STRATEGIES TO PROMOTE ENTREPRENEURSHIP

A COMPARATIVE OVERVIEW OF STRATEGIES IMPLEMENTED IN SOUTH AFRICA, INDIA AND BRAZIL

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Abstract

Entrepreneurial promotion is essential for a country's ability to develop their entrepreneurial rate using various strategies. South Africa, India and Brazil are all members of the BRICS association with similarities in; economies, political situations, larger populations and vast amounts of lands. However, they all have different entrepreneurial rates due to their individual strategies for entrepreneurship promotion, of which South Africa’s is significantly lower. Information on each of these countries was gathered using secondary data from credible sources in a cyclical manner, ensuring trustworthy results. The four general strategies that emerged from previous data were; literacy rates and human capital, education and training of entrepreneurs, access to capital and raw materials, and institutional support. Individual and unique strategies that fell under these categories were found in the above-mentioned BRICS partners and were explored in detail in the form of a comparative case study approach. Therefore, this interpretivist study utilises qualitative techniques in a cross-sectional manner. South Africa’s entrepreneurial rate is significantly lower than their partner BRICS countries enabling the country to learn from the successes and failures of India and Brazil through the utilisation of the knowledge available, to better their own entrepreneurial rate.

Key words: Entrepreneurship, Promote, Strategies, India, Brazil, South Africa
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1. INTRODUCTION

1.1 Research Orientation

Entrepreneurship is a major factor influencing the growth and development of a country (Van Stel, Carree and Thurik, 2005:16). Both developing and developed countries require entrepreneurship for the further advancement of their nation. Benefits of high levels of entrepreneurship within a country include, the creation of new businesses, leading to the creation of more jobs, increase in national income, economic growth and the development of the community (Luke, Verreynne and Kearins, 2007). However, it has been found that entrepreneurship is more effective in developed countries in comparison to developing countries (Van Stel et al, 2005). This is due to a variety of factors including a lack of training and education, a lack of capital, a lack of human resources and fewer large organisations to aid in the entrepreneurial process in developing countries (Smit and Watkins, 2012).

South Africa, India and Brazil are all considered to be emerging economies who are members of the BRICS association, each having different strategies toward entrepreneurial development, resulting in the three countries having different levels of entrepreneurial activities and success rates (Armijo, 2007). India’s total entrepreneurial activity rate in 2001 was 18 out of 100 individuals between the ages of 16-64 years old (Reynolds, Bygrave, Autio, Cox and Hay, 2002). Brazil’s rate was slightly lower than this with 14 out of every 100 individuals between the ages of 16-64 partaking in entrepreneurial activities (Reynolds et al, 2002). South Africa’s, in comparison, was much lower than both countries, with only 6 out of every 100 individuals aged 16-64 being active toward entrepreneurial activities (Reynolds et al, 2002). This is extremely poor, being three times worse than India and less than half of Brazil’s entrepreneurial rate.

Early stage entrepreneurial activity refers to the percentage of individuals in a certain population who are in the process of creating a new venture or have already established one but for no more than 42 months (Hessels, Van Stel, Brouwer and Wennekers, 2007). Recent data from the Global Entrepreneurship Monitor (2016), states that India’s early stage entrepreneurial activity is around 11% and Brazil’s early stage entrepreneurial activity is just over 19%. Both these figures are much higher than South Africa’s, who have only 7% of their economic active population involved in entrepreneurial activities at any one time (Herrington, Kew and Kew, 2010). This is due to the fact that there has been an absence of encouragement toward individuals starting up their own business within South Africa.
The high unemployment rate of the country forces individuals into entrepreneurial situations, without the necessary skills and knowledge to be successful, which results in failures, discouraging individuals to become entrepreneurs within the country due to the above-mentioned factors (Ranyane, 2014). The entrepreneurial rate figures are illustrated in figure 1 below:

![Image of bar chart showing entrepreneurial rates in India, Brazil, and South Africa.](image)

**Figure 1: Entrepreneurial Rates in India, Brazil and South Africa**

Figure 1 illustrates the entrepreneurial rate in the early 2000’s as well as the current early stage entrepreneurial rate for the respective countries India, Brazil and South Africa. The graph demonstrates the percentage changes for each country. India has exhibited a decline of 39% over the 7-year period, while both Brazil and South Africa increased by 36% and 17%, respectively. India has clearly experienced issues over this period of time, evident by the decrease in entrepreneurial rate, however, they still have a higher entrepreneurial rate than South Africa in 2017. Brazil show great signs of success due their high increase, while South Africa show signs of progress demonstrated by their slight increase in entrepreneurial rate, however, this was from a low base.

Given that South Africa has a much lower entrepreneurial rate than the other BRICS countries, namely India and Brazil, a comparison between the countries will be useful as lessons can be learnt to improve the strategies toward entrepreneurship promotion in South Africa.
1.2 Rationale

Since my early teenage years, entrepreneurship and starting my own business has been a prospect that has greatly interested me. The reasoning behind my interest in this topic is that I would like to make this dream of mine come true. The research conducted for this paper will be focused on various strategies that promote entrepreneurship, summatting in how they encourage success in this dynamic field.

Entrepreneurship is an important factor for the development of a country (Bruton, Ahlstrom and Obloj, 2008). Entrepreneurship promotion is therefore imperative to a country’s ability to increase new business start-ups (Collinson and Gregson, 2003). Consequently, this research will provide strategies for South Africa to increase their entrepreneurial rate, using the lessons learnt from India and Brazil.

South Africa lacks entrepreneurial promotion in their country (Isaacs et al, 2007). This is due to the fact that South Africa has only recently started to educate and train the youth of their country with the knowledge and skills needed to be an entrepreneur. This education and training has started at a much later stage than in other developing countries, which could be the reason why South Africa is lagging in entrepreneurial development (Isaacs et al, 2007). Given the higher levels of entrepreneurial activity in India and Brazil, lessons from these countries can be learnt and implemented to increase South Africa’s percentage of economic active population involving themselves in entrepreneurship.

According to a review of previous literature, no previous studies have compared these three countries regarding their entrepreneurial activity and the strategies they make use of to promote entrepreneurship. Therefore, this study will make available new academic knowledge, demonstrating how South Africa can practice new strategies to aid in solving the problem they are facing, namely low levels of entrepreneurial activity.

1.3 Problem Statement

The research problem relates to strategies to promote entrepreneurship in general, in comparison to strategies used in the BRICS partner countries, South African India and Brazil.
1.4 Purpose Statement

The purpose of this study is to investigate and compare strategies used to promote entrepreneurship in emerging economies such as South Africa, India and Brazil. Given the advancement of India and Brazil in this field, their strategies will be used as a learning instrument toward the development of strategies for entrepreneurial promotion in South Africa, to increase the low percentage of economically active individuals partaking in entrepreneurial actions within South Africa.

1.5 Research Question

How do strategies to promote entrepreneurship, in general, compare with strategies used in the BRICS partners of South Africa, India and Brazil?

1.5.1 Sub-questions

- What can be derived from the theories on entrepreneurship?
- What strategies are used in India, Brazil and South Africa and how do they compare?
- Are there lessons to be learnt for South Africa from the comparative overview?

1.6 Organisation of this Research Paper

This research is separated into six sections. The previous section introduces the topic of this research. It focuses on the background of the topic, reasoning for the research as well as stating the research question, purpose and problem. The remainder of the study is structured as follows: Chapter two presents the theoretical foundation, conceptualisation as well as the literature review. Chapter three explains the methodology, focusing on the paradigm, design, population, sample, data collection and analysis methods and the trustworthiness of the research. Chapter four consists of a comparative overview of the case studies including the strategies used to promote entrepreneurship in India, Brazil and South Africa. Chapter five covers the findings and interpretation of findings in terms of the literature, relevant theories and case studies. Lastly, Chapter six concludes the document with an overall summation as well as presenting the ethical implications and limitations of the study.
2. LITERATURE REVIEW

The purpose of a literature review is to establish a theoretical framework, define key terms and identify previous literature that is relevant to the research (Howard, 2014). Therefore, this section will first look at the relevant theories chosen for this research as they are applicable to the topic, research problem, research question and the themes that were revealed in the literature. After this, the key concepts utilised in this research will be defined to ensure all key terms are understood. Lastly, an overview will be provided to illustrate the general strategies that are utilised to promote entrepreneurship around the world.

2.1 Theoretical Foundation

Despite the attempts of many entrepreneurial scholars to develop theories around this field, there seems to be a lack of agreement as to what constitutes as an entrepreneurial theory as well as there being no generally accepted theories, revolving around entrepreneurship, that have emerged (Alvarez, 2005). However, various emerging theories and their relevance to the study are discussed below:

2.1.1 The Entrepreneurship Development Model

This model attempts to depict the various external variables that may affect entrepreneurial development in any given country (Nieman, Hough and Nieuwenhuizen, 2007). This model is illustrated below:

![Entrepreneurship Development Model](image)

*Figure 2: The Entrepreneurship Development Model (Nieman et al, 2007)*
This model demonstrates the external environment a country needs, to promote and develop entrepreneurship within the country. Therefore, this research will investigate various components of this model in the context of each country being studied. Furthermore, it aims to determine to what extent the strategies to promote entrepreneurship in these countries, in relation to the orientation of entrepreneurship and to a supportive and co-operative environment.

2.1.2 The Entrepreneurial Process

Entrepreneurs need to follow a certain process to ensure they are able to discover, evaluate and develop an opportunity (Nieman et al, 2007). The process consists of 6 steps which are elaborated on below:

- **Idea generation**- entrepreneurs need to have the ability to develop new ideas that, in turn, will be able to create a new business venture (Van Aardt and Bezuidenhout, 2014). Therefore, this relates to education, in the sense that countries need to encourage individuals to generate new ideas.

- **Opportunity evaluation**- this is the ability to assess if the idea generated will be effective or not. This involves looking at the real and perceived value of the outcome to determine if it matches the entrepreneur’s skills and knowledge, while assessing the risks involved (Nieman et al, 2007).

- **Developing a business plan**- this involves the development of strategies to start the venture. The strategies involve the vision, objective, operational and tactical plans, who is the target market and who are the competitors (Van Aardt et al, 2014). Again, this is related to the education and training strategy as individuals will need to be taught how to develop business plans if they are to be successful.

- **Determine the resources required**- this involves an appraisal of the current resources the entrepreneur possesses and determining what is needed in in addition to this (Van Aardt et al, 2014). In addition to this, there needs to be a differentiation between the critical and non-critical resources (Van Aardt et al, 2014). Raw materials, strategies by countries Governments and institution’s will have a large influence on whether or not an entrepreneur will be successful.

- **Formation and management of the business enterprise**- once the necessary resources have been acquired by the entrepreneur they must be implemented toward the strategies of the business (Nieman et al, 2007). In addition to this, the key variables for success need to be considered, to eliminate operational problems that may occur during growth (Van Aardt et al, 2014). Support from large institutions will help in the success of the new venture.

- **Growth and harvesting**- before growing the organisation, the entrepreneur needs to make certain that it is currently running efficiently to avoid any loss in performance or the customer base (Van Aardt et al, 2014).
2.1.3 The Entrepreneurial Mind-set

This can be described as a certain state of mind that demonstrates how an individual should attempt to conduct their thought process toward entrepreneurial activities, to be successful (Kurato and Hodgetts, 2007). This type of mind-set usually leads toward individuals realising opportunities and being innovative with new value creation (Van Aardt et al, 2014).

The entrepreneurial mind-set theory, combined with the entrepreneurial process theory, offer a base on how entrepreneurs should think, plan and act in order to be successful. Therefore, this provides a framework on how individuals should be educated in entrepreneurial knowledge and skills, in an effective and prosperous manner, to promote entrepreneurship within a country. South Africa can implement these theories into their education systems to create a more entrepreneurial focused population.

2.2 Conceptualisation

- **Entrepreneurship**: This can be defined as the process of making something new, that is unique and valuable, by committing resources while taking on various risks to generate rewards in the form of financial gains or self-actualisation (Van Aardt et al, 2014).
- **Education**: This is the process of acquiring or imparting new knowledge toward a certain profession. Usually conducted in a school or university environment as well as through various courses aimed at furthering knowledge of individuals (Lorig and Holman, 2003).
- **Training**: This is the process of teaching an individual skills and behaviours required for certain professions (Naikar and Sanderson, 1999).
- **Strategy**: This is a plan that is created to analyse, develop and design an action, to achieve a long-term goal (Van Aardt et al, 2014).
- **BRICS**: BRICS countries consist of Brazil, Russia, India, China and South Africa. These countries have been banded together due to their similarities in having large populations, vast amounts of land and the main reason being similarities in their economies (Gammeltoft, 2008).

2.3 General Strategies to Promote Entrepreneurship

The promotion of entrepreneurship lies in a country’s ability to develop their entrepreneurs in a timely manner with the required skills and knowledge, to be successful (Awogbenle and Iwuamadi:834). In addition to this, factors such as literacy rates, access to capital and institutional support play a huge role toward the entrepreneurial promotion of a country (Leitch and Harrison, 1999). These areas emerged as the main general strategies that are utilised to promote entrepreneurship within countries around the world, which is why they
will be utilised in the investigation of the three selected BRICS partners India, Brazil and South Africa.

2.3.1 Strategies related to literacy rates and human capital

This factor, linked to education and training in human resources and entrepreneurial development, refers to the level of employee expertise that entrepreneurs have available to them, to work toward their new business endeavour (Barney and Wright, 1997). Therefore, the literacy and education level of a country will play a big role regarding this factor. The superior skill and knowledge that workforce entrepreneurs have access to will have a positive impact on the chances of success for the new venture, as they will bring more knowledge, experience and skills to the endeavour (Somavia, 2011). In addition to this, if entrepreneurs have competent employees who can do their tasks effectively and efficiently they will not need to micromanage and constantly monitor them (Somavia, 2011). This will provide entrepreneurs with time to focus on the various aspects that are needed in the start-up phase such as the allocation of resources, formation of the business plan and the formation and management of the business (Van Aardt et al, 2014).

In addition to this, the culture of a country can have a large impact on the human resources available to entrepreneurs (Barney et al, 1997). This is due to the fact that individuals’ attitudes, values and beliefs will have a direct influence on employees work effort and ethics.

2.3.2 Strategies related to education and training toward entrepreneurship

This can be defined as the structured, purposeful conveyance of entrepreneurial competencies and qualities, such as skills and knowledge, from an educator to a learner (Isaacs et al, 2007). This education and training process will allow the learner to start and grow their ventures and be successful in the business world. Youth development is a critical element toward the enhancement of entrepreneurial promotion and economic growth (Awogbenle et al, 2010). Educating and training entrepreneurs at a younger age will increase their interests of pursuing the field of entrepreneurial activity (Valerio, Parton and Robb, 2014).

There are many international and regional role players in the education and training of entrepreneurs. These include both academic education and formal training that provide individuals with the required mindset and skills to participate and perform well in entrepreneurial activities (Valerio et al, 2014). These programs aim to stimulate
entrepreneurship by targeting students enrolled in schools, tertiary degrees, early school leavers and adult learners as well as aiding those who are already involved in entrepreneurial activities (Awogbenle et al, 2010). In addition to this, these courses are located in both rural and urban areas, ensuring that as many people as possible have access to the courses, to make certain that this is an effective promotional strategy by supporting as many individuals as possible in this manner (Valerio et al, 2014).

2.3.3 Strategies toward the access to capital and raw materials

Capital refers to the finances available to the entrepreneur during the start-up phase and the life span of the new organisation (Van Aardt et al, 2014). These finances could come from the entrepreneur, external funding (e.g. from the Government or other larger organisations) and from the organisations own funds once it starts to make a profit (Van Aardt et al, 2014). It is essential for entrepreneurs to have access to financial resources to ensure they are able to cover start-up costs, settle expenses as well as be able to expand and grow (Horton, 2015). Therefore, it’s imperative for countries to make finances readily available to entrepreneurs in various forms, thereby ensuring that they are able to succeed and choose entrepreneurial outcomes as a viable option to provide them with income (Horton, 2015).

Financial resources will have a direct influence on the quality and quantity of the raw materials (Van Aardt et al, 2014). Raw materials refer to the resources the entrepreneur has access to that are not human and will be used in the process of making the ventures products or services (Van Aardt et al, 2014). Shortages of raw materials can directly affect entrepreneurs as they will not be able to function properly regarding the manufacturing of their product or service (Jackson, 2015).

2.3.4 Strategies toward institutional support

This refers to the various types of strategic support entrepreneurs receive in their respective country, from either Governmental or Non-governmental institutions (Loktam, 2013). In addition to this, the support includes laws, policies and regulations regarding the manufacturing and services the new venture may require (Loktam, 2013). These laws and policies can be either beneficial or a hinderance to entrepreneurs. Therefore, they need to be created to ensure entrepreneurial activates look attractive to individuals (Xin and Pearce, 1996).
2.4 Concluding Remarks

From the above information it is evident that the theories utilised show relevance to the themes that emerged in the literature. In addition to this, the four main themes that emerged demonstrate relevance to the topic of this research, thereby making them an effective choice, with support from the literature review. Therefore, these themes will be applied to the partner BRICS countries India, Brazil and South Africa in Chapter 4 of this research using the research methods which will be discussed subsequently in Chapter 3.
3. RESEARCH METHODOLOGY

The purpose of the research methodology is to determine the processes and techniques that have been utilised in the collection and analysis of the data (Du Plooy-Cilliers, 2014). This involves selecting the paradigm, design, sample and population, data collection methods, data analysis methods as well as discussing the overall trustworthiness of the research.

3.1 Research Paradigm

The paradigm used for this research was interpretivism (Du Plooy-Cilliers, 2014). This paradigm had been chosen as the research involved strategies used in South Africa, Brazil and India with regard to their entrepreneurial promotion, with no need for a yes or no answer at the end of the research (Nieuwenhuis, 2016). This paradigm is also known as constructivism, as meaning from the data found on the entrepreneurial promotion strategies of these countries was constructed (Nieuwenhuis, 2016). In addition to this, a methodological position of interpretivism was utilised, due to there being a subjective analysis of the content found on the entrepreneurial promotion strategies within the three countries.

In addition to this, qualitative techniques were used in this research (Strydom and Bezuidenhout, 2014). This method had been chosen due to the selected paradigm and how the comparison between the three countries was conducted, with regard to their promotion of entrepreneurship strategies (Strydom et al, 2014). Therefore, an in-depth analysis toward the content of these countries strategies was needed. The methods of interpretivism and qualitative research were selected as they were the most effective approaches to acquire and analyse the data, to produce credible and viable results (Nieuwenhuis, 2016).

3.2 Research Design

An inductive approach was used for this research as qualitative techniques had been chosen. In addition to this, previous literature was investigated from a different angle due to the fact that South Africa, Brazil and India’s entrepreneurial promotion strategies had not yet been investigated together (Nieuwenhuis, 2016). Furthermore, an inductive approach is appropriate as it can create new theories toward entrepreneurial promotion after answering the research question and sub questions using the data collected (Nieuwenhuis, 2016).
This study utilised descriptive research, as an in-depth description is given on the current situations of entrepreneurial promotion in South Africa, India and Brazil. Following this, relationships between the entrepreneurial promotion strategies and the level of entrepreneurial activity was assessed as accurately as possible. Lastly, the described characteristics and relationships between the variables were applied to South Africa to help their promotion of entrepreneurship.

A case study approach was utilised in conjunction with a comparative method, also known as a cross-national method, for this research. A description is given on several cases regarding South Africa, India and Brazil and their entrepreneurial promotion respectively (Mouton, 2005). Detailed descriptions are given on each country’s entrepreneurial promotion, in an attempt to increase the understanding of each countries circumstances (Strydom et al, 2014). In addition to this, literature assessments were only conducted on previous literature for the gathering of data, in order to create a case study (Strydom et al, 2014).

Data was only collected at one point in time, making this a cross-sectional study (Nieuwenhuis, 2016). Data on South Africa, Brazil and India regarding their strategies toward entrepreneurial promotion was only collected once with no repeats.

**3.3 Population**

The total group of social artefacts for this study consists of data found on general strategies aimed at the promotion of entrepreneurship found in countries around the world (Davis, 2014). This was selected as the population as looking at the strategies globally provides a greater understanding of the topic and allows the researcher to answer the research questions and overcome the research problem successfully. From the investigation of previous literature, the parameters of this population were narrowed down to the four main strategies that emerged, namely, literacy rates and human capital, education and training of entrepreneurs, raw materials and capital, and institutional support.

**3.4 Sample**

The sample for this research was focused down from the population to consist of strategies used for the promotion of entrepreneurship in India, Brazil and South Africa (Nieuwenhuis, 2016). Therefore, it can be stated that the unit of analysis is: strategies to promote entrepreneurship. Non-probability purposive sampling is the chosen sampling method for
this study. This is due to the fact that only relevant journals, articles, websites, Government documents and business reports have been utilised in the research. Furthermore, convenience sampling had been added to this as only information that is conveniently available to the research was utilised (Nieuwenhuis, 2016). This is due to the lack of funds and time needed for the research to be conducted.

3.5 Data Collection and Analysis Methods

The collection of data for this study consists of secondary data found in academic, peer-reviewed papers in articles, journals, government documents, business reports and various other credible sources that include authors who are trustworthy and are justified with evidence. These sources are chosen as they provide relevant information, aiding in answering the research questions (Maree, 2016). A case study approach was utilised for the collection of data in this study in an exploratory and descriptive manner. This allowed for a well detailed exploration and description on the existing data of each country’s entrepreneurial promotion strategies. It allowed a deep exploration of each country’s specific circumstances within a natural context (Strydom et al, 2014). Furthermore, an illustrative and typical case study method was used. This provided an understanding of the strategies in each country through the description of the main characteristics toward entrepreneurial promotion strategies. From the data collected, the strategies and their ideas can be reinforced and added upon (Strydom et al, 2014).

This data collection method ensures the researcher has no control over how the response is given by the respondent, which in this case would be authors of various documents used. Therefore, it will be advantageous toward the research, in the sense that data collected is more credible, reliable and viable. This is due to the fact that the authors of the articles and various other documents are not attempting to give, what they may believe to be, a desirable result for this research. The data they provide in their documents is deemed more honest as it is their work and they would not want to provide false and meaningless information, thereby harming their own name and reputation.

The data analysis for this study was cyclical in nature. Therefore, data was repeatedly analysed to isolate and refine the embedded meanings of the data being investigated (Nieuwenhuis, 2016). Given that there is no desired outcome for this study, the data was analysed and an interpretation was made by the researcher on the findings. The themes and categories for this study, toward entrepreneurship promotion, are education and
training, capital and raw materials, literacy rates and human capital, and institutional support as they are the main strategies that effect entrepreneurship. There are various steps that Strydom et al. (2014) recommend for content analysis which will be discussed below:

Firstly, the researcher needs to prepare the data, involving organising and converting the raw data into written text so it is ready to be analysed. Next, the researcher needs to define the coding unit to be analysed. For this study, sentences and paragraphs are the coding unit. After this, the researcher must develop categories and or a conceptual framework. The coding units for this research have been categorised into the above-mentioned, education, training and so on. Next, the researcher is required to carefully examine the data, noting all the relevant and meaningful areas. Line-by-line coding has been the method used for the examination of the data. After this, conclusions were made from the analysed data. Lastly, methods and findings were reported.

3.6 Trustworthiness of this Research

Following the above steps increased the trustworthiness of the research as it provided guidelines to follow that will lower the risk of mistakes and exclusion of essential data (Nieuwenhuis, 2016). The selected data collection and analysis methods, design and paradigm are the most suitable options for this research, which increased the internal validity (Koonin, 2014). Furthermore, only credible sources were utilised in this research to ensure that the data found is reliable, making the results viable. All the factors and procedures utilised in this research created a study that has high levels of external validity, in the sense that the results can be applied to similar situations, delivering similar results. In addition to this, the reliability of the research is high due to the dependability on the integration of the data in the collection and analysis methods. The overall high levels of credibility, transferability and dependability of the research make it a trustworthy source.
4. COMPARATIVE OVERVIEW OF CASE STUDIES

This section gives an overview of research that has previously been conducted on the entrepreneurial strategies of three countries, India, Brazil and South Africa, and how this research will add to the debate. (Strydom et al, 2014). Furthermore, this research will evaluate multiple strategies rather than focusing on one, allowing for a more in-depth discussion, to gain more reliable results.

For this comparative literature overview, the strategies that are influential on entrepreneurship development will be investigated. Each of these factors will be investigated within India and Brazil, and then related to South Africa to understand how South Africa can learn from other developing countries, regarding entrepreneurial promotion. The areas on which the strategies will focus in this study, regarding the entrepreneurial development model, are entrepreneurial education and training, literacy rate and human capital, capital and raw materials, and institutional support. These strategies will be explored below in the form of 3 case studies on each of the BRICS countries, namely India, Brazil and South Africa.

4.1 Strategies to Promote Entrepreneurship in India

4.1.1 Strategies related to literacy rates and human capital

India’s population consists of extremely education oriented individuals, with 93.4% of all children aged 6-14 enrolled in some form of education (Kingdon, 2007:171). In addition to this, attendance percentages of the population are increasing annually (Kingdom, 2007). This is evident through all ages, spanning from primary education to tertiary education (Kingdon, 2007).

India’s literacy rate in 2011 was around 74% which shows a 10% increase from 2001 (Shah, 2013:12). However, this figure has stagnated since then as it is currently resting at just over 72% (The World Factbook, 2017). The growth of the country’s literacy rate is due to a variety of factors. The main reason being the increase in the number of private schools in the country (Goswami, 2015). From the development programs of private schools there has been an increase in school attendance from the rural areas, meaning more of the youth are receiving improved education which will have a direct influence on the literacy rate (Jain, Dhawan, Ishwara and Jhingan, 2014).
Other factors include the countries emphasis toward the importance of education (Shah, 2013). These incentives toward the development of education will directly affect the employees and human resources made available to entrepreneurs within the country. Skilled and competent workers will increase the number of successful entrepreneurs, thereby encouraging more individuals to participate in entrepreneurial activities.

Students receive a variety of subsidies such as free education, discounts, free textbooks and stationary and free mid-day meals (Tilak, 2014). Therefore, a high number of individuals partake and complete school all the way to secondary education (Kingdon, 2007). In addition to this, two of the most popular post-graduate courses undertaken at tertiary level are commerce and management (Swarup, 2016). This is due to the promotion and encouragement of these courses, aimed at benefiting the entrepreneurial cause.

The most dominant religion found in India is Hinduism (Parboteeah, Paik and Cullen, 2009). This religion influences individuals to have a strong value system and fulfilling one’s duties, while having pleasure and achieving material prosperity (Zimmermann, 2017). Therefore, Hindus are interested in jobs that contribute to society and allow them to create wealth (Parboteeah et al, 2009). This type of culture alone can promote hard work and a desire for education within India as their core values and beliefs will push individuals toward achieving these goals. This is an ideal workforce for entrepreneurs starting a new venture.

4.1.2 Strategies related to education and training toward entrepreneurship

India have a relatively high entrepreneurial failure rate, with around 80% of small businesses failing in the first 3 years (Mehta, 2014). However, in an attempt to try combat this, India have implemented entrepreneurial development programs since the 1980’s, aimed at training and educating individuals with the required knowledge and skills to be successful entrepreneurs (Echtner, 1995). Nine out of ten schools around India offer entrepreneurship as a course (Basu, 2014). In addition to this, there are prospects to make entrepreneurship a compulsory course (Basu, 2014). An emerging business school is creating entrepreneurship as a compulsory course in the hope of creating a trend, encouraging other business schools to start doing the same (Roy and Mukherjee, 2017). India’s overall aim is to make entrepreneurial courses compulsory at a younger age of education throughout the country (Roy et al, 2017).
However, Shanker (2012) in (Basu, 2014) states that there are various obstacles India need to overcome to achieve this goal. These obstacles include a lack of trained teachers, limitations in the methods of teaching, short-term focused results and the subject not being considered as a core necessity (Basu, 2014). While these obstacles may seem daunting and difficult for India to overcome, they can overcome them relatively easy. For instance, they could combine entrepreneurial courses with other fundamental business courses such as marketing, business management and financial management (Basu, 2014).

However, it has been found that in the past 5 years, top-league institutions generally have a higher percentage of students perusing entrepreneurial courses (Basu, 2014). In addition to this, institutions that make entrepreneurial courses a priority as well as ones that offer a variety of entrepreneurial courses generally have a much higher percentage of students enrolling in entrepreneurship studies (Basu, 2014).

The training programmes come in a variety of durations ranging from 15 to 19 days (Echtner, 1995). This allows individuals to choose between different levels of affordability and the degree of detail and complexity they are interested in (Echtner, 1995). In addition to this, the training emphasises business opportunity guidance, management skills and achievement motivation (Valerio et al, 2014). This will provide opportunities to a larger amount of the country’s population, enabling them to engage in these programmes as they are given a wide variety of options that will best suite them (Valerio et al, 2014). Furthermore, these training programmes are continuously altered to adapt and focus on certain industries and industry issues (Echtner, 1995). This is done to constantly ensure that the course is relevant to the current situation of the country, and to aid certain industries that may need development and growth. These alterations in the courses are conducted by individuals who are experts within the certain industries of interest, private business practitioners, academics and Government officials (Echtner, 1995). This shows that the teachers in these training programmes are of the required level of expertise to educate and train entrepreneurs, providing them with the required skills and knowledge.

Emphasis has been placed on increasing the creativity of children, teenagers and young adults (DeFillippi, 2011). Creativity is an integral aspect of entrepreneurial traits which is why India emphasise their teachings along the lines of engaging in the student’s heart, head and hands (Boss, 2011). This provides a more holistic approach to learning, thereby aiding in entrepreneurial development.
To relate this back to the entrepreneurship development model, India is allowing the population to acquire the required entrepreneurial orientation through the process of developing their knowledge and skills. This entrepreneurial education and training will develop entrepreneurs, making them able to evaluate their opportunities, determine the resources they require and successfully form and manage the enterprise. Therefore, it can be stated that India prepare their entrepreneurs with the necessary mindset and processes to be successful entrepreneurs.

4.1.3 Strategies toward the access of capital and raw materials

India’s national Small Industries Corporation (SIC) has a programme set up for entrepreneurs in India to purchase raw materials at a discounted price (Timm, 2011). The government acquires raw materials from various suppliers around India and stores them in warehouses. Small business owners are allowed to come and purchase these goods at a 10%-25% discount (Timm, 2011). This is done so small business owners have a higher chance of success against larger corporations who have the opportunity to purchase raw materials in bulk at a discounted price.

Majority of start-up businesses in India begin their ventures with their own financing (Iyer, Khanna, and Varshney, 2013). Furthermore, around 90% of all entrepreneurs do not access outside sources for financing (Iyer et al, 2013). External financing can come from the government and government organisations, anti-poverty programmes and moneylenders (Iyer et al, 2013). Over 75% of businesses in India are unregistered by any government agency which is why they are not eligible for any forms of financing from government agencies (Iyer et al, 2013:57).

Majority of entrepreneurs in India are very small establishments with a few employees (Sanghi and Srija, 2016). In addition to this, these small businesses make up around 95% of the work force (Sanghi et al, 2016). This factor, along with the low minimum wage of less than 30 USD a month and the general low expenses of the country, provide entrepreneurs in India a greater chance to succeed without any financial aid (Sanghi et al, 2016).

Therefore, it can be stated that the success of entrepreneurs in India is due to their entrepreneurial education, and general high levels of education and literacy throughout the country. The fact that they are able to successfully start new businesses with little external funding demonstrates this.
4.1.4 Strategies toward institutional support

Various support institutions have been set up by the central and state governments to aid entrepreneurial activities (Reedy, 2012). These provide support in the forms of financing, technical guidance, providing subsidiaries and grants, equipment support, marketing and training (Reedy, 2012). There are many institutions that partake in these activities such as the Small Industries Development Bank of India, Small Industries Service Institution, Council for advancement of Peoples Action and Rural Technology and District Industries Centre (Reedy, 2012).

India’s government has relaxed the policy for income and capital gains taxes for organisations in the start-up phase (Jain, 2016). This will aid entrepreneurs as they can focus all profits toward the sustainability and growth of their new venture instead of a portion of the profits going toward taxes. This exemption from tax is for a three-year period, providing entrepreneurs with a sufficient amount of time to get their business going (Jain, 2016). In addition to this, the government has implemented industry specific incubators to benefit start-ups, allowing them to incubate sector specific knowledge (Jain, 2012).

In addition to all this, there is a small-scale industry board (SSI) located in India (Sadiza, 2017). This board was implemented to aid individuals in the start-up phase with advice, facilitate co-operation and help with inter institutional linkages. The board focuses on more than just the entrepreneurs, engaging with the government as to how they may aid start-up organisations with various policies, thereby aiding in the development of this sector (Sadiza, 2017).

Given that majority of the entrepreneurs in India only establish small businesses with very few employees, the government has set up development programmes for rural areas (Parameshwaran, 1997). This has been done as majority of the villages contribute toward the employees of these small start-ups. Therefore, by developing these rural areas, employment opportunities will be greater, allowing for access to more skilled and educated workers (Parameshwaran, 1997). These efforts will increase the entrepreneur’s chances of success.
4.2 Strategies to Promote Entrepreneurship in Brazil

4.2.1 Strategies related to literacy rates and human capital

Educational attendance rates in Brazil display a decrease from 97% at primary level to 71% at secondary level (McCowan, 2004:5). This is generally due to high levels of drop outs, as primary school is compulsory and secondary education is not (Stanek, 2013). There is a great difference between the wealthy and poor in Brazil. Those lucky enough to afford private education are able to get a high level of education, while those unable to afford it are forced into public education and will receive a lower level of education (McCowan, 2004). However, to help the underprivileged, the Government has made public education free, however this has resulted in a decrease in the quality of the education that takes place at these institutes (Meyer, 2010). However, the Government is trying to further aid in this regard by supplying student loans for poorer students, enabling them to attend private schools and attain a better education. In addition to this, the Government and Ministry of Education are developing more public schools in the rural areas, allowing more students access to education (McCowan, 2007).

Brazil realises the importance of education which is why they are continually adapting and changing their education system to ensure that it is constantly up to date and being improved upon (Stanek, 2013). In 2010, a massive change was made to lengthen the duration of primary school education to further educate individuals, due to the high dropout rates after primary school (Stanek, 2013). This can be seen in the percentage of public spending that has gone toward education. In 2000 public spending on education was 10.5%, this then grew to 14.5% in 2005 and grew even more to 16.8% in 2009 (Saidi, 2013). This information emphasises the Brazilian Government’s aim to continually improve the educational system within Brazil.

Even though there are problems with their education system, Brazil still have an incredibly high literacy rate of 92% (Logan, 2015). This has grown greatly since 1981 where it was just below 75% (TradingEconomics, 2017). The annual increase in literacy rate demonstrates that the endeavours of the Government toward bettering the education of the country have been successful (Logan, 2015).
4.2.2 Strategies related to education and training toward entrepreneurship

Brazil has increased their entrepreneurial education greatly in the last few decades. This is notable by their 230% increase between 1991 and 1998 in entrepreneurial courses made available to the public (Knowles, Teixeira and Egan, 2003). These entrepreneurial courses are directly linked to hospitality and tourism courses as the country realised the high level of tourism Brazil receives.

In more recent years, public and private higher education institutions, such as the secondary and tertiary level, are still increasing between 10% and 30% annually with regard to entrepreneurial courses being offered (Lima, Lopes, Nassif and Silva, 2012). These entrepreneurial courses incorporate vast amounts of different fields, such as computing engineering, physical education and many more (Lima et al, 2012). This allows for a greater audience of individuals to partake in entrepreneurial education, based on their varying interests. In other words, you don’t have to study business courses to get an entrepreneurial education. In addition to this, there are regular academic events and conferences to further develop the entrepreneurship education of the country. These include the Internationalizing Entrepreneurship Education and Training Conference in 2006 and the Roundtable on Entrepreneurship Education in 2007 (Lima et al, 2012).

Even though there are high numbers of individuals engaging in entrepreneurial education at educational institutions, research shows that majority of Brazil's domestic entrepreneurs seek organisations other than Universities or schools to improve their entrepreneurial skills through training (Knowles et al, 2003). These other organisations include, trade associations, the National Industrial Apprenticeship Service, Commerce Social Services and many more (Dorion, Nodari, Olea, Gnazer and Mello, 2015). The number of institutions making entrepreneurial courses available has grown tremendously over the years (Dorion et al, 2015). This is due to the realisation of the need to create different training courses with diverse content to interest a wider variety of individuals toward the pursuit of entrepreneurial activities (Knowles et al, 2003).

The main mode of entrepreneurial teaching in Brazil is the case-problem method (Dorion et al, 2015). This method was founded at Harvard University and is utilised by many well-developed countries as it has proven to be an effective method. This teaching style involves providing students with cases where they are required to identify and solve managerial problems, how to deal with risks, opportunity evaluation and a variety of other real-world scenarios they may deal with one day (Dorion et al, 2015). This educational process uses
scenarios specific to Brazil to make certain that entrepreneurs have a greater chance of success in their own country, which provides incentives for them to use their entrepreneurial capabilities in Brazil and not take them elsewhere.

However, given all this information, research shows that universities are not prepared enough to properly train and educate entrepreneurs to the best of their abilities (Dorion et al, 2015). Universities are attempting to overcome this issue by greatly improving their courses, ensuring entrepreneurs leave with the required knowledge and skills for success in their endeavours (Dorion et al, 2015).

All this information shows that Brazil realise the importance of the education and training of their population in a field such as entrepreneurship and that this education and training is an effective strategy toward their entrepreneurial promotion.

4.2.3 Strategies toward the access of capital and raw materials

A bank in Brazil called Banco Nacional de Desenvolvimento Economico e Social (BNDES) provide a card that combines the concept of a credit card with that of an ecommerce platform (Timm, 2011). This gives entrepreneurs the opportunity to purchase goods from suppliers through the banks website on credit. In addition to this, the bank makes certain that all suppliers on the website use 60% of local content to ensure the local economy benefits from these deals (Timm, 2011). In addition to this, Brazil is one of the leading entrepreneurial countries in the world, with a high level of spirit toward entrepreneurship (Griffith, 2013). This has led to entrepreneurship being viewed as a viable career path in the country, resulting in more and more individuals choosing it as a career (Griffith, 2013).

Furthermore, entrepreneurs in Brazil have access to online resources to help their businesses. The website, called Vakinha, uses crowdsourcing to aid entrepreneurs (Booker, 2013). Entrepreneurs have the option to find web investors to help fund their new venture, all they need to do is promote their idea on the website and investors will contact them if they are interested. This allows for cost reductions on transactions, aiding them financially (Booker, 2013). This is effective in Brazil as Brazilians spend an immense amount of time on the internet. This is generally due to the high availability of free internet found throughout the country (Booker, 2013). In addition to this Kantis, Ishida and Komori (2002) in Kantis, Angelelli and Koenig (2005), state that networking is an integral aspect of the entrepreneurial process. The high level of internet access, along with the high level of networking in Brazil,
will help entrepreneurs interact with others, allowing for greater idea generation, evaluation of opportunities and the accessing of funding and raw materials (Kantis et al, 2005).

Brazil have created a cluster support policy to help the public and private sector partner together (Timm, 2011). This has been done to try and minimise the disparity between economic regions. By doing this, new businesses can partner up with larger more sustainable enterprises who will be able to aid them with capital and raw materials (Timm, 2011). A great example of this is the clothing industry in Brazil; many small companies had their turnovers grow by 110% in just 8 months. This was due to the financial and material benefits they received from companies they had partnered up with (Timm, 2011).

4.2.4 Strategies toward institutional support

There are a high number of business incubators readily available to entrepreneurs. In 2000 there were around 135 small business incubators and this number more than tripled by 2010 with about 400 incubators being available to entrepreneurs (Timm, 2011). This has been achieved through the great relationship between the Government and the private sector, innovation laws and high levels of media use (Timm, 2011).

In addition to this, Brazil have many non-profit organisations that support and encourage entrepreneurship (Booker, 2013). One of these non-profit organisations is called Endeavor and they introduce business leaders to new entrepreneurs for mentoring, inspiration and strategic advice (Booker, 2013).

Furthermore, entrepreneurs are given market entry benefits by the Government and financial institutions. These include credit, lowering of taxes and a reduction of bureaucracy and partnerships (Booker, 2013). The Ministry of Science, Technology and Innovation in Brazil invested $78 million toward local and foreign start-ups (Cutler, 2013). This was done to promote local entrepreneurs as well as bring in foreign entrepreneurs for job creation, development of the economy and for an overall increase in catering to the Brazilian market (Cutler, 2013).

Tax breaks and government funding have helped the IT (Information Technology) sector immensely in Brazil (Timm, 2011). Between 2000 and 2009 businesses in this sector increased their turnover by more than 10 times compared to previous years (Timm, 2011). These organisations are still increasing their profits as majority of them have less than 10 employees but they still manage to generate an annual turnover of around $500 million.
(Timm, 2011). Therefore, it is evident that tax breaks and government funding would benefit entrepreneurs with regard to their ability to generate profits, thereby increasing their chances of success. Furthermore, more individuals would be interested in starting a business if they would be able to receive benefits and funding. This would directly have and influence on potential entrepreneurs as they would see it as a viable option (Griffith, 2013). This is due to the fact that they would see entrepreneurship as a method of finding great financial success, therefore creating a high level of entrepreneurial spirit throughout the country.

4.3 Strategies to Promote Entrepreneurship in South Africa

4.3.1 Strategies related to literacy rates and human capital

Research conducted by Aitchison and Harley (2006) showed the following for the literacy rate and education in 2001; it was estimated that 18% of people who are over the age of 19 received absolutely no form of education (Aitchison et al, 2006:93). In addition to this, 16% had only completed an education level up to grade 6 (Aitchison et al, 2006). This indicates that around a third of the population at the time could be considered illiterate (Aitchison et al, 2006).

More recent data shows that in 2007 South Africa’s literacy rate was around 90% (Gustafsson, Van Der Berg, Shepherd and Burger, 2007). Today it is estimated that their literacy rate is just over 94% (The World Factbook, 2017). This shows that their literacy rate is increasing overtime which could be related to their education system.

One of the main issues South Africa is trying to overcome is the access to education in the rural areas (Kruss, 2008). This being said, there is a great difference between the level of education in the private and public schools, which can be seen in the much higher pass rate from private schools (Koetser, 2017). This can be seen by the fact that 80% of the public schools are not performing well and providing below standard levels of education (Osman, 2015). However, the fact that even the poor can attend schools does make a difference. This is due to the nominal school fees that the Government is continually aiming to reduce. Today the cheapest public schools are between R15,000 and R30,000 per annum (Koetser, 2017). This allows for more students to attend school and receive a basic education, especially since school attendance is compulsory up to the age of 13.
South Africa have realised the need for an increase in creativity toward their education system. This is why they are attempting to implement the process of learning with your head, heart and hands, similarly to India (Nkhoma, 2012). However, South Africa are attempting to use this in a manner to engage with all students, ranging from diligent, high achievers to the students who struggle with their school work (Nkhoma, 2012).

However, according to Ebersohn (2012), South Africa needs to do more toward the development of their education system, in order to ensure they constantly adapt to the ever-changing requirements of the working environment. An area that deserves a large amount of focus is that of language, given the language barriers experienced in South Africa due to the diverse languages found around the country, education quality at public schools, the number of students compared to the number of educational institutions, locations of their schools and prices as extremely poor individuals are unable to afford public schools (Ebersohn, 2012).

4.3.2 Strategies related to education and training toward entrepreneurship

The focus of many countries around the world has transferred from large organisations to small ones (Ladzani and van Vuuren, 2002). South Africa is one of these countries, with the government and large organisations determined to aid Small and Medium Enterprises (SME’s) around the country (Ladzani et al, 2002). However, Ladzani et al (2002), state that there is a lack of education and training for these SME owners, evident in the high failure rate, with 50% failing in the first year and between 75% and 80% failing in the first 3 years.

The directives of Economic and Management Sciences in South Africa state that entrepreneurship education is compulsory within all provinces up until grade 9 (Isaacs et al, 2007). However, research shows that close to 70% of schools have not adhered to these standards as they have not implemented the course yet (Isaacs et al, 2007:621). According to Isaacs et al (2007) the feedback from schools, as to why they have not implemented the courses yet, are as follows:

- They do not have the required resources.
- Schools receive little support from the government.
- The syllabus is not available and there is very little information as to what is required.
- Entrepreneurship is not considered a priority.
- Businesses prefer to support other programmes such as mathematics and sciences.
There are similar instances at tertiary level education, with a lack of entrepreneurial education in South Africa. In fact, it has been found that South Africa has one of the lowest education rates of entrepreneurship in Africa (Jenvey, 2015). This is due to the fact that it is not seen as a viable and stable profession, with only 40% of the population seeing entrepreneurship as a desirable goal (Jenvey, 2015). Chimucheka (2014), builds on this by stating that there is discouragement toward an entrepreneurial culture and an encouragement toward working for others. Therefore, there needs to be a change in the overall entrepreneurial culture in South Africa for there to be a change in individual’s attitudes toward starting their own ventures and these ventures being seen as a viable career option.

According to Neiman (2001), South Africa have issues with their entrepreneurial training programs too. These issues are provided below:

- Training programs generally provide assistance toward management training more than entrepreneurial training.
- Educators and trainers are not sufficiently aware of the cultures and issues in South Africa, in particular, in the rural areas, where there is great potential for entrepreneurs to target the bottom of the pyramid.
- There is a lack of hands on type training that would allow trainees to participate and discuss real world scenarios.
- Trainers generally do not have experience in the entrepreneurial skills they are training.
- There is a proliferation of entrepreneurial courses around South Africa, however, these courses are generally not based on the required needs of entrepreneurial training.

Specialists in the field such as Kiggundu (2002), believe that a new strategy needs to be implemented in South Africa for entrepreneurship education to become a mainstream and possibly compulsory programme (Isaacs et al, 2007). South Africa can learn from India in this regard as majority of their schools offer entrepreneurship as a programme and they are implementing strategies to make them compulsory.

Similarly, to Ladzani and van Vuuren (2002) Olawale and Garwe (2010) state that South Africa has low levels of entrepreneurial creation and high failure rate levels of new business ventures. Furthermore, they regard these factors to be caused by a lack of training and education toward entrepreneurship (Olawale et al, 2010). Therefore, the implementation of training programmes similar to the ones found in India and Brazil would aid South Africa regarding the increase of training and education, of the population, in entrepreneurship.
4.3.3 Strategies toward the access of capital and raw materials

Similarly, like India, South Africa has major problems with financial support for entrepreneurs (Olawale et al, 2010). Lack of financial support is the second most prevailing reason entrepreneurs fail in South Africa, the first being education and training (Herrington et al, 2010). However, the government do allow for various grants to small businesses (Crampton, 2016). These are limited to certain industries such as automotive, clothing and textile, film incentive programs, business process services, critical infrastructure programs and a few more (Crampton, 2016). These grants may benefit entrepreneurs greatly as they do not have to pay the money back, nevertheless, the process to obtain the grant is a major deterrent. This is because there are generally strict criteria to receive the grant, huge amounts of paper work and a long wait (Crampton, 2016). This does result in entrepreneurs opting to not use financial aid from the government.

In addition to this, only 2% of entrepreneurs in South Africa have access to bank loans (Olawale et al, 2010:731). This is another big deterrent for entrepreneurs as neither the bank or the government make it easy for entrepreneurs to access financial aid. Furthermore, as many as 75% of loan applications are rejected (Olawale et al, 2010:731).

South Africa is a country with a vast amount of natural resources (Crampton, 2016). This should mean that entrepreneurs have access to them for relatively low prices. However, this not the case, as majority of the country’s raw materials are exported and the finished goods are then imported back into the country (Kilian, 2016). This whole process makes it more difficult for entrepreneurs to acquire raw materials within the country, with much of the raw material being incredibly expensive.

This lack of financing and access to affordable raw materials illustrates that this is an area where South Africa lacks, in comparison to India and Brazil (Olawale et al, 2010). This demonstrates an area where South Africa can learn from other BRICS countries as to how they can improve their entrepreneurial promotion strategies.

4.3.4 Strategies toward institutional support

South Africa has a few institutions which aid entrepreneurs and their new business ventures. These institutions help with business development, marketing services, financial aid and the development of skilled staff (Village, 2015). These include the Small Enterprise Development Agency, National Empowerment Fund, South African Institution for
Entrepreneurship, Business Partners Limited and Industrial Development Corporation (Village, 2015). These institutions will aid entrepreneurs effectively; however, there is a lack in numbers. Therefore, more institutions need to be created for the proper promotion of entrepreneurship.

The South African government has reduced the value added tax requirements for new businesses (Herrington et al, 2010). However, apart from this, there is little evidence of government policies which aid entrepreneurs (Herrington et al, 2010) Reports show that entrepreneurs are generally unaware of using policies to benefit their organisations in South Africa (Herington et al, 2010). In addition to this, entrepreneurs who are aware of beneficial policies tend to not use them due to the complexities in the process (Herrington et al, 2010). However, this demonstrates that the South African Government needs to implement more policies that are beneficial to entrepreneurs as well as make them well known to the public. This will interest individuals to partake in entrepreneurial activities as it will seem beneficial to them.

Entrepreneurs are increasingly receiving more funding and support from the private and public sector (Dludla, 2014). A support programme called the One-stop Shop was recently set up to help organisations in the start-up phase. The program was in partnership with the Government and raised R100 million for their cause (Dludla, 2014). The aim of this program is to increase performance, achieve operational and financial self-sufficiency and allow start-ups the chance to grow and compete with the larger organisations in the country (Dludla, 2014). The funding is aimed at entrepreneurs who are refused loans by the bank and, in addition to this funding, entrepreneurs are able to receive services including entrepreneurial courses, mentoring and coaching, links to strategic partners, financial planning and management, and networking opportunities (Dludla, 2014). This will benefit entrepreneurs greatly, with assistance being a key area for the promotion of entrepreneurship, resulting in individuals being more inclined to start a new venture with the knowledge that they will receive assistance.
5. FINDINGS AND INTERPRETATION

The findings for this research will consist of the data found on each of the BRICS countries India, Brazil and South Africa, regarding their strategies toward entrepreneurial promotion. However, the findings will only consist of the data found within the themes of the research, namely, strategies related to education and training relating to entrepreneurship, strategies related to literacy rates and human capital, strategies toward capital and raw materials, and strategies toward institutional support. The interpretation of the findings will be taken from the three case studies discussed above on each of the three BRICS countries, India, Brazil and South Africa.

5.1 Typology Table

The table below illustrates the most important strategies in the partner BRICS countries; India, Brazil and South Africa:

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Brazil</th>
<th>South Africa</th>
</tr>
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<tbody>
<tr>
<td><strong>Literacy Rates</strong></td>
<td>• Literacy Rate is 74% - 10% increase since 2001.</td>
<td>• Literacy rate grew from 75% in 1980 to 92% in 2016.</td>
<td>• Literacy rate has risen from 90% in 2007 to 94% in 2016.</td>
</tr>
<tr>
<td>and Human Capital</td>
<td>• Constantly developing their educational system.</td>
<td>• Increased spending on education.</td>
<td>• Providing more education to rural areas.</td>
</tr>
<tr>
<td></td>
<td>• Students receive many subsidiaries.</td>
<td>• Schools development program.</td>
<td>• Reducing school fees.</td>
</tr>
<tr>
<td><strong>Education and</strong></td>
<td>• High levels of entrepreneurial courses available.</td>
<td>• Drastic increase in entrepreneurial courses available - 230%.</td>
<td>• Lack of entrepreneurial education and training.</td>
</tr>
<tr>
<td><strong>Training of</strong></td>
<td>• Increasing creativity.</td>
<td>• Incorporate different fields.</td>
<td>• Meant to be compulsory up to grade 9, however it has not been implemented.</td>
</tr>
<tr>
<td><strong>Entrepreneurs</strong></td>
<td>• Some institutions make entrepreneurial courses compulsory.</td>
<td>• Regular development.</td>
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<td></td>
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<td>• Case problem method.</td>
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### Access to Raw Materials and Capital

- Able to purchase discounted resources from the government.
- Majority of Businesses are unable to acquire money from the government.
- Banco Nacional de Desenvolvimento Econômico e Social.
- Vakhina online platform.
- Government provides Grants.
- 2% of South Africans have access to loans.
- 75% loans are rejected.
- Raw materials are exported.

### Institutional Support

- Government and non-government agency aid.
- Relaxed policies.
- Small scale industry board.
- Many incubators.
- Increase in incubators.
- Non-profit organisation assistance.
- Market entry benefits.
- Cluster policies.
- Few aiding institutions.
- Reduced VAT.
- Policies are unknown.
- One-Stop Shop.

### 5.2 Interpretation of Findings

#### 5.2.1 Strategies related to literacy rates and human capital

Given the information found above regarding India, it can be determined that they are working toward promoting entrepreneurial activities using various strategies. India regard their literacy rate and education to be a critical strategy toward the overall improvement of entrepreneurial activity as well as the improvement of the country. This can be seen by the development programs set up to create more schools with a higher quality of education, combined with the various support programs established to benefit underprivileged students who otherwise would not be able to attend these schools. Entrepreneurs in India will therefore have access to more educated and diligent employees who will be able to contribute to their venture in a more effective and efficient manner, allowing for a greater chance of success. Employees who are well educated will be able to assist entrepreneurs with their various business processes, allowing the entrepreneur to spend more time working toward their entrepreneurial processes such as opportunity evaluations, determining the resources required and, the formation, development and management of the business. Allowing the entrepreneur to work on these aspects will reduce the chance of the new venture failing.
Similarly, Brazil are using various strategies to promote entrepreneurship in their country more effectively, however, they use different strategies. Brazil have managed to bring their literacy rate up from 75% in 1981 to 92% in 2015 showing that they are using strategies to increase the education of their population. These strategies include the development of more schools, making primary education compulsory, making public education free and providing loans to students to attend better institutions. This increase in education throughout the country will provide entrepreneurs with more skilled employees to work under them. This will provide the entrepreneurs with better support toward the management and development of the new venture and increase the overall chances of success.

South Africa are working at improving their education and literacy rate. They are doing this by giving more of the population access to education through the lowering of school fees as well as the development of more schools around the country, particularly in the rural areas. This is an effective strategy as providing more individuals with education will increase the literacy rate and improve their chances of furthering their education through scholarships, as well as increase their chances of being hired, thereby gaining experience. Therefore, like India and Brazil entrepreneurs in South Africa will have access to more qualified employees to help in the development of the new venture. This will be a demanding and difficult procedure given the barriers they face such as language, quality of teachers available to poorer areas and extreme poverty. However, this can be done; both India and Brazil were faced by similar barriers and are overcoming them.

5.2.2 Strategies related toward education and training

India show great promotion in this strategy. This can be seen in how they are working toward the education and training of their population, giving them the necessary skills and knowledge to be successful entrepreneurs. They are attempting to do this at a young age by implementing entrepreneurial courses at a younger age to ensure that once students leave school they have an entrepreneurial mind-set, enabling them to effectively start up a new venture using the entrepreneurial process of generating ideas, evaluating their opportunities and developing operational business plans. In addition to this, the emphasis toward increasing individual’s creativity will help innovation and idea generation regarding the process of individuals developing new ideas that can later be implemented toward the creation of new ventures. In addition to this, the vast amount of training programs in the country that have been adapted regarding their course content, duration and costs, allow for a higher number of individuals to partake in them, meaning more entrepreneurs will be
developed. Therefore, it can be stated that India are using education and training as a strategy to promote entrepreneurship in their country and could be one of the factors contributing toward their relatively high number of individuals partaking in entrepreneurial activities.

It is evident that Brazil are vastly improving their education toward entrepreneurship. This can be seen in their 230% increase of courses made available to their population between 1991 and 1998. This is a large increase that demonstrates entrepreneurial education and training to be a dominant strategy of entrepreneurial promotion. In addition to this, Brazil incorporate entrepreneurship modules and courses into other subjects as a method to expose individuals to entrepreneurship and to demonstrate its necessity for the development of countries. In addition to this, Brazil use real world scenarios for students to overcome, as if they were in an entrepreneurial situation, known as the case study approach. This strategy has proven to be effective from top learning institutions such as Harvard. Brazil were able to implement this new method of teaching through regular meetings and conferences held in the country, to brainstorm and develop new strategies on how they can improve their entrepreneurial education. Therefore, Brazil are using education and training as a strategy to vastly increase the entrepreneurial orientation of the minds of their students.

South Africa have realised the importance of entrepreneurial education for the development of their entrepreneurs. They have demonstrated this by using various strategies to try and improve it. The fact that they are making entrepreneurial education compulsory up to Grade 9 shows progress. However, the fact that majority of schools have not implemented this shows that they have been unable to effectively implement this strategy. This is most likely due to the poor efforts of the government to implement this strategy along with the culture that has developed in the country regarding entrepreneurship as an unsafe career path. In addition to this, the training programs made available to the population are either not entrepreneurial enough or the trainers are not fully qualified in this field. Therefore, South Africa do have entrepreneurial strategies, however, they do need to find more effective methods to implement these strategies or develop new strategies if they wish to promote entrepreneurship more effectively.
5.2.3 Strategies toward the access of capital and raw materials

Majority of entrepreneurs in India are unable to acquire funding from any form of government agencies due to them being unregistered businesses, which is an issue for entrepreneurs lacking finances. However, the government has developed strategies to bypass this issue such as providing small businesses with cheaper resources to increase their chances of surviving. However, this lack of financial aid available to entrepreneurs may be the determining factor as to why there is a high failure rate of 80% within the country.

Technology and networking aid entrepreneurs greatly in Brazil with regards to finding capital as well as raw materials to develop their new venture. The process of acquiring capital and resources for entrepreneurs is made much easier using websites providing raw materials along with the BNDES bank providing capital in the form of credit. This ease of access to raw materials and capital will allow entrepreneurs to effectively determine the resources they require as they will all be easy to find, select and pay for. In addition to this, the fact that the websites bring together the private and public sectors allows for greater resource sharing between businesses, allowing them to aid one another. This will aid entrepreneurs as they will be involved in a highly cooperative environment, increasing the number of individuals choosing entrepreneurship as a career path and increasing their chances of success as they will be working together.

Entrepreneurs in South Africa have access to capital in the form of grants from the government. However, the restrictions and drawbacks of these grants push entrepreneurs toward not using them which can result in them failing. In addition to this, the fact that the chances of entrepreneurs acquiring a loan from a bank is very low furthers this problem. In addition to this, entrepreneurs struggle to gain access to raw materials since majority of them are exported from the country. Both these factors will deteriorate the chances of entrepreneurs acquiring success. Therefore, strategies need to be implemented to aid entrepreneurs in this regard and this can be done by learning from both India and Brazil as they exhibit stronger strategies toward accessing capital and raw materials.

5.2.4 Strategies related toward institutional support

To make up for the lack of access to capital for entrepreneurs in India, support from various institutions is given to the entrepreneurs through various methods. These institutions include banks, service institutions and councils who aid with regards to training, guidance, marketing and grants. These institutions, with the government relaxing on business policies and taxes,
have developed programmes in the rural areas, with the small-scale industry board providing entrepreneurs with a wide variety of support options. Therefore, India’s strategies toward the supportive environment and the cooperative environment are extremely effective as entrepreneurs receive high levels of support.

Entrepreneurs in Brazil have vast amounts of support from the Government and institutions. Brazil’s government have a great relationship with the private business sector as they wish to help them as much as possible. This great relationship has led to hundreds of business incubators aiding entrepreneurs in developing their new ventures. In addition to this, the Government is attempting to bring entrepreneurs from other countries into Brazil by offering them capital as well as various benefits such as tax reductions. This was most likely done to promote entrepreneurship as a desirable profession, thereby encouraging more individuals to pursue it as a career path, as well as the creation of more job for locals. Furthermore, the local aid to entrepreneurs from institutions in the forms of mentoring, inspiration and strategic advice will benefit the entrepreneurs immensely regarding their entrepreneurial processes they undertake. Therefore, Brazil have a great supportive and cooperative environment strategy to help the promotion of their entrepreneurship.

Entrepreneurs in South Africa had received little to no assistance from the government and other institutions in the past. However, this is progressively changing as the private and public sector are both working toward providing them with help. This does show that strategies are being implemented to assist them. It is evident that more needs to be done as there is a minimal number of individuals partaking in entrepreneurial activities, as well as a high failure rate of entrepreneurs. Therefore, more strategies need to be developed toward institutional support, allowing individuals to view entrepreneurship as a viable career path and attain success in this field. Again, India and Brazil outshine South Africa in this regard, allowing for lessons to be learnt from them. All the lessons South Africa can learn from India and Brazil with regards to their entrepreneurial strategies will be discussed below in the conclusion.

The above findings demonstrate the positive and negative points regarding the strategies of each country. It can be determined that India’s decrease in their entrepreneurial rate could be due to their high number of unregistered businesses that are unable to receive capital from the government as this is the only strategy in which they are deficient in. This is an area where South Africa could learn from India’s mistakes to ensure their entrepreneurial rate does not decrease. In addition to this, South Africa could learn from Brazil and India’s
strategies of making entrepreneurial education readily available to their population is an effective strategy to encourage the youth to pursue this career choice later in life. Furthermore, India and Brazil's ability to readily provide entrepreneurs with raw materials and capital as well as institutional support make entrepreneurship a viable career choice for individuals as they will see it as an attractive endeavour for them to achieve success.
6. CONCLUSION

From the discussed information it can be determined that the main strategies, in general, to promote entrepreneurship can be found in the three BRICS partners India, Brazil and South Africa. The information found in the three case studies demonstrate this as India, Brazil and South Africa have strategies aimed at their literacy rates and human capital, education and training of entrepreneurs, access of raw materials and capital, and institutional support.

As for the theories utilised in this research, it can be derived that supportive and co-operative environments are crucial to the successful promotion of entrepreneurship, as new entrepreneurs need access to a skilled workforce, access to capital and raw materials and support in the form of funding, policies and regulations from larger institutions and the Government. In addition to this, it can be derived from the above, that entrepreneurs need to be educated and trained appropriately to ensure they have the right mindset and are able to manoeuvre their way through the entrepreneurial process, to make certain they are an effective and efficient entrepreneur with high chances of success.

The strategies used in India, Brazil and South Africa have similarities in the sense that they follow the general strategies used around the world. However, their strategies are unique to each country, with each having different methods for how they are trying to increase their education and literacy rates as well as how they educate and train their entrepreneurs. Furthermore, there are different strategies in terms of how they give entrepreneurs access to raw materials and capital as well as how they incorporate institutional support from larger organisations and the Government. Some have proven to be more effective than others as the entrepreneurial rates have changed greatly in the countries since the early 2000’s.

South Africa can learn from these case studies as both India and Brazil have higher entrepreneurial rates than South Africa. The fact that they use different strategies that demonstrate to be more effective, showcased by their higher entrepreneurial rates. South Africa’s main issue seems to be the fact that they have only taken an interest in their entrepreneurial promotion strategies much later than India and Brazil, along with the fact that they do not implement their strategies well. Therefore, South Africa can learn from both India and Brazil’s successes and failures from their past and current entrepreneurial promotion strategies by adapting these strategies to be effective in their own environment.
All this information demonstrates that the research questions have been answered, the research problem has been solved and the research goal was reached. This is due to the fact that the three countries’ strategies were compared with the relevant previous literature and theories, allowing for the themes to emerge as well as for the provision of guidelines as to how South Africa can learn from the advanced countries in this field, namely India and Brazil.

There have been studies related to entrepreneurial promotion strategies in the past, however, none of these studies have utilised Brazil, India and South Africa in their research. Therefore, there is a void in the literature that this study may fill regarding these countries’ strategies and how they may be effective. Furthermore, there have been no entrepreneurial promotion studies comparing three of the BRICS countries’ emerging economies.

Little research has been conducted on South Africa and their entrepreneurial promotion. Therefore, policy makers can use the research on strategies found in Brazil and India and utilise them to fit South Africa’s current environment, investigating if they would be effective here. This will add to the body of knowledge for South African entrepreneurial promotion strategies allowing for the advancement of the country in this regard. Therefore, South Africa may be able to increase their low entrepreneurial activity rate with the implementation of strategies used in India and Brazil.

Furthermore, this research will open other areas for further investigation. Given the changes in the entrepreneurial rates of India, Brazil, and South Africa, since the early 2000’s, was quite significant, further research would be able to be conducted in areas comparing the economic growth, inflation rates and the gross domestic product of the three countries, to investigate if the entrepreneurial rate has a direct influence on other factors in the country. This could lead further to the realisation of the need to increase entrepreneurship within developing countries, making this research relevant and beneficial to many developing countries.

Therefore, this research was an overall success as many reliable sources were found with information that was relevant to the study. This allowed the theories and previous literature to be applied to the past and current entrepreneurial strategies of India, Brazil and South Africa. This research has never been conducted, regarding a comparison between these three countries in this manner, making it new information to add to the body of knowledge, thereby filling a void in the literature and provide opportunities for further research on the same and relevant topics.
6.1 Ethical Implications

Ethics are essential when conducting a study as they make the research viable and reliable (Louw, 2014). This study does not have any serious ethical concerns. However, certain precautions will be taken which are as follows:

- All literature utilised in this research will be referenced correctly to ensure there are no forms of plagiarism within the paper.
- Acknowledgments will be made to all sources used and those who helped make this research possible.
- There will be no forms of bias from the researcher. All information will be included in the study if it is seen to be relevant.
- There will be no falsifying of the data and information included in the research. All information and data included will be used correctly and true for the certainty that the results are not distorted.
- Information will not be misused. All information found will not be tampered with or used inappropriately.
- All sources used for information will be credible peer-reviewed pieces of secondary data. This will ensure that the information is deemed to be true and ethical considerations were included when the information was published and made available to the public.

6.2 Limitations of the Study

There were certain limitations and restraints when this research was conducted and they will be discussed below:

- Time constraints: the due date for this research is the 18th of October 2017, limiting the time available. Given the time restraint, a limited amount of data was collected in this time. However, as much work and time as possible was contributed toward the completion of this research allowing the inclusion of as much information as possible. This was done to ensure that the results are reliable and valid, making the research credible.
- Resource constraints: Not all documents were readily available for this research. Some important documents with relevant information had restricted access. Therefore, these documents will be unreachable for the research. However, there
were still many relevant sources available to the researcher and they were utilised in depth to ensure as much information as possible is provided.

- Financial constraints: There were limited financial funds for this research. Majority of sources utilised were ones that are freely available to the public. Luckily, high levels of resources that are relevant to this study are readily available and are free of charge.
Reference List


Appendix A
Appendix B