Assessing the role of entrepreneurship industry and SMEs to economic growth in South Africa

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A B S T R A C T

The study looked at the role and contribution of entrepreneurship industry to foster social and economic development through small, micro, and medium-sized businesses in South Africa. The conceptual research looked at the influence of small, micro, and medium-sized businesses (SMEs) on South African development. The study's objective was to evaluate how small, medium-sized businesses (SMEs) are now driving economic growth and solving social issues in a setting where big businesses and governments appear to be doing very little. As a result, the study examines how SMEs might help the nation solve persistent societal evils including poverty, inequality, and social isolation. A desktop literature review research design was adopted to collect data on the role of entrepreneurship in South Africa, policies and practices of big business and government that exacerbate social issues in communities and impede socioeconomic development, as well as the specific roles that SMEs play in achieving socioeconomic development goals. Findings from research indicate that, among other development outcomes, SMEs are at the vanguard of creating jobs and fostering social and political justice in the nation. Future empirical studies that account for and evaluate the importance of SME contributions to the construction of economic, social, and political justice in the nation are advised because this work lacks the empirical support necessary to substantiate its conclusions and observations.

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Introduction

The study examined the role of entrepreneurship and need for policy development to foster socioeconomic development through small, micro, and medium-sized businesses in South Africa. The study also looked at the key contribution of small, micro, and medium-sized businesses in the country as engine of economic progress for job creation and poverty alleviation. Like other developing countries, South Africa's socio-economic development plan is based on maximizing the potential of entrepreneurs and assisting small, micro, and medium-sized businesses (SMEs) (SBP Alert, 2014). It is well-established in the literature that "entrepreneurship and SMEs contribute to economic growth and job creation" (Enaifoghe & Zenzile, 2023; Chinweuba & Sunday, 2015: 3).

Dzansi (2004:25) and Mitchell (2013) acknowledge that SME growth and development may be the most effective way to achieve sustainable development by reducing unemployment and its concomitant, poverty and inequality in developing countries. The entrepreneurship industry is also acknowledged as a "engine of economic progress" (Enaifoghe & Zevi-Magigaba, 2022; Agupusi (2007:1)). The South African government gives priority to entrepreneurship and the SME sector since the publication of the 1995 White Paper on SME growth (Enaifoghe & Zevi-Magigaba, 2022). A distinct Ministry of SMEs and extra support organizations, such the Small Enterprises Development Agency (SEDA), were formed to advance this industry and make it a significant contributor to economic growth (Nhlapo, Nieuwenhuizen & Ladzani, 2011; Bureau for Economic Research, 2016:5).

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https://doi.org/10.20525/ijrbs.v12i7.2730
However, it is unclear, debatable, and in dispute how many SMMEs have performed their declared socioeconomic development function in the economy. SMME programs deployed in South Africa, according to Pretorius and van Vuuren (2003), do not promote the kind of entrepreneurship, creativity, and start-up culture that may support true economic growth. When it comes to the employment creation function, the SMME sector is not only failing to help reduce the chronic unemployment levels in South Africa but this is also seen to be attributed to its occurrence (Rashid, Gregory, Thomas, et al., 2017). The viewpoint is adapted from Winter (1995:27), who argues that due to their high failure rate, SMMEs are essentially net job killers.

Similar opinions were expressed by Rambe and Mosweunyane (2017:7), who said that the nation's high rate of SMME closures raises serious concerns about the viability of SMMEs as engines of job creation and poverty alleviation. Similar to this, according to the Small Business Institute (SBI) (2019), SMMEs' role in job creation is failing as major businesses continue to add employees at a significantly quicker rate than SMMEs. The next section discussed the available literature within the field under study.

**Literature Review**

The purpose of this section of the research is to examine how SMMEs contribute to economic growth in South Africa, hence the following literature will be discussed to compile enough information on the subject. Throughout the part, a number of ideas will be covered, including a contextual perspective on the government's and big business's lack of interest in socioeconomic development, entrepreneurship, and the responsibilities of SMMEs in the nation. The literature that sheds light on the functions of SMMEs in the specific socioeconomic setting of South Africa, with its history of apartheid, inequality, unemployment, and social instability, was also chosen using a purposive method.

The following notions serve as the foundation for the analysis and research in this study's theoretical perspective. These constructs were used for the foundation for this study and as search criteria to uncover pertinent secondary sources that supported the findings, as will be explored in more detail below. A different body of research, however, asserts that SMMEs are at the vanguard of job creation and poverty reduction (Enaifoghe & Vezi-Magigaba, 2023; Real Economy Bulletin, 2017; Kongolo, 2010; Cant, Erdis & Sephapo 2014; Dzansi, 2004). According to Mitchell (2013:27), attention in South Africa is now concentrated on entrepreneurship to address this dilemma as a result of the failure of big industry and the state sector to produce jobs.

Furthermore, according to the Real Economic Bulletin (2017:2), “there were 5.8 million official small business employees in 2015, compared to 3.6 million large business employees”. Business Unity South Africa [BUSA] (2019: 23) adds that “SMMEs account for the majority of private employment in South Africa, contributing 65% of all job possibilities”, supporting these figures. These uplifting descriptions of SMME influence are consistent with previous international research findings.

The fact that there is no clear proof of how much SMMEs contribute to reducing poverty, creating jobs, and economic growth challenges this a priori trust in SMMEs as engines of economic progress (Cant & Stanford, 2006). Whatever the case, SMMEs are still seen as an essential part of South Africa's plan for socioeconomic growth. According to the thesis statement of this paper, “to the extent that the literature is divided on the significance of entrepreneurship and SMMEs as tools for socio-economic development, South Africa's government and large corporations have acted inconsistently, undermining the effectiveness and capacity of small businesses to achieve socioeconomic development goals.

The ability of the governmental sector and major corporations to address the country's most pressing economic problems and their dedication to improving the socioeconomic conditions of the people are allegedly in doubt, according to Machirori and Fatoki (2013:115). In South Africa, "the corporate sector has been shedding jobs over the past decade and the bloated public service has probably reached its maximum and will be under pressure to bring staffing numbers to more realistic levels,” according to Godfrey Jacobs of the Cape Chamber of Commerce and Industry, as cited in an article by Mohdeen (2019). The institutions have significantly increased the range of issues that SMMEs must deal with, including poverty, unemployment, racial tensions, changing the economy, and maintaining a good national attitude through their activities.

Based on the foregoing, the goal of this study is to evaluate the present contribution of small, medium-sized businesses (SMMEs) to driving economic growth and solving social issues in a setting where big companies and the government appear to be doing very little. In doing so, it examines how SMMEs in South Africa are stepping up to spearhead socioeconomic growth in the face of big business and government passivity. In light of big corporate and government indifference, this paper logically examine the socioeconomic development functions of SMMEs in South Africa.

**Government efforts towards socio-economic development: Policy Approach**

Based on the foregoing, the goal of this study is to evaluate the present contribution of small, medium-sized businesses (SMMEs) to driving economic growth and solving social issues in a setting where big company and the government appear to be doing very little. Evidence of their bad behaviors that exacerbate societal issues and slow socioeconomic progress abounds, despite a wealth of policy, institution, and public promises given by both the government and huge business. A few examples include widespread government corruption, as seen in the Gupta and state capture events (Wolf, 2017), corporate fraud, as seen in the Steinhoff saga (Naudé, et al., 2018).
Black Economic Empowerment (BEE) fronting in corporate firms, which results in dummy black shareholders as a form of transformation resistance (WaWarikandwa & Osode, 2017), the collapse of the VBS Bank (Polity, 2018), the Marikana massacre (Mail & Guardian, 2010), and the Marikana massacre are just a few examples. Furthermore, Woolworth's Stores' aggressive actions, which included stealing the product idea of a small business owner and undercutting prices with its counterfeit items, are an illustration of how large businesses limit the development, initiatives, and originality of SMMEs (see Omarjee, NEWS24, 2019; Head, 2019).

Through corporate social responsibility, SMMEs are expected to make a contribution to the reduction of poverty, social instability, and unemployment as a result of these behaviors, whether directly or indirectly. Coleman believes that, when examining huge mining companies, “the success of mining in South Africa has spawned social filth, with CEOs collecting all the money and the people battling to subsist.” Coleman (as stated in Mail & Guardian, 2010). Du Plessis (2016) provides further information on significant layoffs in the mining and manufacturing industries, which condemn workers to unemployment, families to poverty, and society to disintegration.

The hostile anti-black entrepreneur mindset from the apartheid era is still present in corporate South Africa, since few enterprises are fulfilling their transformation equity objectives (Sanchez, 2011). In accord with Sanchez, Luiz (2002:1) notes that “major distortions in the corporate world—where large company isolates itself from SMMEs and white business isolates itself from black enterprise—are some of the legacy of apartheid”. Because of this, corporate South Africa still has an elitist attitude toward SMMEs, denying them the assistance of large corporations crucial to their survival and future possibilities.

Similar to this, using a corruption index, “it could be argued that the government is indifferent to the threat that corruption poses to the expansion and stability of international trade and financial systems” (Pillay, 2004:590). This is because there have been numerous instances of corruption over the years. The idea is that both big business and the government cause social issues in communities that will eventually. In conclusion, the key argument is that both big companies and the government contribute to social problems in communities, which eventually hurt local small businesses. Understanding the roles and entrepreneurial functions performed by these firms is crucial to completely comprehend the obstacles that SMMEs encounter within communities, as exerted by the government.

Research and Methodology

The study is a conceptual review which primarily rely on secondary sources for data collection. To gather information from published secondary sources for this study, the author conducted desktop research and data was accessed in different databases through advanced search of the baseline literature. Through a qualitative research approach, academic journals, conference presentation reports, newspaper and public media articles, published books, and published books were all studied. The search engines Google and Google Scholar were also utilized to look for information. Additionally, institutional resources like EBSCOhost and Emerald Insight, which provided access to libraries, were used. The inclusion criteria considered both regional and international literature that clarified the economic functions of big and small companies, government, and academia. The collected data was streamlined according to relevance to the topic under investigation and analyzed thematically.

Findings and Discussions

The Role of Entrepreneurship and SMME as economic development for South Africa

There is consensus in the research that SMMEs are crucial to the economy. Despite the existence of big companies, SMMEs are the engine of the American economy, according to studies (Edmiston, 2012). According to Lee, Herold, and Yu (2016), SMMEs make up 90% of businesses worldwide, employ more than 50% of all private sector workers, and generate 56% of Sweden's economic value. In 2017 research in India, Nagaya discovered that SMMEs had a beneficial impact on economic growth through creating jobs and reducing poverty. Additionally, SMMEs contribute to economic growth and serve as catalysts for the expansion of the Nigerian economy, according to Bello, Jibir, and Ahmed's (2018) paper.

According to statistics, “SMMEs make up around 91% of legal business organizations in South Africa and make between 51% and 57% to the gross domestic product (GDP) and 60% of jobs” (Reginald & Millicent, 2014: 3). To demonstrate how much corporate South Africa and the government contribute to the national economy, reverse statistics will be used to these SMME data. Despite claims that SMMEs are significant contributors to economic growth (Turyakira, Venter, & Smith, 2012:106), SEDA (2018) found that these businesses' economic contributions are undervalue, contested, and undermined (Gebremariam, Gebremedhin & Jackson, 2004). Fjose, Grünfeld, and Green note that despite SMMEs' numerical dominance in the economy, there is no research to back up their contribution to economic growth (2010:12).

By luring limited resources away from their bigger equivalents, Audretsch, Carree, van Stel et al. (2000) argue that SMMEs actually inhibit rather than encourage economic progress. Audretsch et al. (2000), subtly take advantage of the fact that the start-up failure rates are often high, meaning that any early investment is wasted when the tiny business fails. This viewpoint, however, misses the reality that SMMEs use resources like unskilled labor, which major businesses regard as being in excess and unproductive (Dzansi, 2004), to generate goods and services. It also ignores the reality that small businesses operate as a channel for the identification of potential company leaders and managers in local communities (Quaddus & Hofmeyer, 2007).
Additionally, data from the prosperous European Union economic bloc, where 93% of all enterprises are small businesses, refutes Audretsch, et al (2000)'s assertion (Zindiyé & RobertsLombard, 2012). On this foundation, it is debatable whether big businesses can be the magic bullet that drives socioeconomic development. History has shown that in South Africa, as in other parts of the continent, the existence of large firms like multinational corporations (MNCs) without the active involvement of small businesses is one of the main causes of the continent's poverty, unemployment, and slow economic progress. Therefore, it might be argued that while analyzing the role of SMMEs in South Africa (Enaifoghe & Ramsuraj, 2023), it is important to take into consideration both the history of economic growth in the nation and the use of specific measuring measures that aim to capture the socioeconomic effect of SMMEs.

In South Africa, SMMEs were considered to be more or less part of the informal sector and operated on the outside edges of economic acknowledgment during apartheid, a situation that still practically persists today. The level of market concentrations in South Africa was examined by Buthelezi, Mtani, and Mncube (2018:9), who discovered that large businesses dominate marketplaces as a result of prior privileges, such as governmental assistance, that SMMEs do not also enjoy. The research also demonstrates that, previous to 1994, societal norms and legal restrictions prevented black entrepreneurs from owning and running businesses (Tengeh, 2013). The key takeaway is that democratic South Africa began with a smaller class of established small businesses as a result of apartheid regulations (Real Economy Bulletin, 2017:6).

Because of this, even though the idea of business incubation programs is typically applied to small enterprises, historical business environment experiences imply that the whole small company economy needs an incubation strategy in order to develop and mature into a sustainable sector. In support of the aforementioned viewpoint, Mitchell (2013) notes that “little changed in the local economic structure even after the advent of democracy, as SMMEs continue to be economically excluded from the mainstream economy as a result of mistrust held by surviving apartheidinstitutions and the racially exclusive culture of business networks in the nation” (Mitchell, 2013: iv). Additionally, SMMEs are still unable to obtain financing from corporate banks and are excluded from the mainstream economy due to the establishment of unreachable industry norms (Cant, Erdis, & Sephapo, 2014; Real Economy Bulletin, 2017).

According to Urban (2018), tight oligopolies in many markets, where a few major businesses dominate the competitive landscape and build significant entry barriers, prevent SMMEs from expanding. As a result, SMMEs are compelled to work in less protected sectors including commerce, business services, and retail. According to a study from Zimbabwe, Chikweche and Mujeyi (2015:284), using well-known national economic indicators like GDP, formal employment statistics, or export values, especially in developing countries, falls short of accurately capturing and representing the contributions of the SMME sector to the economy. The authors (Chikweche and Mujeyi) advocate employing matrices other than the traditional levels of employment axis to assess SMME contributions to socioeconomic development, taking into account the rising significance of the informal economy. The above is consistent with the findings by Clarke and Klettner from 2009. According to figures on the informal economy from 2013 “the sector employs over 2.4 million individuals, or 13% of the labor force, and provides employment for roughly 4.4 million jobless persons and 14.9 million adults who are classified as economically inactive. These figures unquestionably contribute significantly to the nation’s social and economic development” (Statistics South Africa, 2013).

Beyond their economic contributions, small businesses provide social benefits including family and social cohesiveness that enhance communities' quality of life. Notably, it is “challenging to obtain accurate, current information regarding SMME activity in South Africa” (Edinburgh Group, 2012: 6). The issue is “made worse by the fact that various academics and institutions use various approaches to create data on SMMEs” (Bureau for Economic Research, 2016:14), leading to various estimations of the size and potential economic effect of SMMEs. For instance, various sources (SEDA, 2018:2; SBP Alert, 2014) place estimates of the number of SMMEs between 1.2 million and 6 million, contrary to the Small Business Institute's (2019) assertion that there are only 25,000 of them. The Small Business Institute asserts that big business and the government together account for 56% of all jobs and are thus the biggest employers.

As a result, there is so much discrepancy in the statistics on the size and condition of the South African SMME sector that any estimates may essentially be dismissed as conjecture. Given that it is uncertain how big the SMME sector really is, it is likely that the discussion over the importance of SMMEs to socioeconomic growth will go on. After setting the backdrop for SMMEs in South Africa, the next part discusses the theoretical and conceptual concerns that guide this investigation.

**The conceptual issues relating to Social and Economic development in South Africa**

Socioeconomic development: In this study, both social and economic development is defined as the enhancement or growth of the standard of living and the betterment of the people's social and economic circumstances (Ijere, 2014:27). The number of SMMEs, the GDP, levels of employment, economic growth, wealth generation, shifts in political, racial, and transformative national objectives are some of the metrics used to measure social economic development. SMMEs and entrepreneurship: According to Chivas (2014:5), entrepreneurship is broadly defined as the establishment of new economic units focused on the production of distinctive goods and services. This study's wide definition includes the neoclassical notion of entrepreneurship as the capacity to launch and maintain a firm.
According to Tustin (2015:79), this research defines an SMME as any business that employs fewer than 200 people, including street vendors. The claim tries to take into consideration the significance of economic hubs that are typically overlooked by formal and regulatory definitions of SMMEs. Government’s role in the economy and big business: According to Ijere (2014:27, the government is seen as a political entity tasked with managing a nation’s economic and social resources for development as well as facilitating economic activity (Otobo, 1997:25). Any size of business greater than SMMEs that is not government-owned is considered a large business for the purposes of this research.

Components of SMME contributions to socio-economic development in South Africa

The study conclusions: The conclusions below outline the numerous contributions made by SMMEs to economic growth in South Africa, based on the three main elements of this study. The study talks about each position separately. Contributions of SMMEs to South Africa's socioeconomic growth. According to an assessment of pertinent literature on the subject, SMMEs play an important part in South Africa's socioeconomic growth. For instance, SMMEs play a variety of functions, from just bridging the gap between urban economic centers and rural areas to providing employment, in certain underprivileged communities, particularly in rural locations where they are outposts of commercial operations.

SMMEs provide as regional alternatives to job generation in metropolitan regions. To corroborate these findings, the study highlighted that SMMEs in South Africa's environment characterized by big business and government indifference to socioeconomic development engage in the following key activities.

SMME Capacity to Create Jobs

Regarding creating jobs, in accordance with Kongolo (2010:2290), Chimucheka (2013:10) claims that because of the restructuring and downsizing of major firms, SMMEs have become more important to the growth and economy of South Africa. State-run organizations like ESKOM and the South African Broadcasting Corporation (SABC) have lost employment, reduced their ability to produce goods for both local and international markets, and taken money away from households via restructuring, downsizing, and retrenchments. Retrenched workers turn to entrepreneurial endeavors, many of which are of a survivalist type, to lessen the advent of extreme poverty (SEDA, 2018). Similarly, to this, Enaifoge and Vezi-Magigaba (2022) claim that small businesses help to reduce poverty and the unemployment rate. The premise is that small businesses provide a quick exit for people who are faced with limited work, financial, and social support possibilities in their lives.

Supporting the Sustainability of rural economy

On the sustainability of the rural economy, according to Dzansi (2004:33), SMMEs are well suited for rural areas where the marketplaces are too small to draw the presence of major firms. The South African economy's hub in rural and peri-urban areas is made up of SMMEs. They use trade links to connect the rural and urban economies in underdeveloped and distant locations (Hemson, Meyer, & Maphunye, 2004). SMMEs have "assumed significant significance in providing a source of livelihood to many people in both the rural and urban regions," according to evidence from Zimbabwe, indicated that "SMMEs have “assumed greater prominence in providing a source of livelihood to many families in both the rural and urban areas” (Manuere & Majoni, 2016:63).

According to a 2012 study by Ahiaiwodzi and Adade, SMMEs in Ghana assist in addressing the issue of rural-urban migration. In addition, SMMEs have the unintended consequence of distributing industrial enterprises more evenly across the nation, thereby laying the groundwork for an industrialization network that can support sustainable economic development. Income distribution and reducing poverty Despite the fact that wages obtained by employers and employees in the informal market are lower than in the formal economy (Real Economy Bulletin, 2017), possibilities and entrepreneurial self-employment protect laid-off workers from the poverty trap.

In the organization of the SMME sector in the nation, small businesses focused on survival dominate other sizes in the category (Fatoki, 2014), pointing to a potential connection between entrepreneurship motivated by necessity and unemployment. Harris (2018), noted that because huge businesses are automating, shrinking, and hiring only highly qualified workers in the present environment, they have little direct impact on reducing poverty. Small and medium-sized businesses (SMMEs), who rely heavily on labor and hire those whom big business considers to be unproductive, must shoulder this responsibility.

Fostering business ventures

Today's entrepreneurs are small business owners who do not wish to remain small and have a growth orientation in their operations, contrary to the neoclassical notion of entrepreneurs as just risk takers (Waterhouse, 2019). SMMEs have the potential to foster entrepreneurship and innovation and may draw in foreign direct investment, claim Raynard and Forstater (2002). However, in South Africa, it will be challenging for SMMEs to draw foreign investment due to ongoing scandals involving big business (such as the Steinhoff scam) and the government (such as State capture), both of which cast a poor light on the nation. It's also crucial to think of the SMME sector as a "nursery" for higher-level innovation and entrepreneurship (Oduntan, 2014), where business owners experiment until they master the necessary skills to expand their operations.
Maintaining and preserving a robust economy

Evidence suggests that SMMEs are also engaged in export commerce, despite the fact that they are by nature quite ingrained in their local markets and communities. Exporting helps SMMEs to bring in much-needed foreign cash and fosters business development, which enables SMMEs to hire additional staff (Kongolo, 2010). Additionally, exports connect SMMEs with companies from other nations, exposing local businesses to international standards and enhancing their expertise in their own industries. Because they compete in a variety of industries in South Africa, including manufacturing, retail, and services, SMMEs aid in laying the foundation for a diverse economy.

Promoting social harmony and minimizing conflict in society

Foreign nationals in South Africa are able to avoid friction with local populations over formal jobs by founding their own small businesses, according to Fatoki and Chilila's (2012) observation. In a similar spirit, Mbedzi (2011) claims that SMMEs greatly contribute to social stability through employment creation, while Zeka (2013:25) contends that SMMEs stabilize the social and political structure of the economy. Since SMMEs are frequently locally owned and operated According to Dlova (2017: 22), they support social structures, cultural norms, and interactions among extended families addressing racial, social, and economic inequality.

Smaller businesses like SMMEs are also anticipated to contribute to social empowerment and change in a nation with one of the highest inequality indices in the world (Sanchez, 2011).

According to the South African Human Rights Commission (2018:4), racial, gender, and disability disparities in poverty and economic inequality continue to exist in South Africa. As a result, the government supports SMMEs as a means of achieving its radical socioeconomic transformation program. Through BEE initiatives and preferential treatment, SMMEs provide a haven for marginalized populations who are frequently ignored in the official economy, including women, the handicapped, and young people of colour.

According to findings from the research done by ANDE (2012), SMME mostly employ vulnerable populations including women, young people, and the impoverished. As a result, SMMEs offer a social security nest to groups that are frequently marginalized from the mainstream economy. Therefore, it is evident that SMMEs in South Africa deal with a variety of socioeconomic issues. The government prioritizes SMMEs in its plan for social and economic development, therefore these businesses work to achieve its political, social, and economic goals. Therefore, their social impacts should be evaluated in addition to economic goals like GDP, job levels, and export, among others.

Summary and Supposition

This section of the research synthesis the findings of this study. Importantly, SMMEs provide self-sufficiency and business entrance for those in disadvantaged segments of society as well as serve as a breeding ground for innovation and entrepreneurship (Runungi & Potgieter, 2018:2). Poverty may be fought with the help of government funding by recognizing the SMMEs' capacity to spur community development. SMMEs ought to be acknowledged as a crucial segment of the national economy. When given the right encouragement, entrepreneurship may be leveraged to promote employment growth, which will benefit both the local and global economies. Additionally, SMMEs in South Africa greatly contribute to product innovation, according to SBP Alert (2014). This also has a direct connection to the traits of entrepreneurship.

SMMEs have the potential to develop into huge companies with the capacity to spot market gaps and meet niche demands, which offers an extra set of advantages for the South African economy. Additionally, SMMEs offer a vehicle for wealth generation across the nation because they are widely dispersed in both rural and urban populations. SMMEs aid in the transmission of technology from metropolitan regions to rural communities, unlike major businesses, which are often limited to urban industrial zones. In contrast to the government, however, SMMEs have the extra benefit of having a direct line to the neighborhood, making it possible to address community issues more successfully.

SMMEs should prioritize relying on the community to discover possible market gaps since doing so will increase demand and advance economic growth. It is asserted that SMMEs in South Africa are equally effective social change agents as big corporations. This means that SMMEs are created to address social, political, and economic concerns, such as sustainable economic growth, job creation, and social advancement, in addition to making economic contributions. According to Enaifoje and Adetiba (2018), the assessment of several pieces of South African legislation and policy, including the BEE Act and the Growth, Employment and Redistribution (GEAR) Act, SMMEs are at the forefront of attempts to solve socioeconomic issues brought on by the legacy of apartheid.

In other words, the assessment shows that the key purpose of SMMEs is to drive economic, structural, and political transformation in the nation. This policy acknowledgement appears to be widespread in South Africa. In connection with this, it is argued that an accurate evaluation of SMME contributions to development should also take into consideration their subtle roles in promoting social fairness in the nation.
Conclusions

The study explored the socio-economic development and the difficulties faced by small, micro, and medium-sized businesses in South Africa. The study looked at the influence of small, micro, and medium-sized businesses (SMMEs) on South African development policy. The goal of this study was to evaluate how small, medium-sized businesses (SMMEs) are now driving economic growth and solving social issues in a setting where big company and the government appear to be doing very little. These three conclusions can be highlighted in light of the data presented in this research. First off, SMMEs have a big impact on stimulating economic growth because of their capacity to promote local development.

Given their varied nature, which ranges from street sellers to medium-sized businesses, the research implies that SMMEs have the capacity to boost the most fundamental type of commerce in society, which is consistent with analysed worldwide trends. The study has analyzed the research on bad business practices and big corporate activities that not only make social problems worse but also indicate they lack the motivation to promote socioeconomic growth. It has also examined the many functions that SMMEs perform in driving socioeconomic growth. According to research, SMMEs contribute favourably to the economy as well as the development of the nation's social and political equity.

Acknowledgments

This is a short text to acknowledge the contributions of specific colleagues, institutions, or agencies that aided the efforts of the authors. Should the content of the manuscript have previously appeared online, such as in a thesis or preprint, this should be mentioned here, in addition to listing the source within the reference list.

Author Contributions: The study was written and developed by the author
Funding: This research was not funded by any institution or body.
Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.
Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.
Conflicts of Interest: The authors declare no conflict of interest.

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