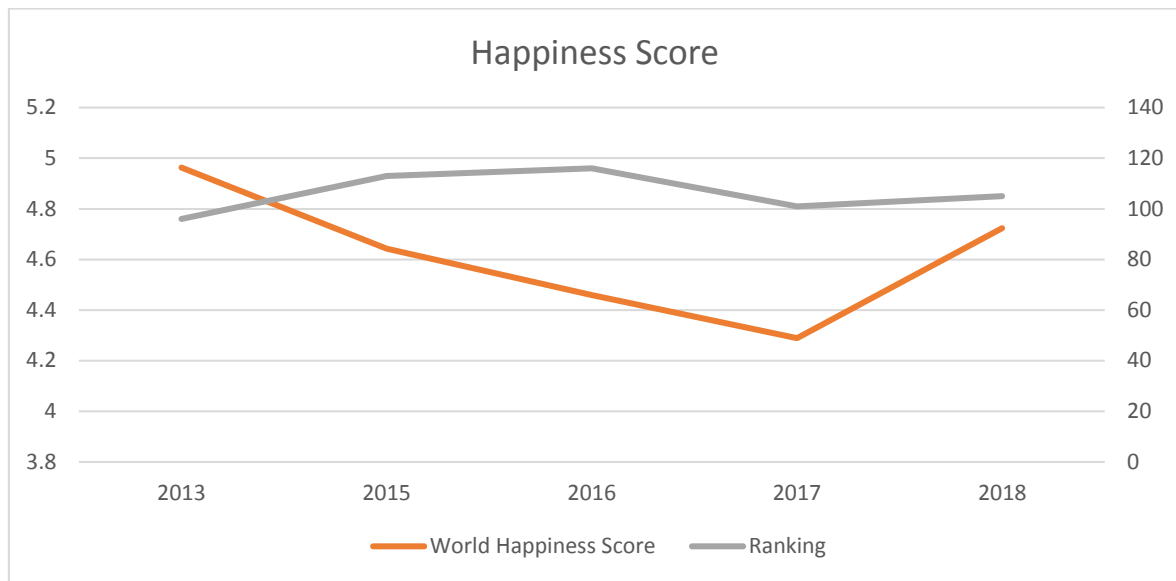
#### 4.4.5 Happiness Index

The World Happiness Report was first published in 2012 in support of the UN High level meeting on happiness and well-being (Helliwell, Layard, Sachs, 2017:3). Information for the World Happiness Report is collected from the Gallup World Poll which is conducted on an annual basis and collects data from over 150 countries through the use of various types of interviews, such as face-to-face, telephone and online (Gallup, 2018). The World Happiness Report is calculated through looking at 100 global questions from the Wold Poll which pertain to the six key variables, namely; levels of GDP, life expectancy, generosity, social support, freedom and corruption (Helliwell et al., 2018:17). The main question used when ranking countries in the World Happiness Report is referred to as the Cantril Ladder: which asks respondents to think of a ladder with the best possible life being a 10, and the worst possible life being a 0 (Helliwell, 2018:19). Happiness is a complex metric of human well-being and one that is affected by various aspects of life. The World Happiness Report illustrates the value of looking beyond traditional indicators, such as GDP growth to assess the full measure of a society's health (Gallup, 2018). The level of happiness experienced in South Africa, along with the nation's overall world ranking is depicted in Table 4.4.5 and Figure 4.4.5 below. It can be seen that after experiencing a persistent downward trend in happiness levels between 2012 and 2017, South Africa displayed a strong recover in 2018 to bounce back to a score 4.724 corresponding with an overall world ranking of 105<sup>th</sup>.

**Table 4.4.6: Happiness score**

YEAR	2012	2013	2015	2016	2017	2018
<b>World Happiness Score</b>	N/A	4.963	4.642	4.459	4.289	4.724
<b>Ranking</b>	N/A	96	113	116	101	105

(Source: World happiness report, 2018)

**Figure 4.4.6: Happiness score**

(Source: World happiness report, 2018)

## 4.5 LEVELS OF ENTREPREURSHIP AND THE SOCIO-ECONOMIC MILIEU

In order to describe the four periods of time that serve as the four cases in this study, the indicators of entrepreneurial activity as well as the indicators of the state of the economy and the socio-economic milieu for each case are presented below.

### 4.5.1 Case 1: 2008

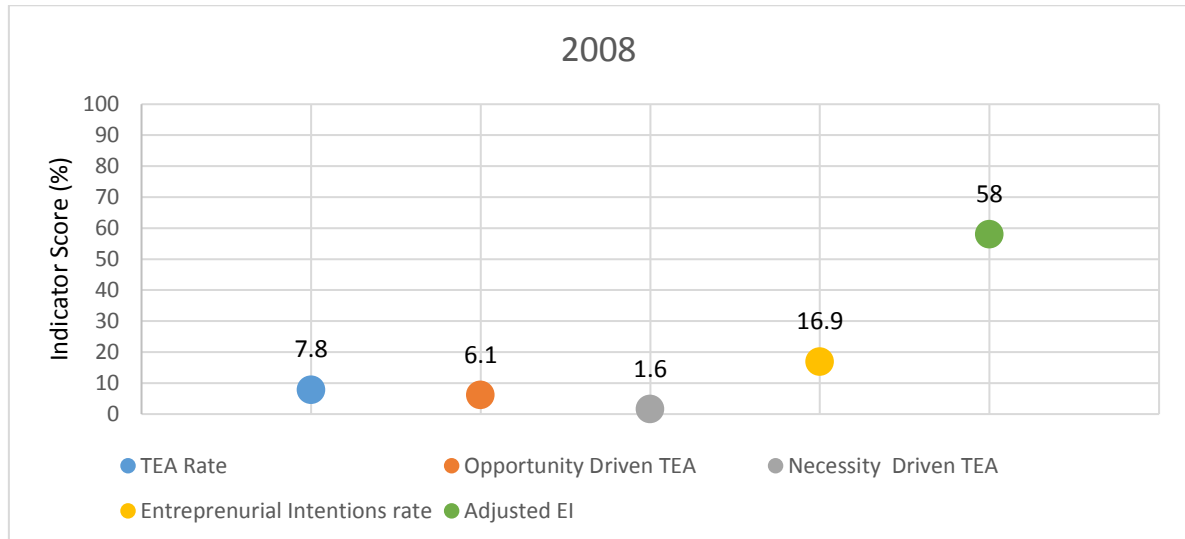
The first case relates to the time period 2008.

#### 4.5.1.1 Entrepreneurship indicators

In Figure 4.5.1a below, the selected indicators of entrepreneurial activity are presented. It can be seen that the TEA rate, which indicates the percentage of working individuals involved in starting a business, was recorded at 7.8 percent, with 6.1 percent of entrepreneurs being opportunity driven and 1.6 percent being necessity driven. When looking at the levels of entrepreneurial intentions the GEM reports the level of entrepreneurial intentions in South Africa at 16.9 percent, while the past studies on entrepreneurial intentions among students report

entrepreneurial intentions at 58 percent. It should be noted that this is an adjusted score (See Table 4.2.3 for calculations).

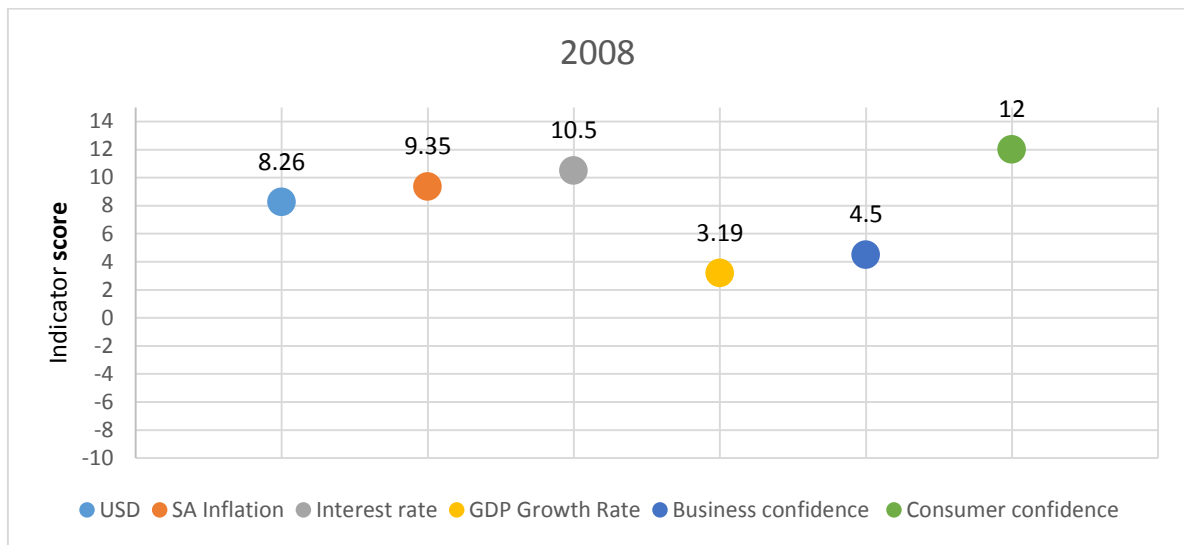
**Figure 4.5.1a: Entrepreneurship indicators 2008**



(Source: Self constructed)

#### 4.5.1.2 Economic Indicators

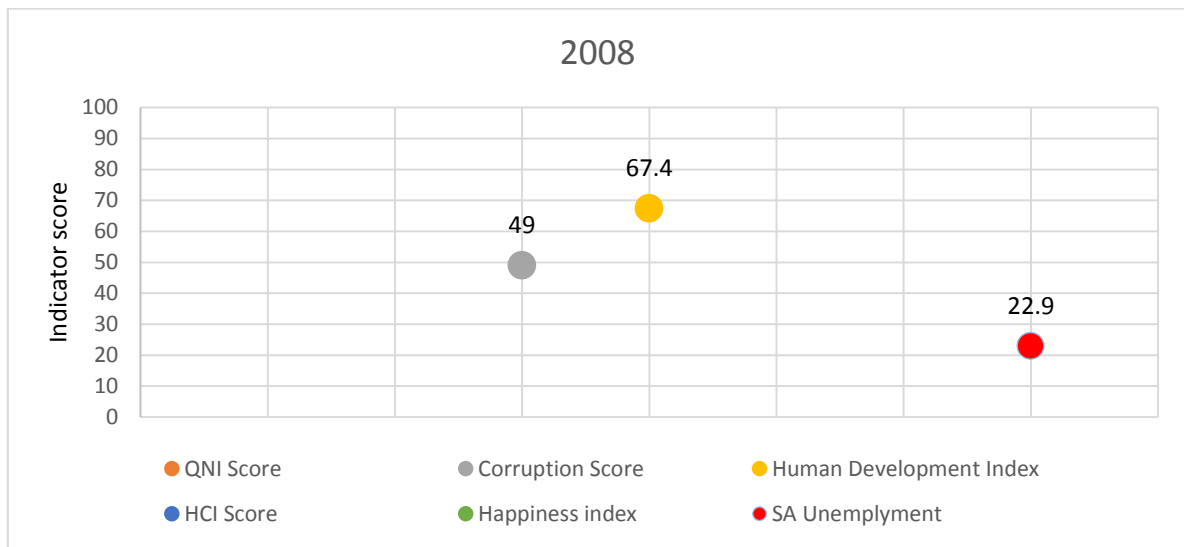
In Figure 4.5.1b the six economic indicators used in this study are presented graphically. The use of the economic indicators allows for the researchers to gauge the condition of the South African economy at this specific point time. It can be seen that in 2008, South Africa experienced an exchange rate of R8.26/\$ along with an inflation rate of 9.35 percent, a rate just above the world average of 8.95 percent. During this same period South African banks loaned money to the public at a prime interest rate of 10.5 percent. Lastly, South Africa's economy showed moderate growth with a 3.19 percent GDP growth rate during that year, with business and consumer confidence recorded at 4.5 and 12 respectfully.

**Figure 4.5.1b: Economic indicators 2008**

(Source: Self constructed)

#### 4.5.1.3 Socio-cultural indicators

In Figure 4.5.1c below, the various socio-cultural indicators are presented. In 2008 South Africa scored a 49 on the corruption perception index (CPI) and was placed 54<sup>th</sup> out of 180 countries, indicating that a moderate level of corruption exists in the country. In terms of the Human Development Index (HDI), South Africa recorded 67.4 which was below the world average of 74.3 (HDR, 2008). Lastly, during 2008 unemployment in South Africa was recorded at 22.9 percent, a figure well above the global unemployment average of 5.53 percent (Statista, 2017). The Healthcare Index (HCI) as well as the Happiness Index serve as important socio-cultural indicators, but were however still available at this point in time.

**Figure 4.5.1c: Socio-cultural indicators 2008**

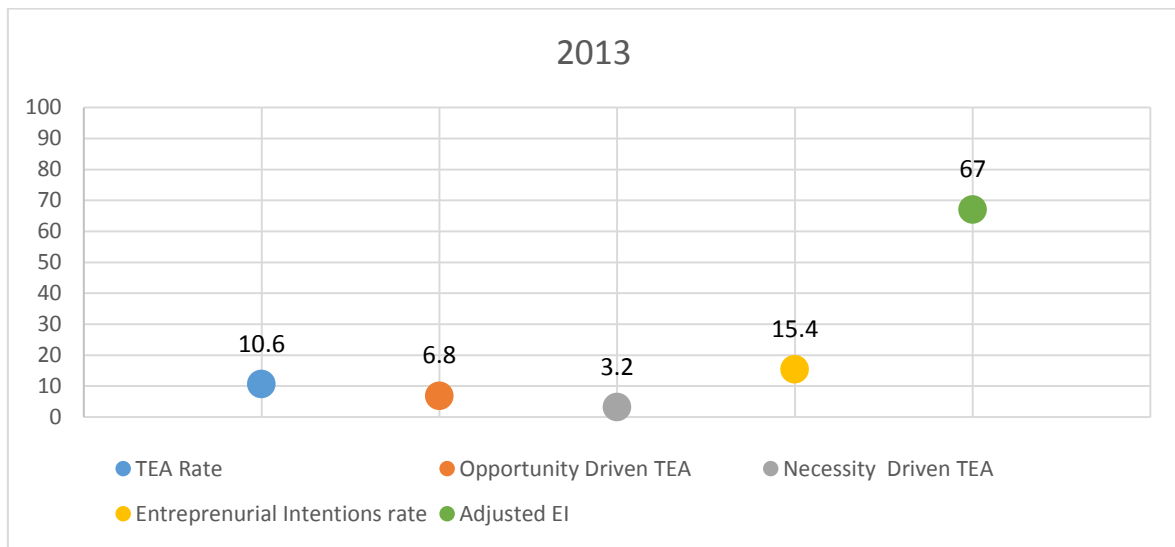
(Source: Self constructed)

## 4.5.2 Case 2: 2013

The second case relates to the period 2013. The various indicators describing entrepreneurial activity, the economy and the socio-cultural milieu for this year are presented below.

### 4.5.2.1 Entrepreneurship indicators

In Figure 4.5.2a below it can be seen that the TEA rate was measured at 10.6 percent for the year 2013, with a corresponding opportunity driven TEA rate of 6.8 percent and a necessity driven TEA rate of 3.2 percent. Entrepreneurial intentions were recorded at 15.4 percent by the GEM, while entrepreneurial intention levels among students recorded in past studies for the same year was measured at 67 percent.

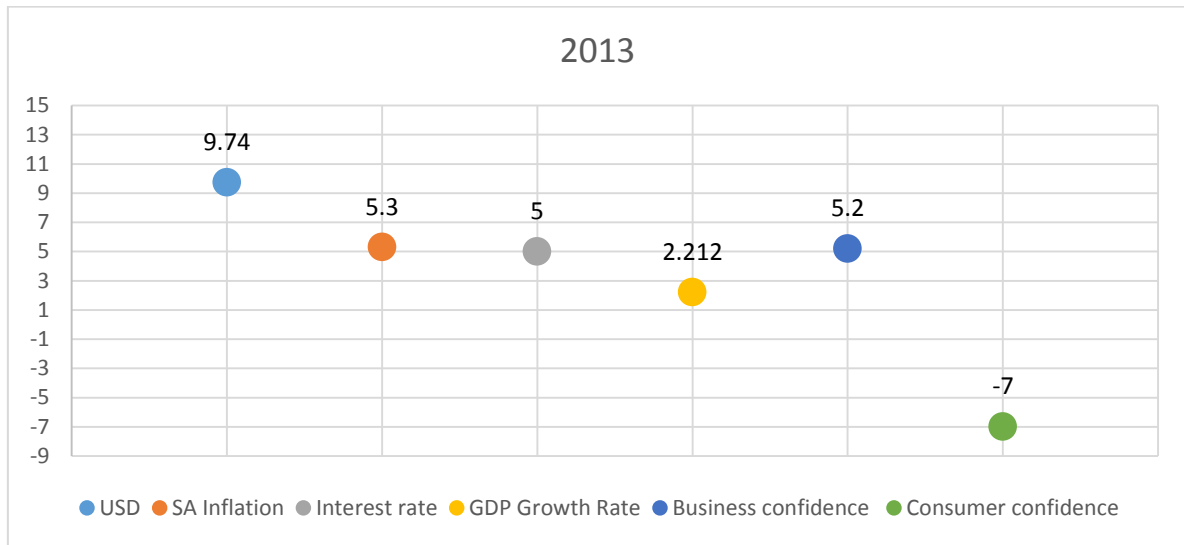
**Figure 4.5.2a: Entrepreneurship indicators 2013**

(Source: Self constructed)

#### 4.5.2.2 Economic indicators

Depicted in Figure 4.5.2b are the selected economic indicators for the period 2013. The South African Rand/Dollar exchange rate was R9.74/USD, while inflation for the year averaged 5.3 percent - in line with the South African Reserve Banks (SARB) target range of 3-6 percent. Moreover, the interest rate was reported at 5 percent, 0.3 percent below inflation. South Africa's Gross Domestic Product (GDP) was 2.212 percent, with business confidence recorded at 5.2 and consumer confidence at -7.

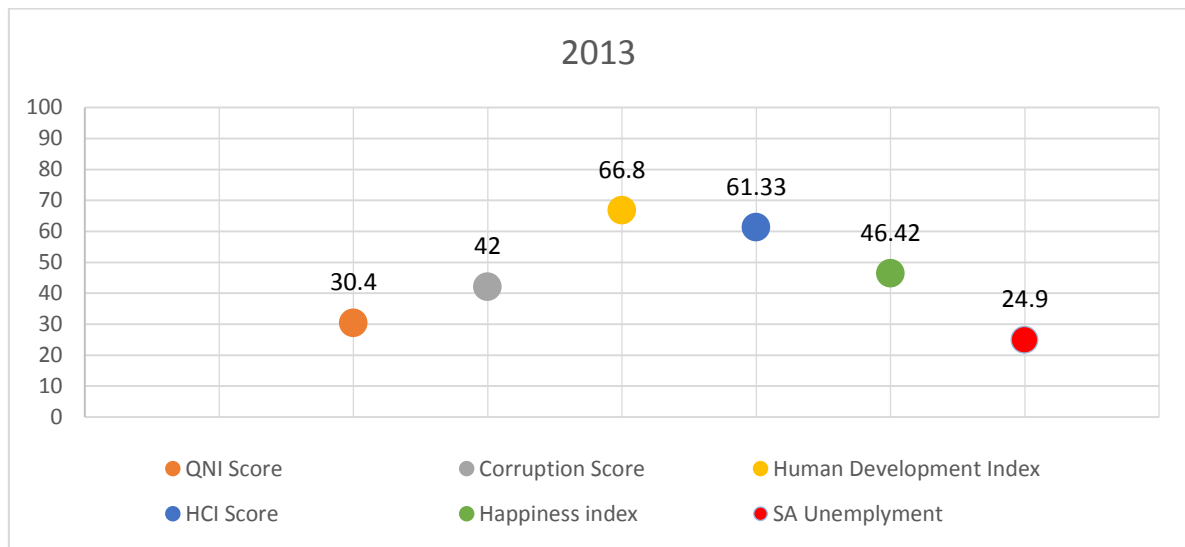


**Figure 4.5.2b: Economic indicators 2013**

(Source: Self constructed)

#### 4.5.2.3 Socio-cultural indicators

The selected socio-cultural indicators for 2013 are presented in Figure 4.5.2c. South Africa's Quality of Nationality Index (QNI) score was recorded at 30.4, placing South Africa 83<sup>rd</sup> out of 155 indexed countries. In terms of the Corruption Perception Index (CPI) conducted by Transparency International, South Africa scored a 42 and was placed 72<sup>nd</sup> out of 177 countries. When looking at the Human Development Index (HDI), South Africa recorded a 66.8 and was placed 121 out of 175 measured countries. This score obtained by South Africa was below the world average of 69.4 but above the Sub-Saharan average of 47.5. Moreover, South Africa obtained a score of 61.33 and was placed 49<sup>th</sup> for the Health Care Index (HCI). South Africa's Happiness Index score for 2013 was 46.42 while unemployment was recorded at 24.9 percent.

**Figure 4.5.2c: Socio-cultural indicators 2013**

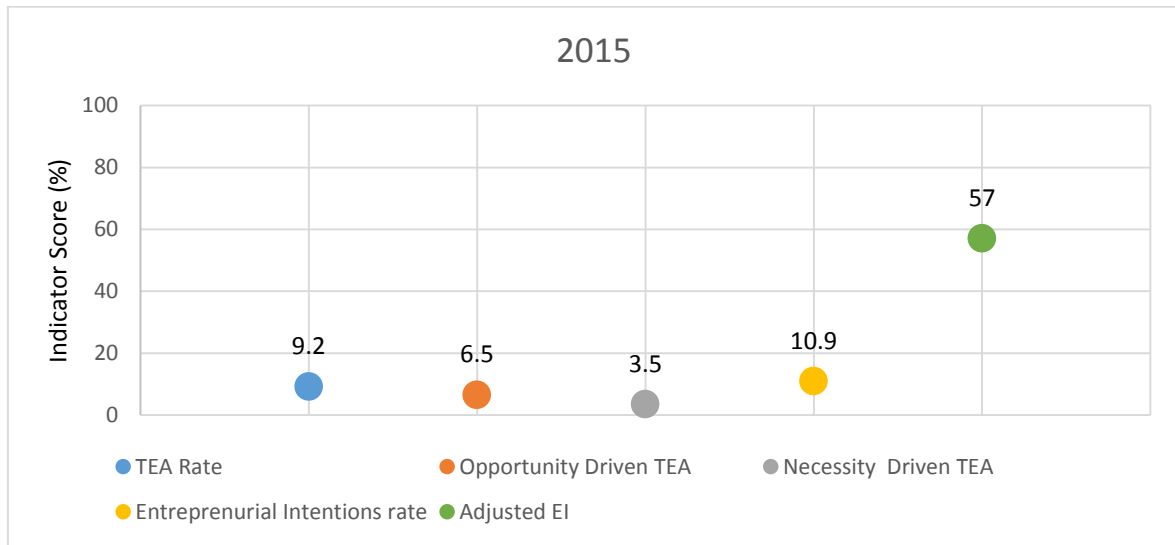
(Source: Self constructed)

### 4.5.3 Case 3: 2015

In the section to follow the three sets of indicators used in this study are presented for the year 2015.

#### 4.5.3.1 Entrepreneurship Indicators

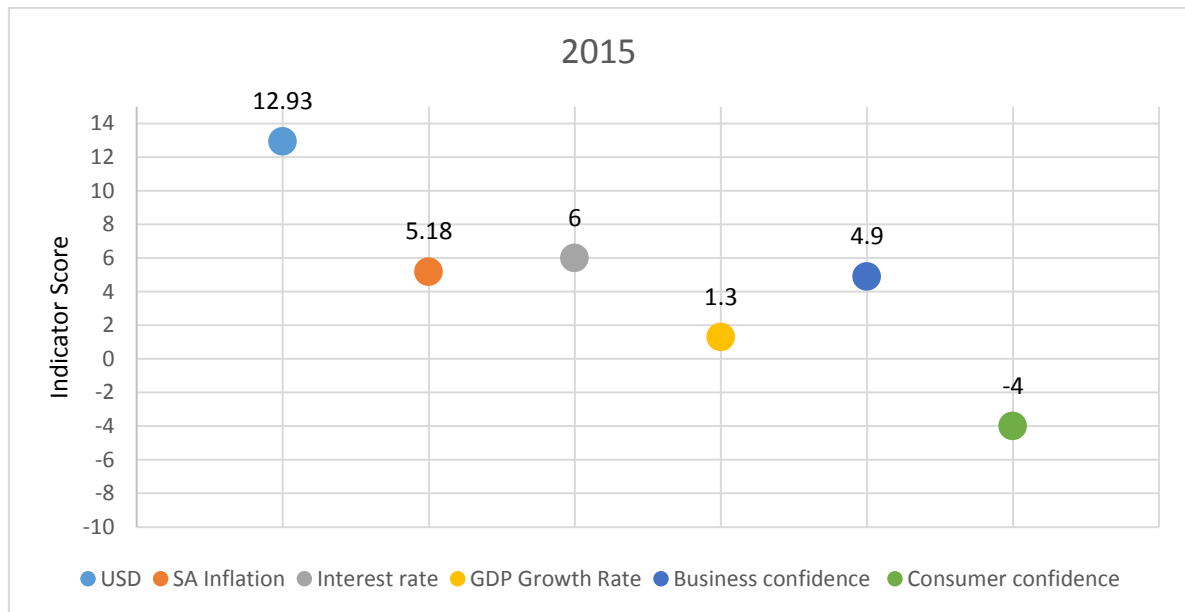
In Figure 4.5.3a below the entrepreneurship indicators are presented. South Africa recorded a TEA rate of 9.3 percent, with 6.5 percent of this entrepreneurial activity driven by opportunity and 3.5 percent driven by necessity. When looking at entrepreneurial intentions in South Africa in 2015, the GEM report records entrepreneurial intentions at 10.9 percent. Past studies reported student entrepreneurial intentions at 57 percent.

**Figure 4.5.3a: Entrepreneurship indicators 2015**

(Source: Self constructed)

#### 4.5.3.2 Economic indicators

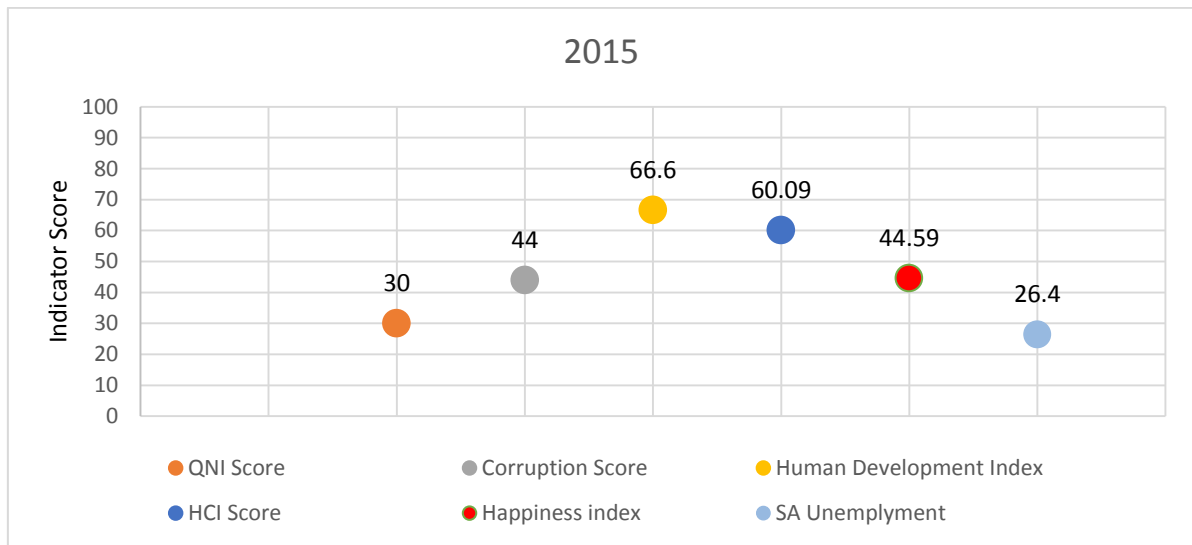
In Figure 4.5.3b below, the six economic indicators used for this study are graphically presented. It can be seen that the South African Rand was trading at R12.93/\$. Inflation in South Africa was recorded at 5.18 percent, a figure well above the global average of 1.52 percent, while interest rates were recorded at 6 percent. The South African economy experienced relatively slow growth, recording an annual GDP of 1.3 percent from the previous year. In addition, it can be seen that businesses and consumers held relatively low prospects for the future, with confidence recorded at 4.9 percent and -4 percent respectively.

**Figure 4.5.3b: Economic indicators 2015**

(Source: Self constructed)

#### 4.5.3.3 Socio-cultural indicators

In Figure 4.5.3c, South Africa's socio-cultural indicators for the period are presented. South Africa recorded a QNI score of 30 percent, which saw the nation rank 89<sup>th</sup> out of 162 participating nationalities. The corruption perceptions index was recorded at a score of 44, indicating moderate to high levels of corruption. The Human Development Index was recorded at a score of 66.6, a figure below the world average of 71.1. This HDI score categorised South Africa in the “medium” human development tier. Furthermore, South Africa's Health Care Index was documented at 60.09 percent which ranked the country in 60<sup>th</sup> place for the year. Lastly, South Africa's unemployment rate was 26.4 percent for 2015.

**Figure 4.5.3c: Socio-cultural indicators 2015**

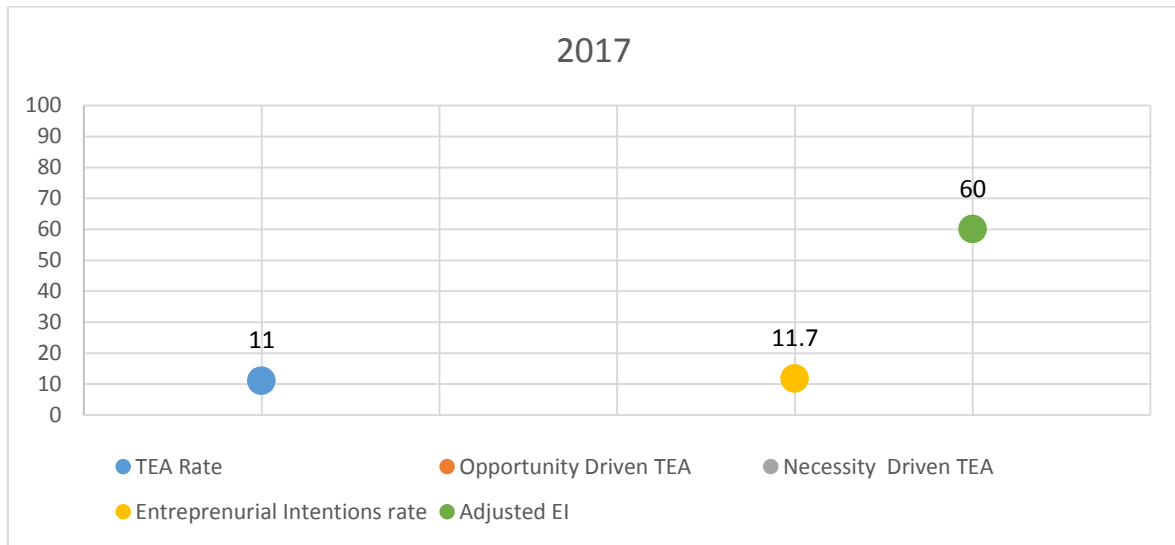
(Source: Self constructed)

#### 4.5.4 Case 4: 2017

In the section to follow the three sets of indicators used in this study are presented for the year 2017.

##### 4.5.4.1 Entrepreneurship indicators

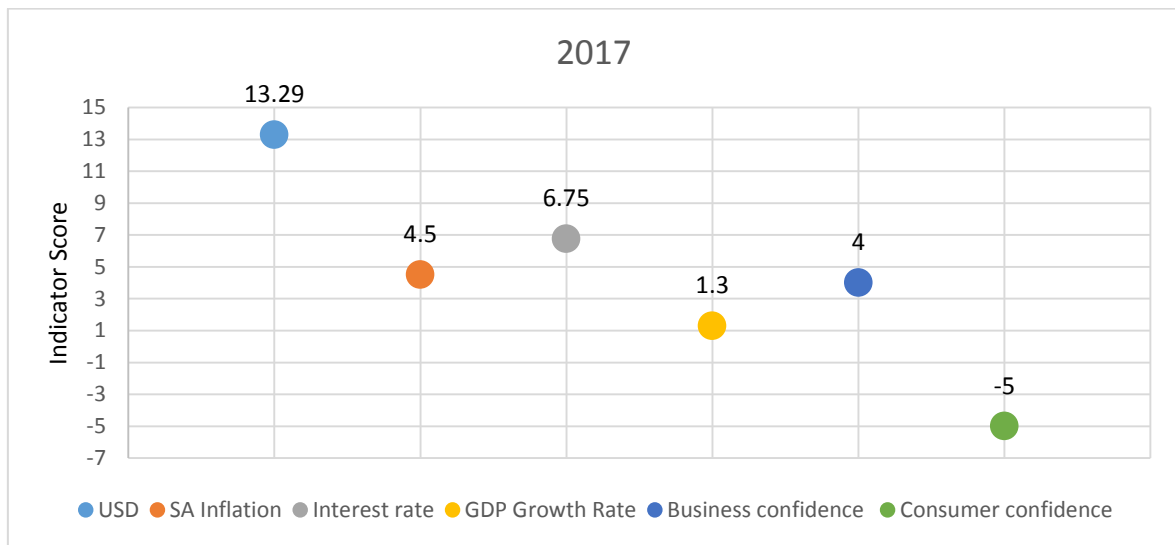
The various entrepreneurial indicators for South Africa in 2017 are presented in Figure 4.5.4a. South Africa's Total Early-stage Entrepreneurship Activity (TEA) was measured at 11 for the year, with no data released (to date) for both opportunity driven and necessity driven TEA rates. However, it can be seen that the GEM recorded South Africa's entrepreneurial intentions level at 11.7, while the entrepreneurial intentions of students measured in the previous studies was recorded at 60 percent.

**Figure 4.5.4a: Entrepreneurship indicators 2017**

(Source: Self constructed)

#### 4.5.4.2 Economic indicators

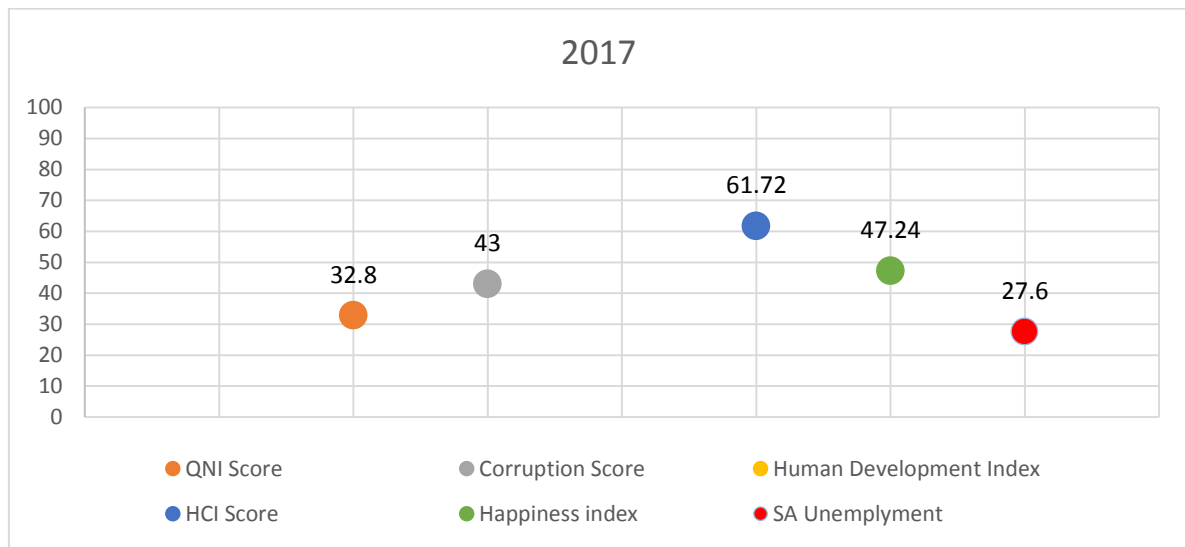
In Figure 4.5.4b below the six economic indicators for 2017 are presented graphically. From the data, it can be seen that the South African rand was trading at R13.29/\$. Inflation was recorded at 4.5 percent, a figure not so far off the global average of 3.05 percent. While South Africa recorded interest rates of 6.75 percent for the year. The South African economy expanded slowly with a GDP growth rate of 1.3 percent. Furthermore, South African businesses and consumers possessed low prospects for the future with business and consumer confidence scores of 4 and -5 respectively.

**Figure 4.5.4b: Economic indicators 2017**

(Source: Self constructed)

#### 4.5.4.3 Socio-cultural

In Figure 4.5.4c below, South Africa socio-cultural indicators for 2017 are presented. During the 2017 year, South Africa obtained a Quality of Nationality Index (QNI) score of 32.8 and ranked 92 out of 167 countries. In the Corruption Perception Index (CPI) for 2017, South Africa recorded a score of 43 and placed 71<sup>st</sup> out of 180 participating countries. South Africa's CPI score for the year was in line with the world average of 43. In terms of the Health Care Index (HCI), South Africa achieved a score of 61.72 with national happiness recorded at 47.24 and unemployment 27.6 for the year.

**Figure 4.5.4c: Socio-cultural indicators 2017**

(Source: Self constructed)

## 4.6 SUMMARY

In Chapter 4 the measures of entrepreneurial activity and intentions as well as the measures of the economic and socio-cultural environment were presented. Each environment was described using various indicators which were graphically presented to depict the overall conditions of the specific environment over the four case periods. To conclude Chapter 4 the levels of entrepreneurship and socio-economic milieu were examined using the indicators at each specific case year. To follow in Chapter 5 an overview of the study will be given, making reference to the objectives of the study, and highlighting in which chapter the objective was achieved. Furthermore, a discussion of the findings presented in Chapter 4 will be provided. To complete the chapter, the contribution and limitations will be defined, followed by a descriptive conclusion of the study.



## **CHAPTER 5**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

In Chapter 4 the various measures of entrepreneurial activity and intentions were presented, as well as the economic and socio-cultural indicators that describe the four cases, or the socio-economic milieu at four different points in time. In this chapter an overview of the study will be given making reference to the objectives and where they were achieved in the study. Following the overview will be a discussion of the findings presented in Chapter 4 and a comparison of the cases so as to provide insight into the relationships between the socio-economic milieu and entrepreneurial activity in South Africa. To conclude this chapter the contributions and limitations of the study will be discussed and thereafter a short conclusion will be provided.

#### **5.2 OVERVIEW OF THE STUDY**

Chapter 1 provided the background to the topic under investigation. The introduction was followed by the problem statement and the purpose of the study, as well as the research objectives and research questions. The problem statement highlighted that despite the important contribution of entrepreneurship to the South African economy, a lack of entrepreneurial activity exists. Although several studies have investigated factors influencing entrepreneurial activity and intentions, as far as could be established no study has specifically investigated whether the socio-economic milieu surrounding a person's life influences entrepreneurial activity. The current study attempted to fill this research gap. The purpose of this study was to gain insights into the relationship between the socio-economic milieu surrounding the lives of South Africans and the level of entrepreneurial activity in the country, ultimately seeking to provide an increased understanding of why entrepreneurial activity in South Africa is so low.

More specifically, the primary objective of this study was to explore the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity in South African.

In order to address the primary objectives of this study, the following secondary objectives were formulated:

- SO<sup>1</sup> To identify the levels of entrepreneurial activity at four different points in time.
- SO<sup>2</sup> To identify and calculate several socio-economic environmental indicators at the four different points in time.
- SO<sup>3</sup> To provide theoretical support based on a literature study for a relationship between the socio-economic environmental indicators and measures of actual and potential entrepreneurial activity.
- SO<sup>4</sup> To provide empirical support based on secondary data (indices) for a relationship between socio-economic environmental indicators and measures of actual and potential entrepreneurial activity.
- SO<sup>5</sup> To make propositions supported both theoretically and empirically on the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity.

In order to address the primary objective and secondary objectives of this study, the following methodological research objectives were formulated:

- MO<sup>1</sup> To determine the appropriate research methodology to address the identified research problem and research objectives.
- MO<sup>2</sup> To undertake a theoretical investigation into the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic environment.
- MO<sup>3</sup> To analyse secondary data collected on student entrepreneurial intentions as well as several socio-economic environmental indicators at four different points in time.
- MO<sup>4</sup> To provide conclusions and recommendations based on the findings of this research.

Based the objectives of the study, the following research questions were posed:

- RQ<sup>1</sup> Has the level of actual and potential entrepreneurial activity in South Africa changed over time?
- RQ<sup>2</sup> Is the socio-economic milieu (surrounding environment), as measured by several indicators, related to actual and potential entrepreneurial activity of South Africans.

Following in Chapter 1 was a description of the research design and methodology, which included describing the secondary and primary research undertaken. Thereafter, the scope as well as the significance of the study was clarified. Chapter 1 concluded with definitions of key concepts and an overview of the structure of the succeeding chapters.

Chapter 2 provided a literature overview of the nature and importance of entrepreneurship, entrepreneurial intentions, as well as the external environment. The chapter commenced by defining entrepreneurship and entrepreneurial intentions in general, as well as highlighting the importance of entrepreneurship to the South African economy. Kruger defined entrepreneurship by saying “entrepreneurship begins with action, the creation of a new organisation including the antecedents to its creation, inter alia, scanning the environment for opportunity, the identification of the opportunity to be pursued and the evaluation of feasibility of the new venture.” While Khuong and Huu An (2016:105) define entrepreneurial intentions as the developing conscious state of mind that an individual desires to start a new business enterprise or a new business venture. Entrepreneurship has been widely recognised as an imperative component in the establishment of economies and has been deemed a crucial mechanism of economic development (Bunyasrie, 2010:148).

The two theories that underlie this study and how they relate and contribute towards the study, namely Azjen's (1991) TPB and Lent et al.'s SCCT were then described in Chapter 2. In addition, the challenges and barriers facing individuals when participating in entrepreneurial ventures were elaborated on. It was concluded that South African entrepreneurs face several challenges. Many of which arise from the

environment that surrounds them. Thereafter, the external business environment and milieu was described, with attention being given to several indicators describing this external environment. These indicators were broken into three sub-sections, namely; environmental indicators, economic indicators and socio-cultural indicators. Chapter 2 concluded by exploring the relationship between the socio-economic milieu and entrepreneurial intentions specifically.

Chapter 3 focussed on the research design and methodology used in this study, as well as the rationale behind the selected methodology. This was done by elaborating on the research paradigm, the methodology and method of collecting data, as well as the sample of data and how it is analysed. The study adopted an interpretivist paradigm making use of secondary data to develop an understanding from the gathered data. The methodological approach was qualitative in nature and involved mainly explanatory research, which was used to develop an understanding of the underlying reasons, opinions, and motivations of individuals with regard to entrepreneurial activity. Furthermore, a comparative case study was adopted in order to carefully examine the data which allowed for insights to be revealed and understood.

In Chapter 4 the empirical results relating to the four case periods were presented. The various measures of entrepreneurial activity and intentions were presented as well as the economic and socio-cultural indicators that describe the four cases. Two existing measures of entrepreneurial activity, namely, the Global Entrepreneurship Monitor's (GEM) Total Early Stage Entrepreneurial Activity (TEA) rate as well as the GEM's entrepreneurial intentions rate were used. In addition measures of student entrepreneurial intentions from previous studies were also used. To describe the economic and socio-cultural milieu in South Africa, several indicators highlighting the economic and socio-cultural conditions over the past ten years (2008-2017) were selected. In an attempt to track the changes in each environment over the past ten years, the various indicators were presented together and compared. To conclude Chapter 4 a summary of the various entrepreneurial, economic, socio-cultural milieu's for the four cases were presented.

As previously mentioned a discussion and comparison of the four cases will be undertaken in Section 5.4 so as to provide insight into the relationships between the socio-economic milieu and entrepreneurial activity in South Africa.

The overview of this study confirms the achievement of the primary, secondary and methodological objectives of this study. Table 5.1 summarises in which chapters each of the study's objectives were achieved.

**Table 5. 1: Study objectives achieved and relevant chapters**

<b>OBJECTIVES</b>	<b>RELEVANT CHAPTER(S)</b>
<b>Primary objective:</b>	
To explore the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity in South Africa.	<b>Chapter 2 &amp; 5</b>
<b>Secondary objectives:</b>	
SO <sup>1</sup> To identify the levels of entrepreneurial activity at four different points in time.	<b>Chapter 4</b>
SO <sup>2</sup> To identify and calculate several socio-economic environmental indicators at the four different points in time.	<b>Chapter 3 &amp; 4</b>
SO <sup>3</sup> To provide theoretical support based on a literature study for a relationship between the socio-economic environmental indicators and entrepreneurial intentions.	<b>Chapter 2</b>
SO <sup>4</sup> To provide empirical support based on secondary data (indices) for a relationship between socio-economic environmental indicators and entrepreneurial intentions.	<b>Chapter 4</b>
SO <sup>5</sup> To make propositions supported both theoretically and empirically on the relationship between the socio-economic milieu and student entrepreneurial intentions.	<b>Chapter 5</b>
<b>Methodological objectives:</b>	
MO <sup>1</sup> To determine the appropriate research methodology to address the identified research problem and research objectives.	<b>Chapter 1 &amp; 3</b>
MO <sup>2</sup> To undertake a theoretical investigation into the nature and importance of entrepreneurship, entrepreneurial intentions and the external socio-economic environment.	<b>Chapter 2</b>
MO <sup>3</sup> To analyse secondary data collected on student entrepreneurial intentions as well as several socio-economic environmental indicators at four different points in time.	<b>Chapter 4</b>
MO <sup>4</sup> To provide conclusions and recommendations based on the findings of this research.	<b>Chapter 5</b>

(Source: Researcher's own construction)

In the next section, a summary and discussion of the key findings are presented, along with the implications of the empirical findings of this study.

#### **5.4 DISCUSSION OF FINDINGS**

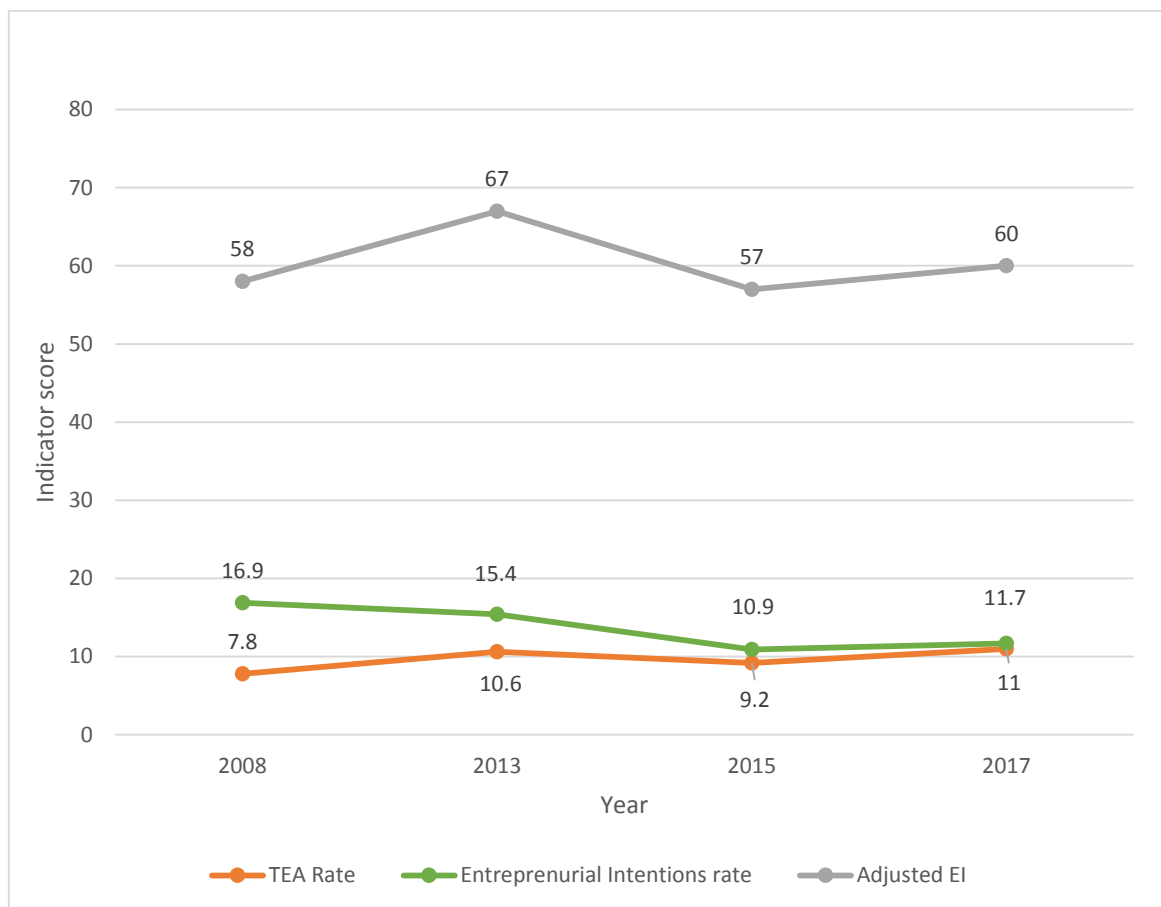
The primary objective of this study was to explore the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity in South Africa. In order to achieve this objective several secondary objectives were put forward. In order to achieve the fourth secondary objective (SO<sup>4</sup>), namely to provide empirical support based on secondary data (indices) for a relationship between socio-economic environmental indicators and entrepreneurial activity, a comparison between the four cases, or points in time, with regard to the various indicators measured, was undertaken. The purpose of this comparison was to provide insights into the relationships between socio-economic milieu and entrepreneurial activity in South Africa.

Figure 5.4.1 depicts the general movement of the various entrepreneurial indicators selected for this study over the time period 2008 to 2017. It can be observed that South Africa's overall TEA rate showed a general positive trend over the time period, starting with a score of 7.8 and ending with a score of 11 in 2017. Entrepreneurial intentions as measured by the GEM saw a decline between 2008 and 2015, but increased very slightly in the year 2017. The entrepreneurial intentions of students showed no specific trend, the highest intentions levels was reported in 2013 and the lowest in 2015. Student entrepreneurial intentions also increased slightly in 2017. The range within which the various indicators of entrepreneurial activity were reported was, however, narrow. The general TEA rate and the student entrepreneurial intentions over the period have followed a similar pattern, namely increasing in 2013, decreasing in 2015 and then increasing again in 2017.

With regard to the entrepreneurial indicators depicted in Figure 5.4.1, it can be observed that both actual and potential entrepreneurial activity in South Africa has changed over the reporting periods. This is evidenced by the fluctuations of the measures of entrepreneurial activity used in this study. South Africa's TEA rate has increased between 2008-2017 from 7.8 percent to 11 percent, while the

entrepreneurial intentions rate for the same reporting period has declined from 16.9 percent to 11.7 percent. The adjusted entrepreneurial intentions rate measured by past studies has shown a minor increase from 58 percent to 60 percent between 2008-2017. This proves that South Africa's potential and actual entrepreneurial activity has changed over the reporting periods. As such the results provide an answer to the first research question (RQ<sup>1</sup>), namely, has the level of actual and potential entrepreneurial activity in South Africa changed over time?

**Figure 5.4.1: Entrepreneurial indicators**

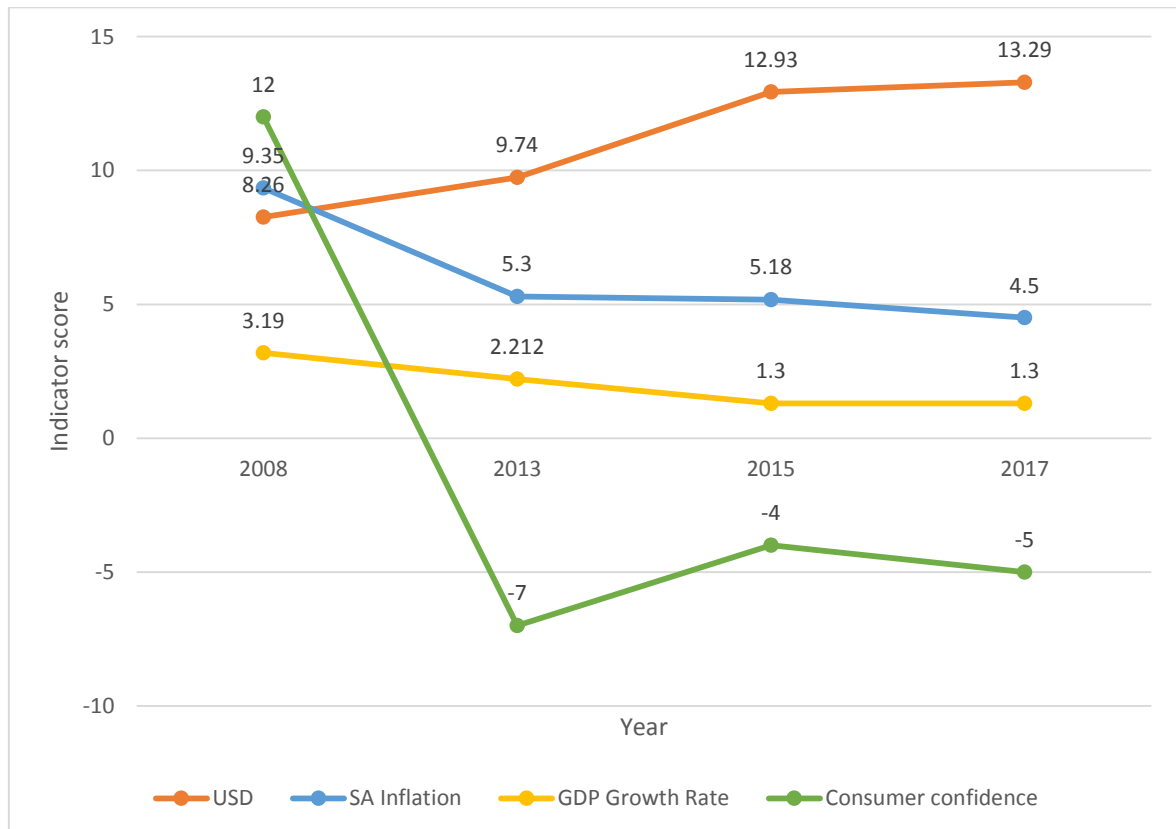


(Source: Self-constructed)

Figure 5.4.2 depicts the general movement of the selected economic indicators over the time period 2008-2017. From these indicators it can be seen that economically South Africa has been on a downward trend. The Rand price per USD has increased substantially over the period. The GDP growth rate and consistently deteriorated, stabilising between 2015 and 2017. Consumer confidence dropped dramatically from 2008 to 2013, after which it increased slightly but was still negative. In contrast,

South Africa's inflation rate dropped between 2008 and 2013 and then reduced slightly over the period 2013 to 2017. Indicators in the economic environment that appear to follow a similar pattern as the levels of entrepreneurial activity in South Africa are the downward trend in GDP growth and the deteriorating value of the Rand.

**Figure 5.4.2: Economic indicators**



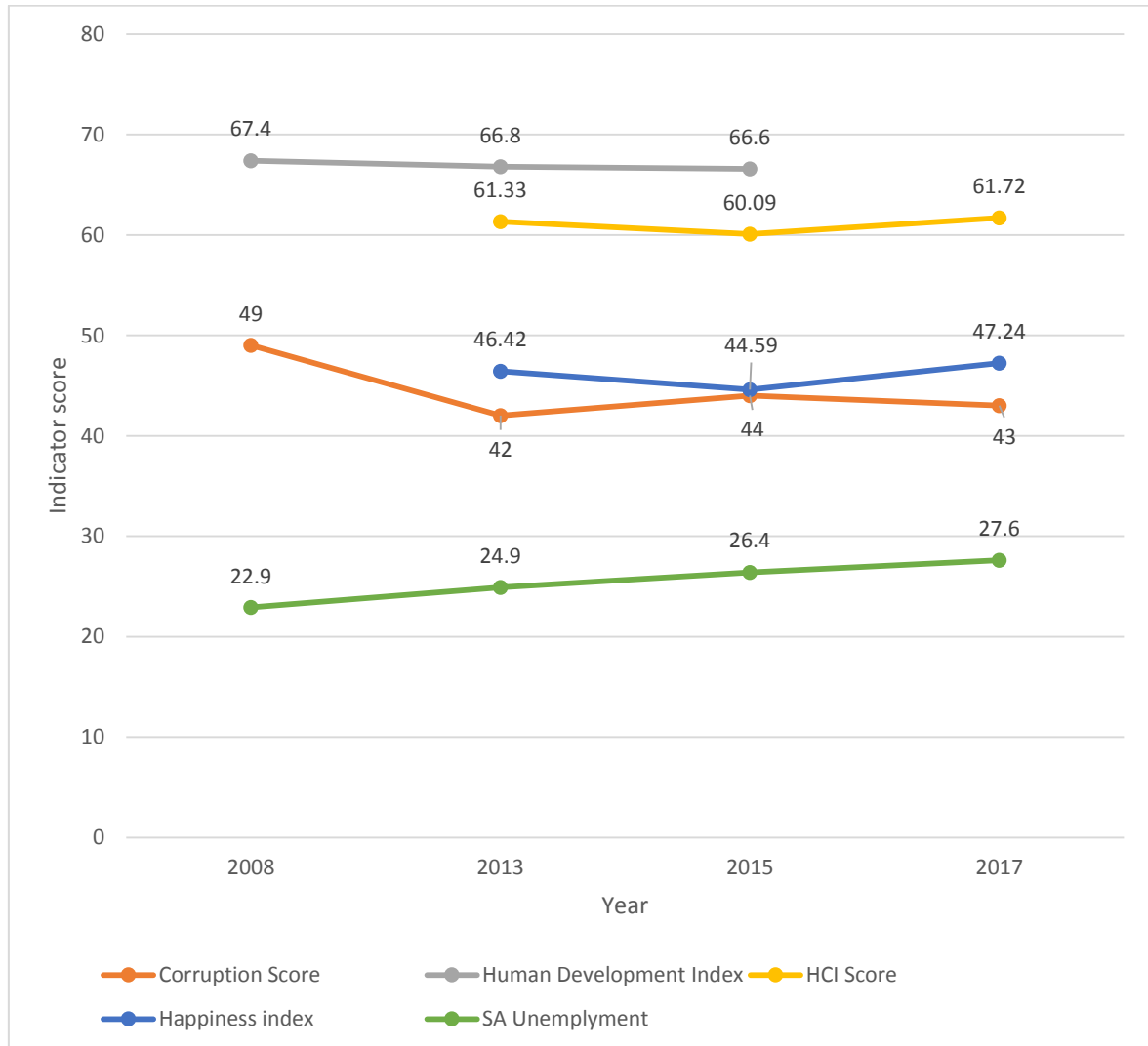
(Source: Self-constructed)

Figure 5.4.3 depicts the general movement of the socio-cultural indicators investigated over the time period 2008-2017. It can be said that the socio-cultural environment has stayed relatively stable over the period, with the various indicators moving within a narrow range. South Africa's corruption dropped from 2008 to 2013, increased again in 2015 and then dropped again slightly in 2017. The Health Care Index as well as the happiness index followed similar trends with slight decreases between 2013 and 2015 before making a slight recovery in 2017. It can be observed that these trends between 2013 and 2017 mimic that of the student entrepreneurial intentions and the TEA rate over the same period. South African



unemployment rate, however, showed a constant upward trend throughout the reporting periods, indicating increasing levels of unemployment in the labour force.

**Figure 5.4.3: Socio-cultural indicators**



(Source: Self-constructed)

## 5.5 DEVELOPMENT OF PROPOSITION

The fifth secondary objective of this study was to make propositions supported both theoretically and empirically on the relationship between the socio-economic milieu and measures of actual and potential entrepreneurial activity.

The literature discussion undertaken in this study has provided substantial evidence for the relationship between the economic and socio-cultural milieu, and entrepreneurial activity. Firstly, Baum and Locke (2004:590) found that positive emotions impact the ability of entrepreneurs to materialise their past experiences into present solutions through heuristic processing. Furthermore, Baron (2008:328), found that the feelings and moods that individuals experience (i.e. their affect) influence many elements of cognition and behaviour. This in turn, has significant results for decision-making and problem solving – activities frequently undertaken by entrepreneurs that could strongly influence the success of their new ventures (Park & Banaji, 2000:1005).

Existing entrepreneurship literature by Bird (1988:443) and Franke and Luthje (2003:137) shows that contextual dimensions such as environmental influences and environmental support (financial support) affect entrepreneurial intentions. In addition, Turker and Selcuk (2008:143), argue that individuals can be influenced by situational factors which relate to their personal backgrounds and present lives. Against this background one can argue that the surrounding context in which entrepreneurs live (milieu) influence their emotions and ultimately their entrepreneurial behaviour.

In contrary to the literature evidence, the empirical findings show that in general no clear relationship can be seen between South Africa's economic and socio-cultural environments, and entrepreneurial activity as presented in the four cases. However, indicators in the economic environment that appear to follow a similar pattern as the levels of entrepreneurial activity in South Africa are the downward trend in GDP growth and the deteriorating value of the Rand. As such a possible relationship could be inferred between the aforementioned and entrepreneurial activity. This implying that as the economic environment deteriorates in terms of these indicators

so too does the level of entrepreneurial activity in South Africa. The results of this study, however, provide weak support for a relationship between the economic environment and entrepreneurial activity in South Africa.

In general the indicators investigated in this study to describe the socio-cultural environment show no clear evidence of a relationship between the environment and entrepreneurial activity in South Africa. However, results show that the Health Care Index, as well as the happiness index followed similar trends with two of the indicators of entrepreneurial activity (TEA and entrepreneurial intentions). All showed slight decreases between 2013 and 2015, before making a slight recovery in 2017.

The South African unemployment rate, however, showed a constant upward trend throughout the reporting periods, indicating increasing levels of unemployment in the labour force. This would appear contradictory to expectations as one would think that as unemployment goes up, so would entrepreneurial activity. However, this did not occur. This finding could highlight other barriers to entrepreneurship. For example Henderson (2002:58), highlights the lack of funding as a barrier to entrepreneurship in South Africa, whereas Kristiansen and Indarti (2004:54), identify a significant relationship between the availability of business information and entrepreneurial activity.

One can thus conclude that although ample support can be found in the literature for a relationship between one's external environment (milieu) and total entrepreneurial activity, the support provided by the empirical findings of this study is weak at best. As such no clear answer is provided for the second research question (RQ<sup>2</sup>) of this study, namely is the socio-economic milieu (surrounding environment), as measured by several indicators, related to actual and potential entrepreneurial activity of South Africans.

Given the strong theoretical support as well as the weak empirical findings of this study, the following proposition is put forward and should be subjected to further investigation in future studies:

Propositions 1: There is a relationship between the socio-economic milieu and entrepreneurial activity in South Africa.

## **5.6 IMPLICATIONS AND CONTRIBUTIONS OF THE STUDY**

This study aimed to add value and expand on the limited body of knowledge that currently exists regarding entrepreneurial activity and the influence of the external environment or surrounding milieu on this activity. This study has contributed to the body of knowledge on the aforementioned by summarising the literature supporting the relationships between the surrounding milieu and entrepreneurial activities. Future researchers could use this as a starting point to expand their studies on this topic. In addition, by presenting a wide range of socio-economic and entrepreneurial indicators graphically, this study provides researchers with an empirical database to be used when furthering entrepreneurial research in this context. This database could be a starting point for developing an index that tracks entrepreneurial activity.

Moreover, this study contributed to the body of knowledge that exists on Azjen's (1991) Theory of Planned Behaviour and Lent et al.'s (2000) Social Cognitive Career Choice Theory, by relating these theories to entrepreneurial activity in South Africa. One noteworthy finding from this study is that one's affect (their moods and emotions) has a significant influence over one's behaviour and ultimately entrepreneurial intention.

The theoretical evidence presented in this study allows for a more focused approach to entrepreneurial education, whereby students can be better prepared to deal with their surrounding contexts. In a practical sense, the theoretical and empirical evidence will assist government officials in developing programs and initiatives to encourage entrepreneurship in South Africa. As part of an effort to promote entrepreneurship in South Africa, this study provides insights to government when develop entrepreneurship programmes which are focused on overcoming the barriers facing entrepreneurs that arise from the environment that surrounds them.

## **5.7 LIMITATIONS OF THE STUDY AND AVENUES FOR FUTURE RESEARCH**

Although this study attempted to make several contributions to the body of knowledge relating to the relationship between the socio-economic milieu and the level of entrepreneurial activity in South Africa, there are some limitations that need to be taken into account.

One notable shortcoming of the study was the limited amount of cases that were used over the ten year period. As a result the research does not provide a complete overview of environments being observed, as only four out of the ten years were used as cases in the study. Furthermore, another limitation relates to the large gaps between the different case periods. This made it difficult to compare the cases and draw the desired conclusions. In addition to this, the indicators that were used in the study were not all established at the same time and therefore did not exist in all the cases, causing large gaps in the data. This too added to the difficulty of comparing case periods and making conclusions within those cases.

Another shortcoming observed by the researchers was that some of the indicators used for the study presented values which may have changed throughout the reporting years, such as interest and exchange rates. This points towards shortcomings in the accuracy and reliability of the data that was used. The indices used in this study were calculated in the period prior to when the levels of entrepreneurial intentions are measured. For example, an average interest rate and inflation rate will be taken twelve months prior to when entrepreneurial intentions were measured. GDP per capita and growth rates will be retrieved from the latest national budget speech prior to when entrepreneurial intentions are measured. While an average exchange rate from the previous twelve months prior to the measurement of entrepreneurial intentions will be formulated.

Lastly, due to limited amount of data available to researchers, only a few indicators were used for both the economic and social environments. As such, many of the indicators that were used lacked relevance in proving the relationship between entrepreneurial intentions and the socio-economic environment. This leads to the

recommendation that future researchers should continue to seek indicators relating to the political, financial and educational environments that could be more reflective of explanations for changes in entrepreneurial activity in South Africa.

## **5.8 CONCLUSION**

From the investigation conducted, greater insights has been acquired into the relationship between the socio-economic milieu and entrepreneurial activity in South Africa. Based on the importance of entrepreneurship and its contribution to the South African economy, it is important to investigate whether a relationship between the socio-economic environment and entrepreneurial activity exists. However, from an empirical perspective the findings of this study have not provided clear support for this relationship. If anything this study has highlighted the need to further investigate what it is that is inhibiting the levels of entrepreneurial activity in South Africa.

## REFERENCES

- Abby, S. 2017. *Advantages and disadvantages of observational methods*. [Online] Available at: <https://getrevising.co.uk/grids/advantages-and-disadvantages-of-observational> [Accessed 29 July 2018].
- Acs, Z. 2006. How is entrepreneurship good for economic growth? *Innovations technology, governance and globalisation*, 1(1): 97-107.
- Ahmad, N and Hoffman, A. 2008. A framework for addressing and measuring entrepreneurship. *OECD Statistics Directorate Working Paper*, 2(1):1-22.
- Ajzen, I and Fishbein, M. 2005. The influence of attitudes on behaviour. In Albarracin D, Johnson B, Zanna M (eds.). *The Handbook of Attitudes*. Lawrence Erlbaum Associates, University of Chicago, 173–221.
- Alan Gray. 2017. *Alan Gray Oribis Report*. [Online] Available at: <http://www.allangrayorbis.org/wp-content/uploads/2017/03/The-entrepreneurial-ecosystem.pdf> [Accessed on 04/20/2018].
- Alshenqeeti, H. 2014. Interviewing as a data collection method: A critical review. *English Linguistics Research*, 3(1): 39-45.
- Amedeo, K. 2018. *Interest rates and how they work*. [Online] Available at: [www.thebalance.com/what-are-interest-rates-and-how-they-work-3305855](http://www.thebalance.com/what-are-interest-rates-and-how-they-work-3305855) [Accessed on 25 August 2018].
- Anney, V. 2014. Ensuring the Quality of the Findings of Qualitative Research: Looking at Trustworthiness Criteria. *Journal of Emerging Trends in Educational Research and Policy Studies*, 5(2): 272-281.
- Arenius, P. and Minniti, M. 2005. Perceptual variables and nascent entrepreneurship. *Small Business Economics*, 24(3): 233-247.
- Asfaw, G.D., 2011. Entrepreneurial motivation factors: A case study of students at Universities of applied sciences in Helsinki Metropolitan region with respect to place of origin, *Thesis*: 290-302.
- Astebro, T. and Tag, J. 2015. Jobs incorporated: Incorporation status and job creation. *Research Institute of Industrial Economics*, IFN Working Papers, No. 1059. France, Paris.
- Audretsch, D. B. 2004. Sustaining innovation and growth: Public policy support for entrepreneurship. *Industry and Innovation*, 11:167-191.

- Audretsch, D.B. and Thurik, A.R. 2004. A model of the entrepreneurial economy. *Papers on Entrepreneurship, Growth and Public Policy*, No. 1204, Jena, Germany.
- Azjen, I. 1991. The theory of planned behaviour. *Organizational Behavior and Human Decision Processes*, 50(2):179-211
- Badal, S. 2010. *Entrepreneurship and job creation: Leveraging the relationship*. Princeton, New Jersey, USA. Gallup Inc.
- Bae, T.J., Qian, S., Miao, C. and Fiet, J.O. 2014. The relationship between entrepreneurship education and entrepreneurial intentions: A meta-analytic review. *Entrepreneurship theory and practice*, 38(2):217-254.
- Bandura, A. 2001. Social cognitive theory: An agentic perspective. *Annual Review of Psychology*, 52(1):1-26.
- Barbosa, S.D., Gerhardt, M.W. and Kickul, J.R. 2007. The role of cognitive style and risk preference on entrepreneurial self-efficacy and entrepreneurial intentions. *Journal of Leadership and Organisational Studies*, 13(4):86-104.
- Barbour, R. and Schostak, J. F. 2005. Interviewing and Focus Groups. In B. Somekh and C. Lewin, (eds.) *Research Methods in the Social Sciences*. London: Sage Publications.
- Baron, R. 2008. The role of affect in the entrepreneurial process. *Academy of Management Review*, 33(2): 328-340.
- Baron, R., Franklin, R. and Hmieleski, K. 2016. Why entrepreneurs often experience low, not high, levels of stress: The joint effects of selection and psychological capital. *Journal of Management*, 42(3): 742-768.
- Bartlett, L., and Vavrus, F. 2017. Rethinking the case study research: A comparative approach. Routledge.
- Baum, J. and Locke, E. 2004. The relationship of entrepreneurial traits, and motivation subsequent venture growth. *Journal of Applied Psychology*, 89(4): 587-598.
- Baxter, P. and Jack, S. 2008. Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers. *The Qualitative Report*, 13(4): 544-559.
- Beck, T., Demirguc-Kunt, A. and Maksimovic, V. 2002. *Financial and legal constraints to firm growth: Does size matter?* University of Maryland. The World Bank.



- Becker, S. and Bryman, A. 2004. Understanding research for social policy and practice, themes, methods and approaches. *Policy Press*, 34(2):325-326.
- Berg, B. L. 2007. Qualitative research methods for the social sciences. London: Pearson.
- Bhaskar, A and Garimella, S. 2017. A study of predictors of entrepreneurial intentions: Development of comprehensive measures. *Global Business Review*, 18(3): 629-651.
- Bird, B. 1998. Implementing entrepreneurial ideas: The Case for intention. *The Academy of Management Review*, 13(3): 442.
- Birdthistle, N. 2008. An examination of tertiary students' desire to found an enterprise. *Entrepreneurship Education and Training*, 50(7): 552–567.
- Birt, L. Scott, S. Cavers, D. and Walter, F. Member checking: A tool to enhance trustworthiness or merely a nod to validation. *Qualitative Health Research*, 26(13): 1802-1811.
- Bitsch, V. 2005. Qualitative research: A grounded theory example and evaluation criteria. *Journal of Agribusiness*, 23(1): 75-91.
- Blaxter, L., Hughes, C. and Tight, M. 2006. How to Research. (3rd Ed.) New York: McGraw-Hill Education.
- Bloomberg, 2013. *Bloomberg best (and worst)*. [Online] Available at: <https://www.bloomberg.com/graphics/best-and-worst/#most-stressed-out-countries> [Accessed: 03 May 2018]
- Boeije, H. 2002. A purposeful approach to the constant comparative method in the analysis of qualitative interviews. *Quality and Quantity*, 36: 391-409
- Booth, R. J. and Pennebaker, J. W. 2000. Emotions and immunity. In M. Lewis and J. M. Haviland-Jones (Eds.), *Handbook of emotions*. 2(1): 558-572.
- Bosch, J., Tait, M. and Venter, E. 2011. *Business management: An entrepreneurial perspective*. 2<sup>nd</sup> Edition. Lecturn, Port Elizabeth.
- Boshoff, W. and Binge, L. 2017. Business sentiment and the business cycle in South Africa. *Stellenbosch University*: 1-20.
- Bosma, N., De Wit, G. and Carree, M. 2005. Modelling entrepreneurship: Unifying the equilibrium and the Entry/Exit approach. *Small Business economics*, 25(1): 35-48.
- Bosma, N., Jones, K., Autio, E. and Levie, J. 2007. *Global Entrepreneurship Monitor: Executive Report*. London business school.

- Bosma, N., Wennekers, S., and Amoros, J. 2012. *Global Entrepreneurship Monitor 2011 extended report: Entrepreneurs and entrepreneurial employees across the globe*. Babson Park, MA: Babson College
- Boulton, W., Liang, H. and Xue, Y. 2008. Information technology governance in information technology investment decision processes: The impact of investment characteristics, external environment, and internal context. *MIS Quarterly*, 32(1): 67-96.
- Bowen, G.A. 2009. Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2): 27-40.
- Bowen, G.A. 2009. Supporting a grounded theory with an audit trail: An illustration. *International Journal of Social Research Methodology*, 12(4): 305-316.
- Braunerhjelm, P. 2010. Entrepreneurship, innovation and economic growth: Past experiences, current knowledge and policy implications. *Swedish entrepreneurship forum*, 2(1): 1-76.
- Brayton, J., Ollivier, M., and Robbins, W. 2005. Introduction to feminist research. PAR-L. [Online] Available at: <https://www2.unb.ca/parl/research.html> [Accessed 29 July, 2018].
- Brooks, W. 2014. Measuring a nation's income: Gross domestic product: 1-36.
- Bryant, M. Conducting observational research. *Swinburne business school*. Pg. 5.
- Bunyasrie, V. 2010. The role of entrepreneurship on economic growth. *Executive Journal*, Bangkok University International College: 149-156.
- Bureau of Economic Research. Business and consumer surveys. [Online] Available at: <https://www.ber.ac.za/About-BER/Product-offering/Surveys/Surveys-Method/> [Accessed at 19 August 2018].
- Bureau of Labour Statistics. 2015. Unemployment rates nears prerecession level by end of 2015. [Online] Available at: <https://www.bls.gov/opub/mlr/2016/article/unemployment-rate-nears-prerecession-level-by-end-of-2015.htm> [Accessed on 8 April 2018].
- Byrne, D and Ragin, C.C. 2009. *The Sage handbook of case-based methods*. Sage Publications.
- Cacciotti, G. Hayton, J. Mitchell, R. and Giazitoglu, A. 2016. A reconceptualization of fear of failure in entrepreneurship. *Journal of Business Venturing*, 31(3): 302-325.

- Cambridge Dictionary. 2018. The meaning of “milieu” in the English dictionary. [Online] Available at: <https://dictionary.cambridge.org/dictionary/english/milieu> [Accessed on 18 April 2018].
- Campbell, A. 2010. “How cavemen did social media”: A comparative case study of social movement organisations using twitter to mobilise on climate change. Bachelor of Arts with Honours, University of Sydney, Sydney.
- Carver, C S., and Scheier, M. F. 2001. Optimism, pessimism, and self-regulation. In E. C Chung (Ed.), *Optimism and pessimism: Implications for theory, research, and practice*: 31-51. Washington, DC: American Psychological Association.
- Cassim, S., Son, P. and Karodia, A. 2014. Entrepreneurship policy in South Africa. *Arabian Journal of Business and Management Review*, 3(9): 29-43.
- Chamola, P. and Jain, V. 2017. Towards nurturing entrepreneurial intention from emotional intelligence. *SIBM Pune Research Journal*, 13: 26-34.
- Chen, C., Greene, P. and Crick, A. 1998. Does entrepreneurial self-efficacy distinguish entrepreneurs from managers? *Journal of Business Venturing*, 13(4): 295-316.
- Chilisa, B. and Preece, J. 2005. *Research methods for adult educators in Africa*. Pearson. Cape Town, South Africa.
- Cieślík, J. 2014. Entrepreneurship and job creation. *Management and Economic Policy for Development*: 109-124.
- Claessens, M. 2015. The macro environment – Six forces (DESTEP). [Online] Marketing-insider. Available at: <https://marketing-insider.eu/macro-environment/> [Accessed 16 May 2018].
- Coase, R. 2002. The economics of contracts: Theory and applications. Cambridge: *Cambridge University press*: 30-56.
- Cohen, L. Manion, L. and Morrison, K. 2002. *Research methods in education*. Routledge: New York.
- Cohen, S., Doyle, W. J., Turner, R. B., Alper, C M., and Skoner, D. P. 2003. Emotional style and susceptibility to the common cold. *Psychosomatic Medicine*, 65(4): 652-657.
- Conroy, D.E., Poczwadowski, A., Henschen, K.P. 2001. Evaluative criteria and consequences associated with failure and success for elite athletes and performing artists. *Journal of Applied Sport Psychology*, 13: 300–322.

- Crant, M. 1996. The proactive personality scale as a predictor of entrepreneurial intentions. *Journal of Small Business Management*, 42-49.
- Cresswell, J. 2003. Qualitative procedures. Research design: qualitative, quantitative and mixed method approaches.
- Cronin C. 2014. Using case study research as a rigorous form of inquiry. *Nurse Researcher*, 21(5): 19-27.
- Davidsson, P. and Honig, B. 2003. The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3): 301-331.
- De Villiers, J. 2018. Business Insider. South Africa dropped to 105<sup>th</sup> happiest country in the world – even dictatorships and occupied territories are happier. [Online] Available at: <https://www.businessinsider.co.za/south-africa-drops-to-105th-on-worldwide-happiness-report-continuing-downward-trend-2018-3>. [Accessed on 30 April 2018].
- Dempsey, I. 2009. *The entrepreneurial dialogues: State of entrepreneurship in South Africa*. Gordon Institute of Business Sciences where published.
- Devault, G. 2018. Establishing trustworthiness in qualitative research. [Online] Available at <https://www.thebalancesmb.com/establishing-trustworthiness-in-qualitative-research-2297042> [Accessed on 12 June 2018].
- Dietrich, H. 2013. The role of emotion in environmental decision making. *Dissertation Abstracts International*.
- Dilger, J. 2013. Small Business Administration and Job Creation. *Congressional Research Services (CRS)*. Washington.
- Douglas, E. and Shepherd, D. 2002. Self-employment as a career choice: Attitudes, Entrepreneurial intentions, and utility maximisation. *Entrepreneurship Theory and Practice*, 26(3): 81-90.
- Driscoll, L. 2011. Introduction to primary research: Observations, surveys and interviews. *Writing Spaces: Readings on Writing*, (2):154.
- Driver, A. Wood, E. Segal, N. and Harrington, M. 2001. Global Entrepreneurship monitor (GEM): 2001 South African Executive Report, Graduate School of Business, University of Cape Town.
- Drucker, P.F. 1985. *Innovation and entrepreneurship practices and principles amacon*.

- Dudovskiy, J. 2018. Research Methodology, Casual research (Explanatory research). [Online] Available at <https://research-methodology.net/causal-research/> [Accessed at: 13 August 2018].
- Dul, J. and Hak, T. 2008. Case study methodology in business research. *Routledge*.
- Egan, V., and Tosanguan, P. 2009. Coping strategies of entrepreneurs in economic recession: A comparative analysis of Thais and European expatriates in Pattaya, Thailand. *Journal of Asia Entrepreneurship and Sustainability*, 5: 17–36.
- Elena, T., Akrivi, K., Costas, V., Georgios, L., and Constantin, H. 2010. Capturing the historical research methodology: An experimental approach. University of Athens, 1-13.
- Elmusharaf, K. 2012. Qualitative sampling techniques. *Reproductive and Child Health Research Unit*: 6-13.
- Elving, J., Brannback, M. and Carsud, A. 2009. Understanding the entrepreneurial mind. *International Studies in Entrepreneurship*, 24: 23-34.
- Emmel, N. 2013. Sampling and choosing cases in qualitative research: A realist approach. London: Sage.
- Erasmus, B., Strydom, J., Rudansky-Kloppers, S., Botha, T., Van Rensburg, M., Du Toit, G. and Motlatla, M. 2013. Introduction to business management. 9<sup>th</sup> ed. Cape Town: Oxford University Press Southern Africa. CHAPTER 4.
- Eresia-Eke, C. and Gunda, C. 2015. The Entrepreneurial Intentions of University of Botswana Students. *Problems and Perspectives in Management*, 13(3): 55-65.
- Evaluation ETA. 2008. Data collection methods for program evaluation: Observation. *Evaluation Briefs*, 16: 1-2.
- Evans. G. R. 2014. Exchange rates. 1: 1-17.
- Falay, Z., Salimaki, M, Ainamo, A. and Gabrielsson, M. 2007. Design-intensive born globals: A multiple case study of marketing management. *Journal of Marketing Management*, 23(9-10): 877-899.
- Farrington, S.M. 2017. Psychological well-being and perceived financial performance: An SME perspective. *South African Journal of Business Management*, 48(4): 47-56.
- Fatoki, O. and Chindoga, L. 2012. Triggers and Barriers to Latent Entrepreneurship in High Schools in South Africa. *Journal of Social Sciences*, 31(3): 307-318.

- Fatoki, O. and Garwe, D. 2010. Obstacles to the growth of new SMES's in South Africa: A principle component analysis approach. *Journal of Business Management*, 45(5): 729-738.
- Fayolle, A., and Gailly, B. 2004. Using the theory of planned behaviour to assess entrepreneurship teaching programs: A first experimentation. Paper presented at the 14th Annual International Entrepreneurship Conference. Naples, Italy: University of Napoli.
- Fereday, J. and Muir-Cochrane, E. 2006. Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. *International Journal of Qualitative Methods*, 5(1): 80-92.
- Fereidouni, H., Masron, T., Nikbin, D., and Amiri, R. 2010. Consequences of external environment on entrepreneurial motivation in Iran. *Asian Academy of Management Journal*, 15(2): 175-196.
- Fernandez, P. 2018. Entrepreneurship Defined: What it means to be an entrepreneur. Business News Daily. [Online] Available at: <https://www.businessnewsdaily.com/7275-entrepreneurship-defined.html> [Accessed at 28 May 2018].
- Ferrance, E. 2000. Action research. Northeast and Islands Regional Educational Laboratory at Brown University.
- Ferrerira, J., Raposo, M.L., Gouveia, R., Dinis, A. and Do Paco, A. 2012. A model of entrepreneurial intention: An application of the psychological and behavioural approaches. *Journal of Small Business and Enterprise Development*, 19(3): 424-440.
- Fini, R., Grimaldi, R., Marzochhi, G.L. and Sobrero, M., 2009. *The foundation of entrepreneurial intentions*. In Summer Conference, Copenhagen.
- Flick, U. 2014. An introduction to qualitative research, 5(1). Thousand Oaks, CA: SAGE.
- Florin, J. and Karri, R. 2007. Fostering entrepreneurial drive in business education: An attitudinal approach. *Journal of management education*, 31(1): 1-42.
- Foo, M.D., Shepherd, D. and Wiklund, J. 2012. Exploring the heart: Entrepreneurial emotion is a hot topic. *Entrepreneurship Theory and Practice*, 36(1): 1-10.
- Franco, M. Haase, H. and Lautenschlager, A. 2010. Students' entrepreneurial intentions: An inter-regional comparison. *Entrepreneurship Education and Training*, 52(4): 260–275.

- Franke, N., and Lüthje, C. 2004. Entrepreneurial intentions of business students: A benchmarking study. *International Journal of Innovation and Technology Management*, 1(3): 269–288.
- Fredrickson, B.L. 2001. The role of positive emotions in positive psychology: The broaden-and-build theory of positive emotions. *American Psychologist*, 56(3): 1367-1377.
- Gallup. World poll index. 2018. [Online] Available at: <https://www.gallup.com/analytics/232838/world-poll.aspx> [Accessed on 25 September 2018].
- Gartner, W. 1989. “Who is an Entrepreneur” Is the Wrong question. *Entrepreneurship Theory and practice*. University of Baltimore, 12(4): 47-68.
- Geitlinger, S. 2016. *Entrepreneurship in South Africa: A comparative study between the Global Entrepreneurship Monitor, the Global Entrepreneurship Index and opinions of industry experts in the entrepreneurship field*. Gordon Institute of Business Science, University of Pretoria.
- GEM. 2018. An overview of the APS process. [Online] Available at: <https://www.gemconsortium.org/wiki/1155> [Accessed on 02 September 2018].
- GEM. 2018. What is the adult population survey? [Online] Available at: <https://www.gemconsortium.org/wiki/1141> [Accessed on 02 August 2018].
- Ghuri, P. and Gronhaug, K. 2005. Research methods in business studies: A practical guide. *Prentice Hall*, 3<sup>rd</sup> edition.
- Giacomin, O., Janssen, F., Pruett, M., Shinnar, R.S. Llopis, F. and Toney, B. 2011. Entrepreneurial intentions, motivations and barriers: Differences among American, Asian and European students. *International Entrepreneurship and Management Journal*, 7(2): 219-238.
- Giacomin, O., Janssen, F., Pruett, M., Shinnar, R.S., Llopis, F. and Toney, B. 2011. Entrepreneurial intentions, motivations and barriers: Differences among American, Asian and European students. *International Management Journal*, 7(1): 219-238.
- Glaeser, E.L. and Kerr, W.R. 2010. Cluster of entrepreneurship. *Journal of Urban economics*, 67(1): 150-168.
- Goldstein, A. E. and Reiboldt, W. 2004. The multiple roles of low income, minority women in the family and community: A qualitative investigation. *The Qualitative Report*, 9(2): 241–265.

- Gómez-Araujo, E., Lafuentel, E., Vaillant, Y., Gómez Núñez, L.M. 2015. The differential impact of self-confidence, reference models and the fear of failure in young entrepreneurs. *Innovar*, 25(57): 157–174.
- Goodrick, D. 2014. Comparative Case Studies, Methodological Briefs: Impact Evaluation 9(1), UNICEF Office of Research, Florence.
- Gray, B., Farrington, S. M. and Sharp, G. 2010. Applying the theory of planned behaviour to entrepreneurial intention. *The 4<sup>th</sup> International Business Conference (IBC)*, Zambia, Victoria Falls, 12-14 October.
- Gubrium, J. F. and Holstein, J. A. 2002. Handbook of Interview Research: Context and Method. Thousand Oaks, CA: Sage.
- Gud, G. 2017. Notes on skilled human resources for development. [Online] Available at: <https://www.kullabs.com/classes/subjects/units/lessons/notes/note-detail/135> [Accessed on 24/04/2018].
- Guillemin, M and Gillam, L. 2004. Ethics, reflexivity and ethically important moments in research. *Qualitative inquiry*, 10(2): 261-280.
- Hayes, R., Kyer, B and Weber, E. 2015. The case study cookbook. United States Patent and Trademark Office, Worcester Polytechnic Institute.
- Health Care Index. 2016. [Online] Available at: [ChartsBin.com/view/39854](https://chartsbin.com/view/39854) [Accessed at 23 August 2018].
- Heertje, A. 1982, 'Schumpeter's Model of the Decay of Capitalism,' in: H. Frisch, *Schumpeterian. Economics*, Prager Publishers, Sussex, UK, Chapter 5.
- Helfen, M. and Sydow, J. 2013. Negotiating as institutional work: The case of labour standards and international framework agreements. *Organisational Studies*, 34(8):1073-1098.
- Helliwell, J., Layard, R. and Sachs, J. 2017. World happiness report 2017. *Sustainable development solutions network*, New York.
- Hellriegel, D., Slocum, W., Jackson, E., Amos, T., Louw, L and Klopper, H.B. 2012. Management – South African Edition. 4<sup>th</sup> Edition. Oxford universities press Southern Africa.
- Henderson, J. 2002. Building the Rural Economy with High-Growth Entrepreneurs. *Federal Reserve Bank of Kansas City Economic Review*, 87(3): 45–70.



- Henley and Partners*. [Online] Available at: <https://www.henleyglobal.com/industry-news-details/the-quality-of-nationality-index-2017/> [Accessed 20 August 2018].
- Henley Global, 2018. The quality of nationality index: Nationalities of the world in 2017.
- Herrington, M. Kew, J. and Kew, P. 2009. *Tracking Entrepreneurship in South Africa: A GEM perspective*. [Online] Available at: <http://www.gemconsortium.org/article> [Accessed on 5 April 2018].
- Hessels, J., Van Stel, A., Brouwer, P. and Wennekers, S. 2006. Social security arrangements and early stage entrepreneurial activity. *Scientific Analysis of Entrepreneurship and SME's*, 28(1): 1-30.
- Hofstede, G., Noorderhaven, N.G., Thurik, A.R., Uhlaner, L.M., Wennekers, A.R. and Wildeman, R.E. 2004. Culture's role in entrepreneurship: self-employment out of dissatisfaction. *Innovation, entrepreneurship and culture: The interaction between technology, progress and economic growth*.
- Holloway, I. and Wheeler, S. 2002. Qualitative research in nursing. 2<sup>nd</sup> edition. Malden, MA: Blackwell.
- Hox, J. and Boeije, H. 2005. Data collection: Primary VS Secondary. *Encyclopedia of Social Measurement*, (1): 594
- Huppert, F.A. 2009. Psychological well-being: Evidence regarding its causes and consequences. *Applied Psychology: Health and Well-Being*, 1(2): 1-28.
- Huynh, Q. 2011. Effects of the natural environment on positive emotional health among young people in Canada. Queens University (Canada).
- Indexmundi. 2018. World GDP per capita (PPP) – Historical data graphs per year. [Online] Available at: <https://www.indexmundi.com/g/g.aspx?c=xxandv=67> [Accessed 20 August 2018].
- Investing.com South Africa. 2018. ZAR Exchange rate historical data. [Online] Available at: <https://za.investing.com/> [Accessed 20 August 2018].
- Investopedia. 2018. Consumer price index. [Online] Available at: <https://www.investopedia.com/terms/c/consumerpriceindex.asp> [Accessed at 20 August 2018].
- Investopedia. 2018. Corruption perception index. [Online] Available at: <https://www.investopedia.com/terms/c/corruption-perception-index.asp> [Accessed 27 August 2018].

- Investopedia. 2018. Real economic growth rate. [Online] Available at: <https://www.investopedia.com/terms/r/realeconomicrate.asp> [Accessed 01 September 2018].
- Investopedia. Consumer confidence index [Online] Available at: [www.investopedia.com/terms/c/cci.asp](http://www.investopedia.com/terms/c/cci.asp) [Accessed on 1 May 2018].
- Investopedia. Interest rate Index. [Online] Available at: <https://www.investopedia.com/terms/i/interest-rate-index.asp> [Accessed on 2 May 2018].
- Isen, A. M. 2002. Missing in action in the AIM: Positive affect's facilitation of cognitive flexibility, innovation, and problem solving. *Psychological Inquiry*, 13(1): 57-65.
- Ishak, N.M. and Bakar, A.Y. 2014. Developing sampling frame for case study: Challenges and conditions. *World Journal of Education*, 4(3): 29-35.
- Jahan, S. 2016. Human development report: Human development for everyone. Communications Development Inc., Washington DC, USA.
- Jijoo, D. 2014. A study of buying decision process in malls. Shri Vaishnav Institute of Management, 1-214.
- Johnston, K. 2018. Small business Chronicles: The effect of interest rates on business. [Online] Available at: <https://smallbusiness.chron.com/effect-interest-rates-business-69947.html> [Accessed on 25 August 2018].
- Jovanovic, B. and Rousseau, P.L. 2005. General purpose technologies. *Handbook of economic growth*, 1(2): 1181-1224.
- Karlsson, C. and Nystrom, K. 2009. *Nyföretagande näringslivsdynamik och illväxt i den nya världsekonomin*. Report to the Swedish Government's Globalisation Council. Ministry of Education, Stockholm.
- Kaufman, K., Karen M. and Petrocik J. 1990. The changing politics of American men: Understanding the sources of the gender gap. *American Journal of Political Sciences*: 864-887.
- Kawulich, B. 2012. Collecting data through observation. *Doing social research: A global context*: 150-160.
- Kickul, J., Wilson, F., Marlino, D. and Barbosa, S.D. 2008. Are misalignments of perceptions and self-efficacy causing gender gaps in entrepreneurial intentions among our nation's teens? *Journal of Small Business and Enterprise Development*, 15(2): 321-335.

- Kolb, S.M. 2012. Grounded theory and the constant comparative method: Valid research strategies for educators. *Journal of Emerging Trends in Educational Research and Policy Studies*, 3(1): 83-86.
- Kolvereid, L. 1996. Organizational employment versus self-employment: Reasons for career choice intentions. *Entrepreneurship Theory and Practice*, 20(3): 23–31.
- Kolvereid, L., and Moen, O. 1997. Entrepreneurship among business graduates: Does a major in entrepreneurship make a difference? *Journal of European Industrial Training*, 21(4): 154–160.
- Koshoff, G. 2000. Measuring Business and Consumer Confidence in South Africa. Bureau of Economic Research. Stellenbosch, WC.
- Kothari, C. R. 2004. Research methodology: Methods and techniques. *New Age International*.
- Kourilsky, M and Walstad, W. 1998. Entrepreneurship and female youth: Knowledge, attitudes, gender differences, and educational practices. *Journal of Business Venturing* 13(1): 77-88.
- Krueger, N. and Dickson, P.R. 1994. How believing in ourselves increases risk taking: Perceived self-efficacy and opportunity recognition. *Decision Sciences*, 25(3): 385-400.
- Krueger, N. F. 1993. The impact of prior entrepreneurial exposure on perceptions and new venture feasibility and desirability. *Entrepreneurship Theory and Practice*, 18: 5–21.
- Krueger, N. F., Reilly, M., and Carsrud, A. 2000. Competing model banduras of entrepreneurial intentions. *Journal of Business Venturing*, 15 (5/6): 411–432.
- Kruger, M. 2004. Entrepreneurship theory and creativity. University of Pretoria, 9<sup>th</sup> edition: 11-38.
- Kvale, S. 2003. The psychoanalytic interview as inspiration for qualitative research. In Alshenqeeti, H. 2014. Interviewing as a data collection method: A critical review. *English Linguistics Research*, 3(1): 39.
- Labuschagne, A. 2003. Qualitative research: Airy fairy or fundamental? *The Qualitative Report*, 8(1):100-103.
- Lahiri, K. and Moore, G. 2003. Leading economic indicators. Cambridge: *Cambridge University Press*.

- Laverty, S.M. 2003. Hermeneutic phenomenology and phenomenology: A comparison of historical and methodological considerations. *International Journal of Qualitative methods*, 2(3): 21-35.
- Lee, L., Wong, P., Der Foo, M., and Leung, A. 2011. Entrepreneurial intentions: The influence of organizational and individual factors. *Journal of business venturing*, 26(1): 124-136.
- Lee, L., Wong, P.K., Foo, M. and Leung, A. 2011. Entrepreneurial intentions: The influence of organisational and individual factors. *Journal of Business Venturing*, 26(1): 124-136.
- Leech, N.L. and Onwuegbuzie, A.J. 2007. An array of qualitative data analysis tools: A call for data analysis triangulation. *School psychology quarterly*, 22(4): 557-584.
- Lehohla, P.J. 2017. Whither a demographic divide South Africa: The overton window of political possibilities. *Statistics South Africa*. National Library of South Africa, Pretoria.
- Lent, R., Brown, S. and Hackett, G. 2000. Contextual supports and barriers to career choice: A social cognitive analysis. *Journal of Counselling Psychology*, 47(1): 36-49.
- Li, D. 2004. Trustworthiness of Think-aloud Protocols in the Study of Translation
- Lichtenstein, B., Dooley, K. J., and Lumpkin, G. T. 2006. Measuring emergence in the dynamics of new venture creation. *Journal of Business Venturing*, 21: 153-175.
- Linan, F. 2008. Skills and value perceptions: How do they affect entrepreneurial intentions? *International Entrepreneurship and Management Journal*, 4(3): 257-272.
- Linan, F. and Chen, Y. 2009. Development and Cross-cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship Theory and Practices*, 33(3): 593-617.
- Linan, F., and Chen, Y.W. 2009. Development and Cross-Cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneur theory and practice*, 33(3): 1-28.
- Lochrie, S. 2016. Engaging and marketing to stakeholders in World Heritage Site management: A UK multiple case study perspective. *Journal of Marketing Management*, 32(16): 1392-1418.

- Longo D.L. 2015. *Human immunodeficiency virus disease: AIDS and related disorders*. McGraw-Hill Education, New York, 19<sup>th</sup> edition.
- Louw, L., Van Eeden, S., Bosch, J. and Venter, D. 2003. Entrepreneurial traits of undergraduate students at selected South African tertiary institutions. *International Journal of Entrepreneurial Behaviour and Research*, 9(1): 5-26.
- Louw, S.M., Van Eeden, J.K., Bosch, D. and Venter, L. 2003. Entrepreneurial traits of undergraduate students at selected South African tertiary institutions, *International Journal of Entrepreneurial Behavior and Research*, 9(1): 5-26.
- Lucas, R. 1978. On the size of distribution of business firms. *The Bell Journal of Economics*, 9(2): 508.
- Lucas, R. 1980. Methods and problems in business cycle theory. *Journal of Money, Credit and Banking*, 12(4): 696-715.
- Lucky, E. and Ibrahim, N. 2014. Environmental factors and entrepreneurial intentions among Nigerian students in UUM. *International Journal of Business and Technopreneurship*, 4(2): 187-203.
- Lucky, I. and Minai, M. S. 2011. *The Entrepreneurial Mind of the Female Graduate-to-be in Northern Malaysia*. Paper presented at The Proceeding at the World Business, Economics and Finance Conference. College of Business, Universiti Utara, Malaysia.
- Luthje, C. and Franke, N. 2003. The 'making' of an entrepreneur: testing a model of entrepreneurial intent among engineering students at MIT. *RandD Management*, 33(2): 135-147.
- Lyubomirsky, S., King, L., and Diener, E. 2005. The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin*, 131(1): 803–855.
- Macnee, L. C., and McCabe, S. 2008. Understanding nursing research: Using research evidence-based practice. Philadelphia, PA: Lippincott Williams and Wilkins.
- Maes, J., Leroy, H., and Sels, L. 2014. Gender differences in entrepreneurial intentions: A TPB multi-group analysis at factor and indicator level. *European Management Journal*, 32(5): 784-794.

- Malebana, J. 2014. Entrepreneurial intentions of South African rural university students: A test of the theory of planned behaviour. *Journal of Economics and Behavioural Studies*, 6(9): 709-726
- Manerikar, V. and Manerikar, S. 2014. A note on exploratory research. *A Peer Reviewed Research Journal*, 17(1): 95-96.
- Manerikar, V. and Manerikar, S. 2014. A note on exploratory research. *LN Welinger Institute of Management Development and Research*, 18(1): 95-96.
- Mann, B. 2006. Case study research on web-based learning: Types, typologies and thesis research. *Information Science Publishing*, pp. 71-79.
- Marshall, C. and Rossman, G. 2016. Designing qualitative research. (6<sup>th</sup> Ed.) Sage Publications.  
[https://books.google.co.za/books?hl=en&id=qTByBgAAQBAJ&oi=fnd&pg=PT8&dq=explanatory+research+qualitative+pdf&ots=xhA6BDW681&sig=SIZEJNR\\_3A9TOR5tRMPTTrR5yC-Ws#v=onepage&q&f=false](https://books.google.co.za/books?hl=en&id=qTByBgAAQBAJ&oi=fnd&pg=PT8&dq=explanatory+research+qualitative+pdf&ots=xhA6BDW681&sig=SIZEJNR_3A9TOR5tRMPTTrR5yC-Ws#v=onepage&q&f=false)
- Marshall, M. Sampling for qualitative research. 1996. *Family Practice – An International Journal*, 13(6): 524.
- Martin, B., McNally, J. and Kay, M.J. 2013. Examining the formation of human capital in entrepreneurship: A meta-analysis of entrepreneurship education outcomes. *Journal of Business Venturing*, 28(2): 211-224.
- Mbhele, T. 2010. The study of venture capital finance and investment behaviour in small and medium-sized enterprises. *South African Journal of Economic and Management Sciences*, 15(1): 94-111.
- McGreggor, S.L.T., and Murnane, J.A. 2010. Paradigm, Methodology and method: Intellectual integrity in consumer scholarship. *International Journal of Consumer Studies*, 34(4): 419-427.
- Meyer, C.B. 2001. A case in case study methodology. *Field Methods*, 13(4): 329-352.
- Milliot, E. 2016. Case study as a research method. University of Poitiers:  
<https://business.adelaide.edu.au/research/seminars/docs/case-study-research-method-2-hours.pdf>
- Mogalakwe, M. 2006. The use of documentary research methods in social research. *African Sociological Review*, 10(1): 221-230.

- Morgan, J. and Sisak, D., 2016. Aspiring to succeed: A model of entrepreneurship and fear of future. *Journal of Business Venturing*, 31(1): 1-21.
- Mortan, R., Ripoll, P. and Carvalho, C. 2014. Effects of emotional intelligence on entrepreneurial intention and self-efficacy. *Revista de Psicología del Trabajo y de las Organizaciones*, 30(3): 95-118.
- Mueller, S. L. and Dato-on, M. C. 2008. Gender role orientation as a determinant of Entrepreneurial self-efficacy. *Journal of Development Entrepreneurship*, 13(1):3-20.
- Mumtaz, B.A.K, Munirah, S., and Halimahton, K. 2012.The Relationship between educational support and entrepreneurial intentions in Malaysian Higher Learning Institution. *Procedia - Social and Behavioral Sciences*, 69(24): 2164-2173.
- Naudé, W., Gries, T., Wood, E., and Meintjies, A. 2008. Regional determinants of entrepreneurial start-ups in a developing country. *Entrepreneurship and Regional Development*, 20(2): 111–124.
- Nelson, R. and Phelps, E. 1966. Investment in humans, technology diffusion and economic growth. *The American Economic Review*, 1(2): 69-75.
- Neuman, W.L. 2013. Social research methods: Quantitative and qualitative approaches (7<sup>th</sup> ed.). Boston, MA. *Pearson education*.
- Ngoc Khuong, M and Huu An, N. 2016. The Factors Affecting Entrepreneurial Intention of the Students of Vietnam National University – A Meditation Analysis of Perception toward entrepreneurship. *Journal of Economics, Business and Management*, 4(2): 104-111.
- Noel, T. W. 2001. Effects of entrepreneurial education on intent to open a business: An exploratory study. *Journal of Entrepreneurship Education*, 5(1): 3-13
- Nugent, P. 2013. MILIEU (MILIEUX). [Online] Available at: <https://psychologydictionary.org/milieu-milieux/> [Accessed on 19/05/2018].
- Numbeo. 2018. Health Care Index for Country's 2012-2018. [Online] Available at: [https://www.numbeo.com/health-care/rankings\\_by\\_country.jsp?title=2017](https://www.numbeo.com/health-care/rankings_by_country.jsp?title=2017) [Accessed at 23 August 2018].
- O'Leary, Z. 2014. The essential guide to doing your research project (2nd ed.). Thousand Oaks, CA: SAGE Publications.
- OECD. 2018. Unemployment rate. [Online] Available at: <https://data.oecd.org/unemp/unemployment-rate.htm> [Accessed on 1 May

2018].

- OECD. 2018. Labour force. [Online] Available at: <https://data.oecd.org/emp/labour-force.htm> [Accessed at 25 August 2018].
- Oishi, S., Diener, E. and Lucas, R.E. 2009. The optimum level of well-being: Can people be too happy? *The Science of Well-being*, 175-200
- Okhomina, D. 2010. Entrepreneurial orientation and psychological traits: The moderating influence of supportive environment. *Journal of Behavioural Studies in Business*, 2(1). Fayetteville State University, North Carolina.
- Oktavina, R. 2007. Key Performance Indicators based on external and internal environments of micro and small enterprise in propinsi lampung. Proceeding International Seminar on Industrial Engineering and Management Menara Peninsula, Jakarta: 42-48.
- Olivia. 2016. "What is trustworthiness in qualitative research?" [Online] Available at: <http://www.statisticssolutions.com/what-is-trustworthiness-in-qualitative-research/> [Accessed on 14 April 2018].
- Olsen, A. 2009. Business cycle forecasting through economic indicators: A dynamic approach. *Copenhagen Business School*.
- Olson, J. D., McAllister, C., Grinnell, L. D., Gehrke Walters, K., and Appunn, F. 2016. Applying Constant Comparative Method with Multiple Investigators and Inter-Coder Reliability. *The Qualitative Report*, 21(1): 26-42
- Park, J. and Banaji, M. 2000. Mood and heuristics: The influence of happy and sad states on sensitivity and bias in stereotyping. *Journal of Personality and Social Psychology*, 78: 1005-1023.
- Payne, G. and Payne, J. 2004. Key Concepts in Social Research, London: Sage Publications.
- Peng, Z., Lu, G. and Kang, H. 2012. Entrepreneurial intentions and its influencing factors: A survey of university students Xi'an China. *Creative Education*, 3(1): 95-100.
- Perez-Sindin Lopez, X. 2013. Advantages and disadvantages of secondary data collection nowadays. [Online] Available at: <https://xaperez.com/2013/12/advantages-and-disadvantages-of-secondary-data-collection/> [Accessed 25 July 2018].
- Perkins, D. and Radelet, S. 2013. Economics of development. W.W. Norton and Company, New York, 7<sup>th</sup> edition.



- Pihie, Z. L. 2009. Entrepreneurship as a career choice: An analysis of entrepreneurial self-efficacy and intention of university students. *European Journal of Social Sciences*, 9(1): 338-349.
- Pollack, J., Vanepps, E.M. and Hayes, A.F. 2012. The moderating role of social ties on entrepreneurs depressed affect and withdrawal intentions in response to economic stress. *Journal of Organisational Behaviour*, 33(6): 789-810.
- Porter, M. E. 1990. *The Competitive Advantage of Nations*. New York: Free Press
- Prasad, A. 2002. The contest over meaning: Hermeneutics as an interpretive methodology for understanding texts. *Organizational research methods*, 5(1): 12-33.
- Process. *International Journal of Applied Linguistics* 14(3): 301–13.
- Rapley, T. 2008. Doing conversation, discourse and document analysis. *Sage Qualitative Research Kit*, Sage Publications.
- Ray, J. 2017. Gallup's top world findings for 2017. [Online] Available at: <http://news.gallup.com/poll/224375/gallup-top-world-findings-2017.aspx> [Accessed: 03/05/2018].
- Rees CP, Hawkesworth S, Moore SE, Dondeh BL, Unger SA .2016. Factors Affecting Access to Healthcare: An Observational Study of Children under 5 Years of Age Presenting to a Rural Gambian Primary Healthcare Centre. *PLOS ONE*,11(6):1-18.
- Reynolds, P.D., W.D. Bygrave, E. Autio, L.W. Cox, and M. Hay. 2002. Global Entrepreneurship Monitor. *Executive Report*, Wellesley, MA: Babson College.
- Rihoux, B. and Lobe, B. 2009. The case for qualitative comparative analysis (QCA): Adding leverage for thick cross-case comparison. *The Sage handbook of case-based methods*, Chapter 12: 222-242.
- Ritsila, J. and Tervo, H. 2002. Effects of unemployment on new firm formation: Micro-level panel data evidence from Finland. *Small Business Economics*, 19(1): 31–40.
- Robinson, P., Stimpson, D., Huefner, J. and Hunt, H. 1991. An attitude approach to the prediction of entrepreneurship. *Entrepreneurship and Practice*, 15(4): 13-32.
- Robinson, T. 2016. Impediments affecting entrepreneurial intent in South African MBA graduates. Gordon institute of business sciences, University of Pretoria: 1-95.

- Rubin, H. J., and Rubin, I. S. 2005. Qualitative interviewing: The art of hearing data (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Ruddin, L.P. 2006. You can generalize stupid! Social scientists, Bent Flyvberg, and case study methodology. *Qualitative inquiry*, 12(4): 797-812.
- Ryff, C.D. and Singer, B.H. 2008. Know thyself and become what you are: A eudaimonic approach to psychological well-being. *Journal of Happiness Studies*, 9(1): 13-39
- Ryu, K. and Jang, S.S. 2007. The effect of environment perceptions on behavioural intentions through emotions: The case of upscale restaurants. *Journal of hospitality and Tourism Research*, 31(1): 56-72.
- Saiz-Alvarez, J.M, Martinez, A.C. and Martinez, C.C. 2014. An entrepreneurial well-being model based on GEM data for Spain. *IJIMAI*, 2(5): 38-47.
- Salkind, N.J. 2010. Factor loadings, *Encyclopedia of Research Design* (Vol.1). SAGE.
- Santos, F., Roomi, M.A. and Linan, F. 2016. About gender differences and the social environment in the development of entrepreneurial intentions. *Journal of Small Business Management*, 4(3): 49-66.
- SARB. 2007. Interest rates and how they work. [Online] Available at: <https://www.resbank.co.za/AboutUs/Documents/Interest%20rates%20and%20how%20they%20work.pdf> [Accessed on 25 August 2018].
- Schwandt, T.A. 2001. Dictionary of qualitative inquiry. *Thousand oaks: Sage*, 2<sup>nd</sup> Edition.
- Schwartz, S. and Yanow, D. 2013. Interpretive research design: Concepts and processes. *Routledge series on interpretivist methods*.
- SeedAcademy. 2017. The Real State of entrepreneurship survey 2017. [Online] Available at: [https://www.seedengine.co.za/wp-content/uploads/2018/03/Seed-Academy\\_Real-State-of-Entrepreneurship-Survey-Results-2017.pdf](https://www.seedengine.co.za/wp-content/uploads/2018/03/Seed-Academy_Real-State-of-Entrepreneurship-Survey-Results-2017.pdf) [Accessed on 13 April 2018].
- Sen, A. 1997. Choice, welfare and measurement. Harvard University Press, Basil Blackwood publishers.
- Sequeira, J., Mueller, S.L. and McGee, J. 2007. The influence of social ties and self-efficacy in forming entrepreneurial intentions and motivating nascent behaviour. *Journal of Development*, 12(3): 275-293.

- Sesen, H. 2013. Personality or environment? A comparative case study on the entrepreneurial intentions of university students. *Entrepreneurship Education and Training*, 55(7): 624-640.
- Shafiee, S. 2015. Historical research. *Islamic Azad University-Najafabad*, pp.1-8
- Shane, S. 2008. The Illusions of Entrepreneurship: The Costly Myths That Entrepreneurs. *Yale University Press*.
- Shane, S. and Venkataraman, S, 2000. The promise of entrepreneurship as a field of research. *Academy of management review*, 25(1): 217-226.
- Shinnar, R. S., Pruett, M., and Toney, B. 2009. Entrepreneurship education: attitudes across campus. *Journal of Education for Business*, 84(3): 151–158.
- Simmons, H. 2009. Case study research in practice. SAGE publications.
- Simmons, M. Ziviani, J. and Copley, J. 2011. Explanatory case study design: application in paediatric burns health service research. *International Journal of Therapy and Rehabilitation*, 18(5):250-257.
- Simons, H. (2009). *Case study research in practice*. London: SAGE.
- Singh, I. 2014. Role of demographic variables in the formation of entrepreneurial intentions. *Journal of Business and Management*, 16(12):20-25.
- Smith, J. and Osborn, M. 2007. Interpretive phenomenological analysis. *Qualitative Psychology: A practical guide to research methods*, 1-80.
- Statista. 2017. Global unemployment from 2007 to 2017. [Online] Available at: <https://www.statista.com/statistics/279777/global-unemployment-rate/> [Accessed on 14 September 2018].
- Statistics South Africa. 2017. Consumer price index. *The South African CPI Sources and Methods Manual*, pp.5-96.
- Statistics South Africa. 2018. Quarterly labour force survey: Quarter 2. *Statistical release*, Gauteng, Pretoria.
- StatsSA. What is the consumer price index. [Online] Available at: <http://www.statssa.gov.za/?p=955> [Accessed on 2 May 2018].
- Storey, D. J. 1991. The Birth of New Firms – Does Unemployment Matter? A Review of Evidence. *Small Business Economics*, 3: 167–178.
- Struwig, F. and Stead, G. 2013. Research: Planning, designing and reporting. (2): 80-100

- Swanson, J. L. and Woitke, M. B. 1997. Theory into practice in career assessment for women: Assessment and interventions regarding perceived career barriers. *Journal of Career Assessment*, 5(1): 431-450.
- Talas, E., Celik, A., and Oral, I. 2013. The influence of demographic factors on entrepreneurial intention among undergraduate students as a career choice: The case of a Turkish University. *American Institutional Journal of contemporary research*, 3(12): 22-30.
- Thanh, N.C. and Thanh, T.T. 2015. The interaction between interpretivist paradigm and qualitative methods in education. *American Journal of Educational Science*, 1(2): 24-27.
- Thomas. D.R. 2003. A general inductive approach for qualitative data analysis: School of Population Health. *University of Auckland, New Zealand*.
- Thompson, A. 2011. Crafting and executing strategy: Creating sustainable high performance in South Africa, 2<sup>nd</sup> Edition. New York: Irwin Mcgraw-Hill: 67-72.
- Tobin, G.A. and Begley, C.M. 2004. Methodological rigour within a qualitative framework. *Journal of advanced nursing*, 48(4): 388-396.
- Trading Economics. 2018. South Africa interest rate 1998-2018. [Online] Available at: <https://tradingeconomics.com/south-africa/interest-rate> [Accessed 20 August 2018].
- Transparency International. 2017. Corruption perceptions index. [online] Available at: [www.transparency.org/research/cpi/overview](http://www.transparency.org/research/cpi/overview) [Accessed 01/05/2018]
- Transparency International. 2017. Corruption perception index. [Online] Available at: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017) [Accessed 26 August 2018].
- Transparency International. 2017. Corruption perception index: Technical methodology notes. [Online] Available at: <https://www.transparency.cz/wp-content/uploads/CPI-2017-Technical-Methodology-Note.pdf> [Accessed at 27 August 2018].
- Triad, A. 2016. "An introduction to document analysis". [Online] Available at <https://lled500.trubox.ca/2016/244> [Accessed at: 25 July 2018].
- Triami Media. 2018. Inflation, detailed information about inflation. [Online] Available at: <https://www.global-rates.com/economic-indicators/inflation/inflation-information.aspx> [Accessed on 28 September 2018].

- Turker, D. and Sonmez Selcuk, S. 2009. Which factors affect entrepreneurial intention of university students? *Journal of European Industrial Training*, 33(2): 142-159.
- Uddin, M. R. and Bose, T. K. 2012. Determinants of Entrepreneurial Intention of Business Students in Bangladesh. *International Journal of Business and Management*, 7(1): 128-137.
- Unger, J.M., Rauch, A., Frese, M., and Rosenbusch, N. 2011. Human capital and entrepreneurship.
- Unicef. Definitions: economic indicators. [Online] Available at: [https://www.unicef.org/infobycountry/stats\\_popup7.html](https://www.unicef.org/infobycountry/stats_popup7.html) [Accessed on 02/05/2018].
- United Nations. 2018. Gross domestic product per capita. *Department of Economic and Social Affairs: Statistics Division*, pp. 265-268.
- United Nations. 2018. Inflation rate. *Department of Economic and Social Affairs: Statistics Division*: 279-281.
- Urban, B. 2004. Understanding the moderating effect of culture and self-efficacy on entrepreneurial intentions. University of Pretoria: 1-162.
- Uy, M.A., Foo, M.D. and Song, Z. 2013. Joint effects of prior start-up experience and coping strategies on entrepreneurs' psychological well-being, *Journal of Business Venturing*, 28(5): 583-597.
- Van Donge, J.K. 2006. Ethnography and participant observation. *Doing Development Research*, Chapter 19: 180-188.
- Van Wyk, B. 2012. Research design and methods. University of Western Cape
- Venter, R., Urban. B., Beder, L., Oosthuizen, C., Reddy C. and Venter, E. 2015. *Entrepreneurship: Theory in Practice*. Oxford University Press Southern Africa.
- Viviers, S., Solomon, G. and Venter, C. 2013. Entrepreneurial intentions and behaviour of South African University students. *The Southern African Journal of Entrepreneurship and Small Business Management*, 6(1).
- Vondracek, F. 1998. Career Development: A Lifespan Perspective (Introduction to the Special Section). *International Journal of Behavioural Development*, 22(1):1-6.
- Walliman, N. 2011. Research methods: The basics. *Routledge*: 1-176.

- Walshe, C., Ewing, G. and Griffiths, J. 2012. Using observation as a data collection method to help understand and patient professional roles and actions in palliative care settings. *Palliative Medicine*, 26(8): 108-1054.
- Wang, C. and Wong, P. 2004. Entrepreneurial interest of university students in Singapore. *Technovation*, 24(2): 161-172.
- Wang, S. 2006. Determinants of New Firm Formation in Taiwan. *Small business economics*, 27(4-5): 313-321.
- Wennekers, S. and Thurik, R. 1999. *Linking entrepreneurship and economic growth*. EIM Small business research and consultancy, Kluwer Academic Publishers. Rotterdam, 13(1): 27-55.
- Wennekers, S., van Wennekers, A., Thurik, R. and Reynolds, P. 2005. Nascent entrepreneurship and the level of economic development. *Small Business Economics*, 24(3): 169-235.
- Wennekers, S., Thurik, R., Van Stel, A. and Noorderhaven, N. 2007. Uncertainty avoidance and the rate of business ownership across 21 OECD countries, 1976-2004. *Journal of Evolutionary Economics*, 17(2): 133-160.
- Wilson, F., Marlino, D. and Kickul, J. 2004. The embodied mind, cognitive science and human experience. *MIT Press*.
- Worldbank. 2017. South Africa economic update 10: Innovation for productivity and inclusiveness: 1-58
- World Bank. 2018. Inflation, consumer prices. *International Monetary Fund, International Financial Statistics and Data Files*. [Online] Available at: <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2016&start=2007&view=chart> [Accessed 20 Aug. 2018].
- World Health Organisation. 2012. Barriers and facilitating factors in access to health services in the Republic of Moldova. WHO Regional Office for Europe, Copenhagen
- Wu, S. and Wu, L. 2012. The impact of higher education on entrepreneurial intentions of university students in china. *Journal of Small Business and Enterprise Development*, 15(14): 752-774.
- Yin, R. K. 2003. Case study research: Design and methods (3rd ed.). Thousand Oaks, CA: Sage.
- Yin, R.K. 1994. Case study research: Design and Methods. *Applied Social Research Methods Series*, 5(2), Sage Publications, Beverly Hills, CA.

- Zahra, S.A. and Wright, M. 2016. Understanding the social role of entrepreneurship. *Journal of Management Studies*. Enterprise Research Center. ERC research paper, No. 33.
- Zainal, Z. 2007. Case study as a research method. *Jurnal Kemanusiaan*, (9): 1-6.
- Zampetakis, L., Kafetsios, K., Bouranta, N., Dewett, T. and Moustakis, V.S. 2009. On the relationship between emotional intelligence and entrepreneurial attitudes and intentions. *International Journal of Entrepreneurial Behaviour and Research*, 15(6): 595-618.
- Zhao, H., Seibert, S.E., and Hills, G.E. 2005. The mediating role of self-efficacy in the development of entrepreneurial intentions. *Journal of Applied Psychology*, 90(6): 1265–1272.
- Zikmund, W.G., Babin, B.J., Carr, J.C. and Griffin, M. 2013. Business research methods (9<sup>TH</sup> ed.). Andover: Cengage Learning EMEA.
- Zunker, V.G. 2002. Career counselling: *Applied Concepts of Life Planning*, 6<sup>th</sup> edition. Pacific Grove, CA: Brooks/Cole.