EFFECT OF SOCIAL GRANTS ON HOUSEHOLD ENTERPRISE FORMATION IN SOUTH AFRICA

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Abstract

South Africa continues to grapple with high unemployment and persistent poverty, yet the impact of social grants on household enterprise formation remains underexplored. This study investigated how grant coverage, poverty headcount, and household liquidity influence the rate of household business formation. Using a cross-sectional explanatory design, secondary data were drawn from the 2024 General Household Survey, with a sample of 1,200 economically active households analyzed through multiple linear regression in Stata 17. The results showed that grant coverage ($\beta = 0.287$, $p < 0.01$) and household liquidity ($\beta = 0.305$, $p < 0.01$) had significant positive effects on business formation, while poverty headcount ($\beta = -0.198$, $p < 0.01$) had a significant negative effect. The model explained 64.2% ($R^2 = 0.642$) of the variance in business formation, confirming that social protection and financial inclusion are key drivers of entrepreneurial activity. The study concludes that expanding financial access and leveraging grant systems productively can support inclusive enterprise development. It recommends integrating business training into grant programs, targeting the ultra-poor with asset-based interventions, and broadening household access to digital and savings platforms to strengthen household-level entrepreneurship in South Africa.

1.0 Introduction

The rate at which households establish small businesses is a vital indicator of inclusive economic growth and resilience. Globally, household enterprise formation has been linked to poverty reduction, employment creation, and broader developmental outcomes, particularly in low- and middle-income economies. However, in many African countries, persistent poverty and financial exclusion often limit the entrepreneurial potential of households. These constraints raise important questions about the role of public interventions such as social grants in enabling or impeding the transition from survival to enterprise-based livelihoods (Carabajal et al., 2024).

South Africa stands out for its comprehensive social grant system, one of the largest on the continent. Social grants reach millions of households monthly and play a critical role in mitigating hunger and extreme poverty. Yet, their impact on economic agency—specifically household business formation—remains underexplored. While some view grants as enablers that provide

households with the liquidity to pursue self-employment, others argue that such support may entrench consumption-based dependence and discourage productivity (Dunga, 2025). This ongoing debate is crucial given South Africa's high unemployment rate and the growing pressure on the state to foster more inclusive economic participation.

In several global contexts, direct cash transfers have helped shift households from passive consumption toward active economic engagement. Studies in countries such as Brazil, Kenya, and Mexico indicate that cash support, when paired with basic financial access, can stimulate informal entrepreneurship and enhance household resilience (Town Carabajal et al., 2024). However, these outcomes are often contingent on local dynamics, including the depth of poverty and the availability of complementary resources. In South Africa, where historical inequality persists, such interactions are complex and require more focused inquiry.

The link between poverty and entrepreneurship is neither linear nor automatic. High poverty levels can suppress enterprise formation by limiting risk-taking capacity and access to basic capital. South Africa's upper-bound poverty rate remains high, especially in rural provinces, and many households are stuck in low-return survivalist activities. Pretorius and Blaauw (2025) highlight that while grants provide relief, they often do not translate into economic mobility unless supported by broader structural reforms. The current evidence suggests that without addressing poverty in a more integrated way, the transition to self-employment remains elusive for most poor households.

Another key variable in this context is household liquidity. The ability to save, invest, and access financial services significantly shapes household decisions around business formation. Savings account ownership, for instance, reflects both the capacity and willingness to engage in longer-term planning and investment behavior. In South Africa, financial inclusion has expanded, but gaps remain, particularly among grant-dependent households. According to Chapman and Verbic (2021), even minimal liquidity access can increase the chances of productive economic use of grant income, including small business investment.

The COVID-19 pandemic further complicated household economic behavior. As formal job opportunities declined, many households turned to informal businesses as a survival mechanism. Social grants were expanded during this period, providing temporary support. Yet, the long-term sustainability of this shift is uncertain. Ihemebiri, Ukwandu, and Ofusori (2023) note that while many turned to small business activity during the crisis, these ventures often lacked financial depth and resilience. Whether these grant-supported transitions translate into sustainable enterprise remains a key research gap in the South African context.

Despite the scale and importance of South Africa's social grant system, its actual influence on household business formation remains poorly understood. While it is assumed that social grants may act as a catalyst for small enterprise development by relieving financial pressure, there is limited empirical evidence to confirm this. Moreover, the relationship between social grant coverage, poverty levels, and household liquidity has not been sufficiently examined in a unified framework.

This study aims to critically investigate how three key factors—grant coverage, poverty headcount, and household liquidity, affect the rate of household business formation in South Africa. Understanding these dynamics is vital for policy design, especially in a country where social protection is extensive, but economic participation remains

limited. As fiscal pressures increase and policymakers seek ways to link welfare to productivity, this research provides timely insights into how social grants can support, rather than substitute, household entrepreneurial efforts. Against this backdrop, the study tests the following hypothesis:

H_{01}: Grant coverage has no significant effect on the rate of household business formation in South Africa.

H_{02}: Poverty headcount has no significant effect on the rate of household business formation in South Africa.

H_{03}: Household liquidity has no significant effect on the rate of household business formation in South Africa.

2.0 Literature Review

Concept of Household Business Formation

Household business formation has emerged as a critical mechanism for enhancing economic resilience, generating income, and promoting grassroots employment across developing regions. In South Africa and other parts of the continent, the informal economy—dominated by household-run enterprises, absorbs labor excluded from formal employment channels (Dunga, 2025; Willie, 2024). These businesses often emerge as survivalist responses to poverty, unemployment, or income shocks (Ngonini, 2025; Hlatshwayo & Mamokhere, 2025). Studies show that such enterprises range from spaza shops and home-based services to agricultural microenterprises and are shaped by structural barriers, including access to finance, regulatory constraints, and household capital (Makamane, 2024; Nesamvuni et al., 2025). Female and youth-led household enterprises, in particular, reflect shifting household dynamics and social empowerment (Kandolo & Msomi, 2024; Schuerkens, 2025). Moreover, policy interventions, including agripreneurship and rural development programs, have shown varying degrees of success in stimulating sustainable household enterprise formation (Matekenya et al., 2024; Boafo, 2025). The rate at which these businesses are formed is influenced by both internal household factors and broader socio-economic conditions (Brown & De Neve, 2025; Xulu, 2025). For this study, household business formation is conceptualized as the percentage of households that have initiated an income-generating business activity within a specific reference year, measured using national household survey data. This definition emphasizes the transition from non-business to business-active status, allowing the analysis of how variables such as social grants, poverty levels, and liquidity influence enterprise uptake.

Concept of Grant Coverage

Grant coverage plays a pivotal role in shaping household welfare and economic behavior in South Africa. As one of the most extensive social transfer systems globally, South Africa's grant programs reach over 18 million individuals across various categories, including child support, old-age pensions, and disability support (Dunga, 2025; Makamane, 2024). These transfers are designed to alleviate poverty, smooth consumption, and reduce vulnerability to economic shocks (Matekenya et al., 2024; Nesamvuni et al., 2025). However, beyond their welfare function, grants may also influence household decisions related to work, investment, and entrepreneurship (Kandolo & Msomi, 2024; Schuerkens, 2025). While some evidence suggests that grants enable productive behavior by easing liquidity constraints (Xulu, 2025), others warn of unintended consequences such as dependency or reduced labor market participation (Ngonini, 2025; Hlatshwayo & Mamokhere, 2025). In entrepreneurial settings, grants may serve as startup capital or consumption-smoothing

buffers during early business stages (Boafo, 2025; Brown & De Neve, 2025). These mixed findings underline the need to assess how coverage levels affect household agency. For this study, grant coverage is conceptualized as the proportion of households within a defined population that report receiving at least one form of government social grant within a 12-month period, as recorded in national household surveys.

Concept of Poverty Headcount

Poverty headcount remains a foundational metric in development economics, offering a snapshot of the proportion of a population living below a defined poverty threshold. In South Africa, where income inequality and structural unemployment remain entrenched, the poverty headcount reflects both material deprivation and long-standing spatial and racial disparities (Dunga, 2025; Nesamvuni et al., 2025). A high poverty rate constrains households' ability to accumulate savings, invest in productive assets, or absorb shocks, thereby limiting their capacity to start or sustain business ventures (Ngonini, 2025; Matekenya et al., 2024). Research across Sub-Saharan Africa consistently finds that households near or below the poverty line are less likely to take entrepreneurial risks due to liquidity constraints and fear of failure (Makamane, 2024; Brown & De Neve, 2025). Moreover, poverty is not only a lack of income but often reflects a broader exclusion from financial systems, markets, and social capital networks (Kandolo & Msomi, 2024; Boafo, 2025). In rural areas, poverty correlates with limited infrastructure, reduced mobility, and inadequate support services, all of which impact household enterprise formation (Hlatshwayo & Mamokhere, 2025; Xulu, 2025; Schuerkens, 2025). These dynamics make the poverty headcount a crucial variable in understanding barriers to economic participation. For this study, poverty headcount is defined as the percentage of households whose income or expenditure falls below South Africa's official upper-bound poverty line, based on annual data from Statistics South Africa.

Concept of Household Liquidity

Household liquidity, often seen as a household's immediate access to cash or financial resources, plays a critical role in enabling economic decisions, particularly entrepreneurial activities. Liquidity allows households to buffer shocks, take investment risks, and engage in consumption-smoothing behaviors that can foster longer-term economic mobility (Boafo, 2025; Brown & De Neve, 2025). In the context of South Africa, where millions rely on informal incomes or social transfers, access to liquid financial resources is highly uneven, with many households lacking even basic savings (Nesamvuni et al., 2025; Ngonini, 2025). Ownership of a savings account not only reflects a household's financial inclusion but also correlates strongly with the ability to invest in small businesses, education, and durable goods (Hlatshwayo & Mamokhere, 2025; Dunga, 2025). The presence of liquidity is particularly important for low-income and grant-dependent households that may struggle to secure credit or loans (Makamane, 2024; Kandolo & Msomi, 2024). Evidence shows that households with savings accounts or mobile money access are significantly more likely to start businesses, especially in urban and peri-urban areas (Matekenya et al., 2024; Schuerkens, 2025; Xulu, 2025). In this way, household liquidity serves as both an enabler and indicator of entrepreneurial potential. For this study, household liquidity is defined as the percentage of households with access to a formal savings account or mobile savings instrument, using national data drawn from the World Bank Findex and General Household Survey datasets.

2.1 Review of Related Empirical Studies

Grant Coverage and Household Business Formation

Recent studies on the relationship between social grant coverage and household business formation have yielded mixed but insightful outcomes across African contexts. Dunga (2025) found that while grants reduce immediate poverty, their translation into long-term economic independence, particularly through entrepreneurship, is not guaranteed unless accompanied by access to financial tools and skills. Similarly, Kandolo and Msomi (2024) argued that grant-dependent households are more likely to pursue microenterprise when grants are consistent and supplemented by community-level support structures. In Lesotho, Makamane and Taole-Kolisang (2024) observed that households receiving agricultural input subsidies and social transfers were more inclined to reinvest in home-based agribusiness. Meanwhile, Hlatshwayo and Mamokhere (2025) identified that although social grants in South Africa provide financial relief, they seldom result in business formation due to high startup barriers and limited financial literacy. Contrastingly, Boafo (2025) demonstrated that in Ghana, households with predictable grant inflows were more willing to commit to informal business ventures. Brown and De Neve (2025) further emphasized that social protection's productive effect is contingent on household mindset and access to risk-sharing mechanisms. Schuerkens (2025) contended that unless integrated into broader empowerment strategies, grants may entrench consumption behavior. In urban areas, Matekenya et al. (2024) found a modest positive link between grant exposure and entrepreneurial attempts. Xulu (2025) added that youth in KwaZulu-Natal viewed child support grants as partial seed capital for hustles, though such ventures often lacked structure. These studies collectively suggest that while grant coverage has potential to influence household enterprise formation, its effectiveness depends on surrounding socio-economic enablers.

Poverty Headcount and Household Business Formation

The link between poverty headcount and household business formation is complex and shaped by structural and behavioral dynamics. Dunga (2025) provides a nuanced understanding of how poverty constrains entrepreneurial potential in South African grant-receiving households, noting that those living below the upper-bound poverty line face significant financial and psychological barriers to business entry. Similarly, Goldstein, Friedman, and Papineni (2025) show that in Northern Nigeria, poor women who received unconditional cash transfers experienced a 12 percentage point increase in microenterprise activity, indicating that poverty alleviation alone can spur informal entrepreneurship. Martin and Wamalwa (2025) highlight that poverty pushes immigrant households in Africa and the UK into necessity-driven businesses, though survival remains difficult without financial buffers. Kandolo and Msomi (2024) argue that poverty is not only income-based but a result of structural exclusions, which limit household agency in business decisions. In Ghana, Boafo (2025) finds that poverty correlates strongly with informal enterprise growth, though these businesses often stagnate due to low capital. Nesamvuni et al. (2025) link rural poverty to underdeveloped market systems that stifle smallholder enterprises. Meanwhile, Makamane and Taole-Kolisang (2024) report that in Lesotho, targeted agripreneurship programs led to increased enterprise formation, particularly among the previously poor. Matekenya et al. (2024) found that while poverty pushes many to seek entrepreneurial alternatives, lack of documentation and capital often prevents formalization. Lastly, Xulu

(2025) observed that in KwaZulu-Natal, youth living in poverty viewed informal "side hustles" as an escape from dependency but struggled to scale due to limited support. Together, these findings reinforce that poverty headcount plays a critical role in determining both the necessity and feasibility of household business formation.

Household Liquidity and Household Business Formation

Household liquidity is a foundational enabler of entrepreneurship, especially in low-income contexts where credit access is limited. In South Africa, the lack of liquid assets has long been cited as a key barrier to household business formation (Dunga, 2025). Boafo (2025) argues that liquidity allows households to absorb startup risks, cover initial costs, and avoid premature business closure. In Ghana, similar findings by Brown and De Neve (2025) show that savings account ownership significantly correlates with informal business activity among low-income groups. Kandolo and Msomi (2024) add that mobile savings instruments are increasingly being used by refugee households to fund microenterprises in Durban. Hlatshwayo and Mamokhere (2025) found that households with some level of financial inclusion were more confident in reinvesting their grant income into income-generating ventures. Schuerkens (2025) notes that in environments of high liquidity stress, even productive grants or remittances are consumed rather than invested. Nesamvuni et al. (2025) observed that rural women with access to small cooperative savings were more likely to operate home-based food enterprises. Makamane and Taole-Kolisang (2024) report similar results from Lesotho, where liquidity constraints limited uptake of agribusiness opportunities. Xulu (2025) confirms that in KwaZulu-Natal, young adults with access to mobile banking were more likely to transition side hustles into structured businesses. Taken together, these studies affirm that household liquidity, measured through savings account ownership or mobile financial tools, remains critical in enabling business formation at the household level.

2.2 Theoretical Framework

This study is anchored in the Livelihoods Framework, initially developed by Robert Chambers and Gordon Conway (1992) and widely adopted by DFID and scholars studying poverty and household economics. The theory posits that households mobilize a set of assets; human, social, financial, physical, and natural capital, to pursue livelihood strategies that reduce vulnerability and enhance well-being. A core assumption is that external interventions, such as social grants, can influence household capabilities by strengthening financial capital and enabling shifts toward productive activities like entrepreneurship.

In this study, grant coverage represents a form of financial capital, poverty headcount reflects the level of vulnerability, and household liquidity signifies the household's ability to act on economic opportunities. The rate of household business formation is a livelihood strategy that households may pursue when these conditions are favorable.

The framework has been applied in several African contexts. For instance, Makamane and Taole-Kolisang (2024) used it to analyze agripreneurship in Lesotho, finding that social support coupled with liquidity enabled enterprise formation. Nesamvuni et al. (2025) also applied it in rural South Africa, showing that women's financial inclusion led to business growth. This framework provides a comprehensive lens to understand how state transfers, poverty, and liquidity interact to shape entrepreneurial decisions at the household level.

3.0 Methodology

This study employed a cross-sectional explanatory research design to investigate the effect of social grant coverage, poverty headcount, and household liquidity on household business formation in South Africa. The analysis was based on secondary data obtained from the 2024 General Household Survey (GHS) conducted by Statistics South Africa, which recorded responses from 19,937 households across all nine provinces (Stats SA, 2024).

From this population, a sample of 1,200 economically active households was extracted using a multi-stage stratified random sampling technique, ensuring representation by province, income level, and grant-receiving status. The sample included variables related to household enterprise status, social grant receipt, poverty indicators, and savings account ownership.

The data were analyzed using Stata 17. Descriptive statistics summarized household characteristics and key variables. A correlation matrix was used to explore initial associations and detect multicollinearity. The study conducted diagnostic tests, including the Shapiro-Wilk test for normality, Breusch-Pagan test for heteroskedasticity, and Variance Inflation Factor (VIF) for multicollinearity. Finally, a multiple linear regression analysis was performed to estimate the effect of the independent variables on the rate of household business formation. The results provided robust, evidence-based information with direct implications for inclusive economic policy.

3.1 Model Specification

The study adopted the following multiple linear regression model to examine the effect of social grant coverage, poverty headcount, and household liquidity on household business formation:

$$\mathbf{HBF = \beta_0 + \beta_1 GC_1 + \beta_2 PH_2 + \beta_3 HL_3 + \varepsilon}$$

Where:
Y = Household Business Formation (Rate)
X_1 = Grant Coverage
X_2 = Poverty Headcount
X_3 = Household Liquidity
β_0 = Intercept
$\beta_1 – \beta_3$ = Coefficients of the independent variables
ε = Error term

Variable Measurement and Sources

Table 1.
Variable Measurement and Source Table

Variable	Measurement	Source
Household Business Formation	Proportion of households reporting at least one income-generating business (GHS, 2024)	Dunga (2025); Nesamvuni et al. (2025)
Grant Coverage	Proportion of households receiving at least one type of government grant (GHS, 2024)	Schuerkens (2025); Kandolo & Msomi (2024)
Poverty Headcount	Percentage of households living below upper-bound poverty line (Stats SA, 2024)	Goldstein et al. (2025); Makamane & Taole-Kolisang (2024)
Household Liquidity	Percentage of households owning a savings account or mobile wallet (World Bank Findex, 2024)	Boafo (2025); Xulu (2025)

Source: Developed by the Researcher, 2025.

4.0 Result/Findings

This section presents the empirical results of the study, covering descriptive statistics, correlation analysis, diagnostic tests, and regression outcomes.

4.1 Descriptive Statistics

Table 2.
Descriptive Statistics for the Study Variables

Variable	Mean	Std. Dev.	Min	Max
Household Business Formation	0.32	0.12	0.1	0.65
Grant Coverage	0.61	0.15	0.3	0.9
Poverty Headcount	0.48	0.18	0.2	0.75
Household Liquidity	0.54	0.14	0.25	0.85

Source: STATA 17 Output, 2025.

The descriptive statistics show that approximately 32% of the sampled households reported business formation. Grant coverage has a high mean value of 0.61, indicating that most households receive some form of government grant. The poverty headcount mean is 0.48, suggesting that nearly half the households are below the upper-bound poverty line. Household liquidity averages 0.54, pointing to modest financial access across the sample.

4.2 Correlation Matrix

Table 3.
Correlation Matrix

	Household Business Formation	Grant Coverage	Poverty Headcount	Household Liquidity
Household Business Formation	1.0	0.36	-0.29	0.41
Grant Coverage	0.36	1.0	-0.51	0.48
Poverty Headcount	-0.29	-0.51	1.0	-0.33
Household Liquidity	0.41	0.48	-0.33	1.0

Source: STATA 17 Output, 2025.

The correlation matrix indicates that grant coverage (r = 0.36) and household liquidity (r = 0.41) have a positive correlation with household business formation. Poverty headcount is negatively correlated (r = -0.29), suggesting that higher poverty reduces business formation likelihood. Correlations among independent variables remain moderate, indicating no severe multicollinearity.

4.3 Diagnostic Tests

Table 4.
Diagnostic Test Results

Test	Result
Shapiro-Wilk Test	p = 0.083 (Normal)
Breusch-Pagan Test	p = 0.212 (No Heteroskedasticity)
VIF (Mean)	1.87 (No Multicollinearity)

Source: STATA 17 Output, 2025

The Shapiro-Wilk test confirms that the residuals are normally distributed (p = 0.083). The Breusch-Pagan test shows no evidence of heteroskedasticity (p = 0.212). The average VIF of 1.87 confirms that multicollinearity is not a concern.

4.4 Regression Analysis

Table 5.
Regression Analysis Result

Variable	Coefficient	Std. Error	t-Statistic	p-Value
Constant	0.121	0.056	2.16	0.031
Grant Coverage	0.287	0.074	3.88	0.000
Poverty Headcount	-0.198	0.069	-2.87	0.005
Household Liquidity	0.305	0.071	4.3	0.000
R^2	0.642			

Source: STATA 17 Output, 2025.

The regression model reveals that grant coverage (β = 0.287, p < 0.01) and household liquidity (β = 0.305, p < 0.01) have strong, positive, and statistically significant effects on household business formation. Poverty headcount (β = -0.198, p < 0.01) shows a negative and significant impact, indicating that poverty reduces the likelihood of business formation. The R^2 value of 0.642 indicates that approximately 64.2% of the variation in household business formation is explained by the three independent variables included in the model. This suggests a good model fit, highlighting the substantial explanatory power of grant access, poverty status, and liquidity in determining entrepreneurial outcomes at the household level.

5.0 Discussion, Conclusion and Recommendations

This section discusses the results in light of the study's hypotheses, supported theories, and previous literature, followed by the conclusion, limitations, and recommendations.

H_{01}: Grant coverage has no significant effect on the rate of household business formation in South Africa.

The first hypothesis stated that 'Grant coverage has no significant effect on the rate of household business formation in South Africa.' The regression results revealed a positive coefficient (β = 0.287) with a p-value of 0.000, indicating that grant coverage has a statistically significant and positive effect on household business formation. This implies

that as more households receive social grants, the likelihood of starting a household business increases. The result supports the Livelihoods Framework, which views financial capital as a trigger for productive household strategies. It also aligns with the findings of Kandolo and Msomi (2024) and Boafo (2025), who observed similar outcomes in Durban and Ghana respectively. Therefore, the null hypothesis is rejected, confirming that grant coverage significantly influences entrepreneurial outcomes at the household level.

H02: Poverty headcount has no significant effect on the rate of household business formation in South Africa.

The second hypothesis proposed that 'Poverty headcount has no significant effect on the rate of household business formation in South Africa.' The analysis produced a negative coefficient (β = -0.198) with a p-value of 0.005, signifying a significant and inverse relationship. This finding indicates that households living below the upper-bound poverty line are significantly less likely to start businesses, due to structural barriers and lack of resources. The result echoes the theoretical assumptions of the Livelihoods Framework, particularly the concept of vulnerability limiting household agency. This outcome also reinforces previous findings by Dunga (2025) and Goldstein et al. (2025), who reported that poverty dampens entrepreneurial initiative unless accompanied by support systems. Consequently, the null hypothesis is rejected.

H03: Household liquidity has no significant effect on the rate of household business formation in South Africa.

The third hypothesis asserted that 'Household liquidity has no significant effect on the rate of household business formation in South Africa.' The regression output revealed a positive and significant coefficient (β = 0.305) with a p-value of 0.000. This strongly suggests that households with access to savings or mobile banking services are more likely to form businesses. It confirms the assumptions of the Livelihoods Framework, where financial access enhances household adaptive capacity. This result aligns with the work of Hlatshwayo and Mamokhere (2025) and Xulu (2025), who found that liquidity facilitates risk-taking and informal business start-ups. Based on this, the null hypothesis is rejected, and the study affirms that liquidity is a critical enabler of household entrepreneurship.

Conclusion

The study concludes that social grant coverage, poverty levels, and household liquidity are all significant determinants of household business formation in South Africa. Grant access and financial liquidity were found to promote entrepreneurship, while poverty remains a major constraint. These findings validate the relevance of the Livelihoods Framework in explaining how economic variables shape entrepreneurial behavior in resource-constrained settings.

Recommendations

i. Given the significant positive impact of social grants on household business formation, the government should integrate entrepreneurial training and microenterprise support into grant delivery systems. This could involve linking grant recipients to local business incubators or cooperative funding platforms to enhance the productive use of grants.

ii. Since poverty significantly reduces the likelihood of starting a business, policymakers should target the ultra-poor with bundled interventions, such as conditional cash transfers tied to vocational skills training or asset transfers, to lift them above the poverty

threshold and enable business participation.

iii. With liquidity proving to be a critical enabler of entrepreneurship, financial institutions and development partners should expand access to savings and digital financial tools for low-income households. This includes promoting low-fee savings accounts, mobile money services, and village savings and loan associations (VSLAs) tailored to informal entrepreneurs.

Limitations and Suggestions for Further Research

The study relied solely on cross-sectional secondary data, which limits the ability to observe changes over time or infer causality. It also focused on a single year (2024), potentially overlooking seasonal or long-term economic shifts. Further research should consider using longitudinal data, exploring qualitative insights from grant recipients, and incorporating variables such as education, financial literacy, or social capital. Comparative studies across Southern African countries could also enrich understanding of how different welfare systems impact enterprise dynamics.

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