



ITP Research Form

ITP: **South Africa, 2014**

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Paper Title: **Sources of Investment in South African Small Businesses**

Abstract: This paper presents an overview of the sources of small business investment in South Africa. The authors sought to address how businesses develop in emerging economies—specifically in South Africa, which is reported to be an ideal place to start a business because of its sophisticated institutions, policies and productivity. However, small business growth in South Africa is stagnant: private equity funds are stalling domestic investment until the recent presidential election concludes, banks are financing at high rates, and government bureaucracy impedes access to public funding. As a result, entrepreneurs rely on personal funds to start and grow small businesses in South Africa.