



**Initiatives to support small, medium, and micro enterprises to survive load shedding in
KwaZulu-Natal, South Africa**

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29 April 2025

DECLARATION

I Philani Kwenzakwakhe Nxele declare that:

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- (ii) This dissertation/thesis has not been submitted for any degree or examination at any other university.
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29 April 2025

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I am profoundly grateful to my mom and dad for their unconditional love and support. Mom, you are my rock, and I am beyond thankful for the endless care and strength you've shown me. Dad, you are my role model, the foundation of our family. While I may not yet match the example you set, please know that I strive every day to live up to the values you've taught me. Your encouragement has shaped me in ways I will forever cherish, and I am incredibly fortunate to have both of you in my life

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DEDICATION

I dedicate this dissertation to my beloved son, Mthunzi. Your presence in my life has been an endless source of inspiration and motivation. As I approach the final stage of this academic journey, I am reminded of the countless late nights and sacrifices made, all for you. You are the driving force behind every word written and every challenge overcome. My dear Mthunzi, may this dissertation serve as a testament to the love and dedication I have for you, and may it inspire you to chase your dreams with the same fervour and determination.

ABSTRACT

Load shedding in South Africa severely disrupts SMMEs, many of which lack the financial capacity to invest in backup power solutions. This leads to business disruptions, financial losses, and even closures. As a result, jobs are lost, and the economy suffers, making it harder for small businesses to remain stable, grow, and contribute to long-term economic development. It is therefore crucial to explore the support mechanisms available to SMMEs during load shedding. The research is structured around three main objectives: (1) to determine the strategies and initiatives in place to help SMMEs cope with power outages, (2) to investigate the financial assistance provided by both the public and private sectors to alleviate the impact of load shedding on these businesses, and (3) to examine the factors that influence the decision-making processes of government and private sector institutions when it comes to financing SMMEs during such crises.

Through semi-structured interviews conducted with four groups of participants: representatives from financial institutions, government agencies, industry experts, and SMME owners, the study identified several key findings. Initiatives such as information sharing and networking, capacity building and skills training, as well as stakeholder engagement and collaboration, have shown some success. However, their overall impact remains limited, as these initiatives often fail to address real-time operational challenges, particularly in rural areas. In terms of financial support, both the public and private sectors have introduced affordable and flexible financing options, along with specialized energy funds tailored for SMMEs. Despite these efforts, the uptake of these financial products has been relatively low. Key factors influencing financial decisions include business stability, growth potential, compliance, and South African ownership. The findings highlight the need for deeper trust and more tailored solutions to better meet SMMEs' needs.

INTERPRETATION OF KEY TERMS

Initiatives- New plans or processes to achieve something or solve problems.

Financial support- This is the monetary assistance provided by supporting institutions to help businesses continue operating under various economic conditions.

Non-financial support- Often termed “technical assistance”, refers to specialist support services a funder offers its investees and grantees which can take the form of consultation, training, donations of equipment, etc.

SMMEs- Small, Medium, and Micro Enterprises (SMMEs), also referred to as small businesses that maintain revenues, assets, or several employees below a certain threshold.

Load shedding- This is the act or practice of shutting down electric power in part of the power distribution system generally to prevent the collapse of the entire system when the demand strains the capacity of the system.

KZN- KwaZulu-Natal, formerly Natal, province of South Africa, occupying the South-eastern portion of the country.

LIST OF ACRONYMS

CIPC: Companies and Intellectual Property Commission

EDTEA: Economic Development, Tourism and Environmental Affairs

DTIC: Department of Trade and Industry, and Competition

GDP: Gross Domestic Product

GNI: Gross National Income

IDC: Industrial Development Corporation

IMF: International Monetary Fund

KZN: KwaZulu-Natal

LED: Local Economic Development

MOU: Memorandum of Understanding

MSME: Micro, Small and Medium Enterprises

PMB: Pietermaritzburg

PPPs: Public-Private Partnerships

SA: South Africa

SARS: South African Revenue Service

SEDA: Small Enterprise Development Agency

SEFA: Small Enterprise Finance Agency

SME: Small Medium Enterprise

SMMEs: Small, Medium and Micro Enterprises

STATS SA: Statistics South Africa

U.S: United States

UN: United Nations

WHO: World Health Organization

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CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

In South Africa, the acronym SMME stands for Small, Medium, and Micro Enterprises and is commonly used to refer to all small businesses (Sitharam and Hoque, 2016). In this thesis, the terms "small businesses" and "SMME" are used interchangeably, while acronyms like MSME and SME are adopted based on the sources of data. These terms collectively refer to small businesses. Additionally, the terms "load shedding," "power outages," and "electricity crisis" are used interchangeably throughout this study.

As per Mundhree and Beharry-Ramraj (2022), SMMEs are an essential component of the South African economy. Their perspective emphasizes the pivotal role played by these enterprises in fostering economic growth, driving innovation, and serving as substantial contributors to employment generation. Supporting this perspective, data sourced from the Department of Trade and Industry (2022), reveals that SMMEs account for approximately 98 percent of all active businesses in South Africa, contributing more than 39 percent of the country's Gross Domestic Product (GDP), and employ approximately 60 percent of the formal labour force.

Despite the pivotal role and substantial presence of SMMEs in the country, empirical studies by scholars such as Fatoki (2014), Ingle (2017), Dua et al. (2020), Smith (2020), and Lin et al. (2022), reveal a concerning trend; the escalating failure rate of South African SMMEs. These studies identify a combination of internal and external factors contributing to this issue. Moya et al. (2019) emphasize internal challenges such as limited access to financing, inadequate management skills, and operational inefficiencies, which hinder the growth and sustainability of small businesses. Smith (2020), on the other hand, highlights external factors, including economic downturns, political instability, and regulatory pressures, which further exacerbate the situation by creating an unstable business environment.

More recent studies by Ndjama (2024) and Weilbach and Visser (2024) reinforce these concerns, indicating that despite ongoing efforts from both the government and private sector, South African SMMEs continue to grapple with persistent challenges that hinder their sustainability and growth. This persistence highlights that, even with the passage of time, the structural barriers affecting small businesses remain largely unaddressed. This is particularly concerning, given that South Africa has been a democratic nation for over three decades.

While democratic policies aimed at promoting small business development, such as affirmative action and entrepreneurship support programs have introduced some positive changes, the studies reviewed consistently highlight that these efforts have not fully overcome the deep-rooted structural barriers faced by SMMEs. Scholars such as Ndlovu (2019) and Smith (2020) emphasize that issues such as limited access to financing, a complex and burdensome regulatory environment, economic instability, and societal shifts continue to affect small businesses much the same way they did in the past. These persistent challenges raise critical questions about the effectiveness of current interventions by key stakeholders responsible for supporting small businesses in South Africa, particularly under democratic principles.

Unfortunately, several interventions have been implemented to address these challenges since 1994; yet the current debate indicates that while there has been some progress, the SMME failure rate continues to rise (Kintu, 2022). The rate at which SMMEs are failing in South Africa has been a matter of concern. Historical trends suggest that as many as 70% of SMMEs in South Africa fail within the first five years of operation (Fatoki, 2014), a statistic that prompted Fatoki to examine the root causes behind these high failure rates. While these causes have been widely acknowledged in previous research, this study shifts the focus to an external factor that has escalated in recent times: *load shedding*. Although load shedding has been a challenge in South Africa since 2007, its disruptive impact on SMMEs has intensified significantly in recent years. This study, therefore, focuses on load shedding as a critical external environmental factor, beyond the control of businesses, which has emerged as a major barrier to the growth and survival of SMMEs in South Africa today.

1.2 Background to the Study

By the insights of Sekaran and Bougie (2016), the background of a study serves to offer readers a historical perspective and a comprehensive understanding of a well-defined research problem, grounded in existing scholarly literature. The graphical representation below illustrates the inverted pyramid structure of the study background. This visual representation effectively demonstrates the transition from global context down to the localized context of Durban and Pietermaritzburg. Each segment is colour-coded for enhanced clarity, and annotations are included to emphasize a specific focus of each level.

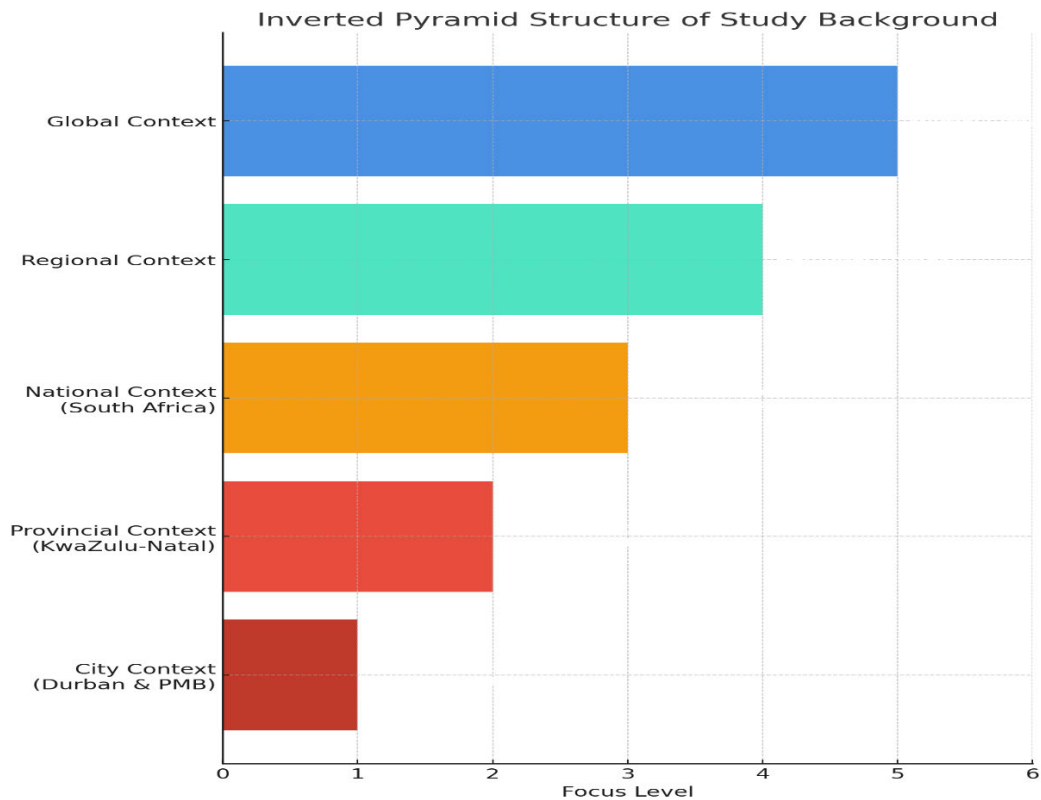


Figure 1 .1 Inverted pyramid structure of study background

Souce: (OpenAI, 2024)

1.2.1 Global Context

At a global level, SMEs have long been recognized as the backbone and heart of economies. In the earliest days, long before modern countries existed, small businesses were already essential to daily life. During these times, people ran local shops and markets where they made and sold goods and other items that people needed every day. These small businesses did more than just meet daily needs; they served as vibrant hubs of community interaction and cultural exchange (Glas et al., 1998). In a busy local market, people gathered to trade not only goods but also stories and ideas. This created a beautiful mix of connections that built a strong sense of belongings and a shared identity among everyone. This interaction created a lively environment where friendships and connections developed, and people began to understand each other’s needs, preferences and challenges. This understanding gave people ideas to start new businesses that provided exactly what others were looking for, making life easier and meeting the specific needs of those around them.

As economies grow and transformed with the Industrial Revolution in the 18th and 19th centuries, SMEs began to play a bigger role in economic growth and transformation. Rath and

Viveiros (1996) document how these small businesses became increasingly adaptable over time, embracing new technologies and expanding into larger markets. This evolution not only enabled them to generate employment opportunities, but also positioned small businesses to address needs often overlooked by larger corporations. Rath and Viveiros's insights shows the historical significance of small businesses, illustrating how their ongoing evolution has shaped economic landscapes over time. With the rise of globalizations in the late 20th century, these enterprises expanded their influences even further. They evolved from being local to becoming essential components of international economies, driving economic growth and development in various nations.

This legacy of adaptability and resilience is reflected in their modern-day impact. Today, SMEs account for over 90 percent of businesses globally, contribute approximately 40 percent to global GDP, and generate nearly 50 percent of jobs worldwide (World Bank, 2023). This journey from small, local businesses to major players in the global economy emphasizes their economic importance and the essential role they play in fostering innovation, employment, and economic resilience across diverse markets. However, while their flexibility and innovation have driven growth, their vulnerability to external shocks such as economic downturns, political instability, and energy crises, remains a significant challenge. Among these challenges, energy insecurity has emerged as a critical concern.

Unlike large corporations that can invest in backup power systems or renewable energy, SMEs often lack the financial resources to cushion themselves against power disruptions. This issue is particularly severe in developing countries, where unreliable electricity supply increases operating costs, reduces productivity, and limits growth opportunities (Lin et al., 2022). Scott et al. (2014) contributes valuable insight into the global challenges that small businesses face, particularly in developing regions, where such disruptions pose significant risks to business stability and productivity. Their study highlights how electricity shortages negatively impact SMEs in Bangladesh, Nigeria, and Uganda, where frequent power outages force businesses to either reduce working hours or invest in costly diesel generators. However, the study also raises a critical concern; only a small percentage of SMEs globally have adopted renewable energy solutions. The study attributes this slow transition to limited access to funding, information, and technical support; barriers that continue to hinder SMEs' resilience against energy instability. Notable, in South Africa, the issue of traditional backup systems remains a significant challenge, as many SMEs cannot afford them.

This situation stands in stark contrast to trends observed in several other developing countries, where traditional backup systems such as diesel generators, have long been used to buffer the impact of power disruptions despite their high operating costs. As noted by Scott et al. (2014), even a decade ago, there were clear indications that some of these nations were beginning to explore renewable energy alternatives as a means of achieving more stable and cost-effective energy solutions. While the adoption of these technologies was still limited at the time, more recent global energy trends suggest that progress has continued in that direction. By comparison, South Africa continues to lag behind, grappling with the implementation of even fundamental backup systems, let alone a widespread transition to renewable energy. This persistent gap emphasizes how far South Africa trails behind its developing peers and reinforces the need for more accessible support structures and forward-looking policies that can accelerate the shift towards sustainable and resilient power solutions.

Recognizing the severity of energy challenges, international organizations such as the World Bank, the International Energy Agency (IEA), and the United Nations (UN) have been instrumental in supporting energy resilience efforts in developing regions. These organizations have provided technical assistance and financial support to help countries in Africa, Asia, and Latin America address energy deficits (Heffner, 2010; Foster and Rana, 2020). This long-standing commitment emphasizes the recognition of the issue and the continuous efforts to implement effective solutions. The International Energy Agency (2019) emphasizes that energy security plays a fundamental role in economic stability, with power disruptions significantly impacting businesses particularly in developing economies. As such, actions aimed at stabilizing the energy supply have been essential for fostering business continuity and growth, and their approach has evolved over time.

For example, the World Bank has funded large-scale energy interventions, such as emergency power generation and demand-side energy efficiency programs, with a focus on long-term structural reforms to stabilize electricity supply (World Bank, 2018). These efforts, although significant, have been more recent and are in line with the growing recognition of energy security as an economic driver. Earlier interventions, such as those documented by Heffner et al. (2010), show how countries like India and Brazil implemented programs, including Compact Fluorescent Lamp (CFL) replacements and market-based electricity rationing, to manage energy demand during earlier crises. These strategies, developed in response to power shortages more than a decade ago, were ground-breaking at the time but have since been enhanced by newer, more comprehensive approaches to energy resilience. The shift from these

initial measures to modern energy interventions illustrates the progress made in tackling the challenges of energy insecurity.

Beyond governmental interventions, the private sector has also played a critical role in addressing energy disruptions. The UN (2017) highlights the growing adoption of renewable energy solutions, including solar microgrids and battery storage systems, which have enabled businesses to remain operational in energy-deficient regions. In countries like Bangladesh and Indonesia, small businesses have increasingly turned to decentralized power sources, reducing their reliance on unreliable grid electricity (IEA, 2019). These initiatives demonstrate the importance of resilient and adaptable energy solutions in ensuring business continuity despite power instability.

The growing emphasis on energy security in global economic policy emphasizes the relevance of examining how businesses in energy-deficient regions navigate power disruptions. While various strategies have been explored internationally, the extent to which these approaches can be effectively implemented in different economic and regulatory environments remains a critical area of study. Given the crucial role of small businesses in economic development, examining how energy shortages affect their operations and identifying effective mitigation strategies offers valuable insights for countries grappling with similar energy crises. Before focusing on the specific initiatives in South Africa, it is important to consider the broader African context. By examining how other African countries have addressed power shortages and supported their SMEs, valuable lessons can be drawn regarding the strengths and gaps in South Africa's approach. This comparative analysis provides a foundation for assessing how the South African government and private sector have responded to load shedding, and how these responses align with or differ from both regional and international best practices.

1.2.2 Regional Context

To build a comprehensive understanding of how intervention for power outages have been addressed, it is essential to shift the focus from global perspective to the Regional or African context. This shift not only reveals whether other African nations grapple with similar power challenges, but also examines their response to these issues. By examining the experiences and strategies implemented by these nations, valuable insights can be uncovered regarding shared challenges, successful practices, and potential lessons that could enhance the South African approach.

In African countries, small businesses are not just a source of income; they are the symbol of resilience and hope (Mabunda, 2021). In the busy streets of cities and peaceful areas of rural towns, these businesses are the heartbeat of everyday life. This is because of their role in creating jobs where formal employment is scarce and fuelling economic growth in challenging conditions (Wiid and Cant, 2021). However, these contributions have not come without difficulty. For decades, small businesses have operated in environments marked by persistent economic hardships. Early scholarly work, such as that of Sardanis (2007), highlighted the financial barriers entrepreneurs face when trying to establish and sustain businesses.

A decade later, Murrithi (2017) reinforced this concern, emphasizing the ongoing struggles with access to finance and business management challenges. Asongu and Odhiambo (2020) further elaborated on these challenges, detailing how inadequate infrastructure, power shortages, and limited market access compound the difficulty of running small businesses. More recently, Adomako et al. (2024) emphasize a broader range of difficulties, including issues such as the high costs of starting and running a business, along with the persistent shortage of energy, lack of capital, poor management skills, and inadequate information, which all contribute to the struggles faced by small businesses in Africa. As Adomako et al. (2024) point out, these challenges are not just a product of past inequalities; they are also made worse by the lack of support from governments, leaving small businesses struggling to survive in an already difficult environment. This paints a comprehensive picture that many businesses in the African continent, start at a disadvantage, with fewer tools to succeed. As a result, any additional layer of economic challenge hits these businesses hard, threatening their ability not only to sustain operations, let alone expand in an already fragile economy.

Just when the progress seemed within reach, however, load shedding emerged as an enduring obstacle, threatening to undo much of the hard-earned progress these businesses has made. This ongoing challenge is not unique to one region; research across various African countries reveal a shared story of resilience tested by unreliable electricity. Nigeria, the 53rd largest economy globally by nominal GDP and rich in agricultural and mineral resources, is grappling with unreliable power supply. The country's energy infrastructure struggles to meet the growing demand, and frequent power outages are a norm. Studies by Moyo (2012), Akuru and Okoro (2014), Nurudeen, Nafiu and Jibo (2018), and Oladeji and Fasogbon (2023) reveal a harsh reality that load shedding does more than disrupts daily operations. Their research shows that power outages increase operational costs, hinder growth, and sadly, force many small and medium-sized businesses to shut down despite their best efforts to survive. Like in many other

developing nations, as highlighted by Bassey and Imoh (2021) and Fashanu (2021), these businesses have turned to alternative power solutions like generators to cope with power cuts. However, while these alternatives provide short-term relief for small businesses, researchers such as Alo and Adeyemo (2021) and Chukwulobe et al. (2022) observed that these solutions come at a high financial cost. This reliance on expensive backup power drains profit, limits expansion; leaving small businesses in a cycle of economic vulnerability.

In other African countries like Ghana and Zimbabwe, the struggle of unreliable electricity is all too familiar. Similar to the situations like Nigeria, load shedding in Ghana has consistently disrupted small-scale enterprises, impacting nearly every aspect of their operations. Studies, including those by Doe and Emmanuel (2014) and Fiawoo (2016), demonstrate how frequent outages drive up operating costs, force labour reductions, and cause significant production losses. Dunya, Chen, and Appiah (2019) elaborate this further, highlighting that the frequent power outages disrupt Ghanaian businesses production processes, making it difficult for them to maintain the quality and quantity of their products. As a result, they end up producing fewer goods or lower quality-product than expected, ultimately impacting their overall profitability. The coping strategies of SMEs in Ghana reflect both similarities and differences in other African countries like Nigeria. A common strategy is the reliance on generators to keep operations running during load shedding. Interestingly, both Fiawoo (2016) and Dunya, Chen, and Appiah (2019) reveal that over half of SMEs surveyed in Ghana, heavily rely on generators to keep their business running. This reliance shows just how far small businesses are willing to go to survive, despite the significant financial strain.

Beyond the heavy reliance on generators by many businesses in Ghana, they often turn to additional measures like employee layoff, night shifts, and salary cuts to manage costs and maintain productivity. However, these measures have shown limited effectiveness in efficiently addressing the challenge of load shedding. Studies by Fiawoo (2016) and Dunya, Chen, and Appiah (2019) reveal that these measures are insufficient in offsetting the significant costs and lost productivity caused by frequent power cuts. It can then be concluded that, no matter how hard these businesses try, they are fighting a losing battle, with their profits shrinking and operations under threat. This creates an ongoing difficult situation where businesses in African countries are stuck in a circle of struggle and hardships, with no clear way out.

Given the significant impact of load shedding on business profitability and productivity across different countries, one might wonder how similar challenges manifest in South Africa. How

do South African businesses navigate these disruptions, and what coping strategies are they employing to mitigate the effect? With load shedding a persistent challenge, it becomes important to examine the unique challenges faced by SMEs in South Africa. The next section explores this issue, highlighting the impact of load shedding on businesses and the strategies they use to adapt.

1.2.3 South African Context

Some South Africans might beam when they reflect on earlier times when their country's economic structure was in a melting pot. The United Nations regarded South Africa as the only developed nation in Africa during the 1960s because of its economic dominance in the continent (Mabunda, 2021). During this era, it is evident that wealth creation was centred not only on mineral extraction and import substitution but also on export-oriented manufacturing and services (Blose, 2018). In the South African economic landscape, as explained by Mabunda (2021), SMMEs have consistently occupied a vital role across diverse sectors. More specifically, Rajagopaul, Magwentshu, and Kalidas (2020) highlight that the nation has long been recognized for its economic importance in sectors where SMMEs have maintained a significant presence.

Building upon this premise, Mabunda (2021) emphasizes that crucial sectors, such as Retail and Wholesale Trade, Tourism and Hospitality, Agriculture and Agribusiness, Manufacturing, Construction and Building Services, Information Technology (IT), and Software Development, along with Professional Services, have historically been driven by SMMEs. Their significance is further emphasized by Blose (2018), who highlights that these businesses have been central to the country's economic growth. It is evident from this collective perspective that SMMEs have a longstanding history within the national economy hence their survival is critical to the country's economy.

As one reflects on the historical significance of SMMEs in South Africa's economic landscape, it becomes evident that the sector has undergone a transformative shift. This shift reflects a marked contrast between the historical successes of SMMEs in South Africa and the contemporary challenges they now face. In the past, SMMEs were integral to the country's economic development, though they have long been exposed to significant challenges. Today, however, they are grappling with an even more complex set of issues, which have intensified the difficulties they face, making their survival increasingly uncertain. Maré (2023) highlights

that the South African economy, once recognized as economically developed, now confronts notable challenges.

Specifically, the nation grapples with a substantial electricity crisis, significantly impacting businesses, particularly smaller and emerging enterprises that lack alternative power sources. Due to financial constraints, most SMMEs, as explained by Kintu (2022), cannot afford generators, leaving them with Eskom as their sole source of power. This dependence, as highlighted by Cameron and Hoque (2017), not only exposes them to profitability challenges but also hinders their ability to meet daily output goals. For South African small businesses, this presents a heart-breaking reality. While many businesses have found ways to adapt and keep going, South African small businesses are left vulnerable, unable to stay competitive or meet daily production goals (Mkhwebane and Ntuli, 2019; Hausmann et al., 2023). The fact that many of these small businesses cannot afford alternative power solutions shows a worrying gap in resilience, especially compared to the adaptability seen in other developing countries.

In contrast to other African countries, South Africa seems to lack a similarly aggressive approach to address this crisis. The disparity in access to alternative power solutions reveal a significant gap, making it crucial for policymakers and relevant stakeholders to seek innovative solutions that offer affordable and sustainable power options (World Bank Group, 2023). This is because without such interventions, South African SMMEs will struggle to remain competitive, while businesses in other African countries are adapting more effectively to similar challenges. This leads to a critical question: how can South Africa close this gap and ensure that its small businesses are equipped to overcome future obstacles and remain competitive in the global marketplace? This question sets the stage for future research, where the key focus of this study lies in exploring the initiatives and support mechanisms that have been implemented to help South African small businesses survive load shedding.

The impact of load shedding on SMMEs in South Africa challenges Goldberg's (2015) assertion that the country's economy is primarily driven by these enterprises. While Goldberg (2015) emphasize the central role of SMMEs, the persistent financial constraints they face, particularly their limited ability to invest in alternative energy solutions highlight a shifting economic landscape. Larger enterprises, more capable of managing energy disruptions, are gaining a competitive advantage (Smith, 2020). Mutambo et al. (2023) further support this view, highlighting that smaller firms lack the resources to invest in power alternatives, placing them at a significant disadvantage.

Building on the recognition of SMMEs' importance, it is crucial to explore the factors that lead to their creation. The concept of entrepreneurship becomes especially relevant in this context, as it drives the establishment of SMMEs. Karadag (2016) discusses how entrepreneurship is the key process behind the formation of small businesses, with Owner-managers at the forefront, striving to discover opportunities, innovate, and establish new ventures. This aligns with the previous discussion, illustrating that despite the financial barriers and energy challenges, the entrepreneurial spirit remains a cornerstone in the development and continuation of small businesses.

While the process of small business creation has been discussed, it is equally essential to recognize that establishing a business is only the first step; the subsequent challenge lies in ensuring its sustainability and resilience amidst economic adversities. As businesses are managed by individuals, the success and endurance of these enterprises depend on factors such as skills, knowledge, experience, a certain level of education, and literacy levels (Ndlovu, 2019). These essential elements were notably scarce and largely unavailable to many within the black population in South Africa before 1994. Taking a step back and looking at South Africa before 1994, it can be concluded that the country's business environment is and has always been a complex place during and after the apartheid era. More specifically, apartheid state made significant investments in education and training, predominantly benefiting the white minority while reinforcing apartheid policies (Kadaq, 2016).

It is thus not surprising that there is still a lack of knowledge of bank and microfinance services, particularly within the black population. This originates from the Education Act of 1952 which was designed to restrict the educational opportunities available to Black individuals and confine them to the working class (Maré, 2023). In an early 1990 speech, President Nelson Mandela stated that apartheid, or the policy of racial segregation imposed by South Africa's ruling National Party from 1948 to 1991, was not only racist but also economically motivated. These poor fiscal choices significantly contributed to literacy gaps, poverty, and inequality subsequently faced by the democratic state, and continue to be addressed to this day (Razak, Abdullah, and Ersoy, 2018).

In late 1997, President Nelson Mandela, during the second National Conference on Small Business, underscored the government's fundamental duty to rectify the historical neglect and suppression of black business interests, as documented by Handley in 2005. Handley (2005) goes on to provide additional insights, with the President acknowledging the necessity of

addressing inherent obstacles, which encompass limited educational opportunities, market barriers, restricted financial accessibility, and inadequate support institutions. The President confidently asserted that the groundwork for nurturing South Africa's small business sector had been established. This led to the national government's introduction of entities aimed at promoting entrepreneurship and the growth of SMMEs in South Africa.

Subsequently, numerous governmental initiatives have actively promoted the SMME sector of the economy. Among these initiatives, the National Small Business Act of 1996 takes prominence, as it paves the way for the creation of the National Small Business Council and the Ntsika Enterprise Promotion Agency (Ntsika). Furthermore, the Industrial Development Corporation (IDC), a prominent and influential economic development agency in the country, has introduced several entities to support this cause. These include the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA), Khula Enterprise Finance LTD, Black Business Supplier Development Program, Co-operatives Incentive Scheme (CIS), and South African Micro Finance Apex Fund (Samaf). The shared objective of these entities is to promote the growth of SMMEs in South Africa (Blöse, 2018).

In response to the ongoing challenges posed by load shedding, the South African government, through the Ministry of Small Business Development, has prioritized the protection of SMMEs. According to a report by Business SA News in January 2023, the government has directed the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA) to work collaboratively with various stakeholders, both within the public and private sectors, to develop a comprehensive energy relief package for businesses affected by power outages. This energy relief program is just one example of the government's efforts to address the crisis. Other initiatives, such as those led by the Industrial Development Corporation (IDC), focus on providing energy solutions to any township, rural or small town-based business whose operations and ability to generate revenue have been severely affected by the energy shortage. These include formal and informal traders, social businesses, small retailers and manufacturing businesses (IDC, 2023).

While these programs appear promising, the real question that arises is whether they have led to tangible impact. By the time these interventions were introduced, SMMEs had already been grappling with load shedding's consequences for an extended period, raising concerns about the efficacy and timeliness of such relief measures. More specifically, a critical question remains; have these measures led to tangible, meaningful outcomes for SMMEs, or have they

been insufficient in addressing the long-standing challenges that these businesses have faced due to load shedding? Given that many of these programs were introduced after load shedding had already severely impacted business operations, it is essential to critically assess their effectiveness. The answers to these questions, particularly regarding the tangible impact of such initiatives, are explored in the subsequent empirical review (Chapter two).

These concerns regarding the effectiveness and timeliness of the government's interventions highlight critical questions about the adequacy of the support being offered. Answers to these questions, as well as insights into the practical implications of such measures, are explored in the literature review, where empirical findings on the experiences of SMMEs and the impact of government and private sector interventions offer a clearer understanding of what strategies work and what requires further development. For now, the discussion turns to KwaZulu-Natal, the focus of this study, where the unique challenges faced by small and medium-sized enterprises amid persistent disruptions like load shedding are explored in greater depth. With the province's vulnerability to such challenges; ranging from natural disasters to socio-economic shocks, it is essential to understand how these factors affect local businesses.

1.2.4 The KwaZulu-Natal Context

The KwaZulu-Natal often referred to as South Africa's "Garden Province" hold a prominent place in the country's cultural and historical landscape, with a rich heritage and a mix of traditions from various communities (Khambule and Mtapuri, 2019). The province is not only known for its stunning landscapes from a Drakensburg Mountains to its beautiful beaches, but also for its important role in the South Africa's economy. The province as further explained by Khambule and Mtapuri (2018), is a major contributor to sectors like agriculture, manufacturing, trade, and tourism, making it a vital part of the country's economic success.

However, despite its significant contributions, the business environment in which KZN's small businesses operate, has faced persistence challenges over recent years. SMMEs are the backbone of the province's economy, creating jobs and supporting local development, yet, they have been severely tested by a series of devastating events over the past few years. From the economic shock of the COVID-19 pandemic in 2020 to the social unrest and looting in 2021, followed by the devastating floods in 2022, and now, the ongoing power outages, these events have collectively created substantial barriers for small businesses, affecting their ability to operate, sustain growth, and contribute to the province's stability.

This observation forms the basis for choosing KwaZulu-Natal as the focus of this study, as supporting these small enterprises is essential for the province's economic recovery and growth. Without research specifically on KZN, there may be a missed opportunity to fully understand the initiatives and interventions put in place to help SMMEs overcome challenges, particularly in a region vulnerable to frequent disruptions. The absence of such a study could hinder the development of targeted policies and support strategies that are essential for empowering small businesses during difficult times. Focusing on KwaZulu-Natal allows for the uncovering of key insights into the effectiveness of these interventions, ensuring that future efforts can be better tailored to strengthen the resilience of SMMEs and enhance their contribution to the province's economic stability and growth.

Given the critical importance of small businesses to the province's economic development, it is essential to explore how KZN's government is addressing these challenges, particularly in the context of load shedding. Year after year, the KwaZulu-Natal government has reaffirmed its commitment to economic recovery, job creation, and SMME support. Yet, despite substantial funding allocations and targeted interventions, small businesses continue to collapse, unemployment remains high, and load shedding adds another layer of strain.

A clear pattern emerges from the province's annual State of the Province Address (SOPAs). In the 2020/2021 SOPA, the Premier emphasized economic revitalization, promising support for SMMEs through funding programs, training, and infrastructure investment. The goal was to boost job creation and reduce unemployment, which was already reached 26% (StatsSA, 2020). While relief packages were introduced, the extent to which they reached struggling businesses and ensured long-term sustainability remained a point of concern. The COVID-19 pandemic caused major disruptions to the economy, forcing the government to redirect resources toward immediate relief efforts. As a result, many businesses were left without the promised support, struggling to survive amidst financial strain. By the end of 2020, unemployment had surged past 30% (StatsSA, 2020), highlighting the limitations of these interventions in providing timely and adequate assistance.

In 2021/2022, the government shifted its focus to business resilience and digital transformation, introducing expanded funding and mentorship programs (KZN SOPA, 2021). However, lingering economic pressures, supply chain disruptions, and bureaucratic barriers meant that many small businesses struggled to access relief on time. By 2022/2023, the provincial government reiterated priorities such as job creation and SMME expansion (KZN SOPA,

2022), but ongoing infrastructure and energy crises prevented meaningful progress. The situation worsened in 2023/2024, with the government acknowledging the slow pace of economic recovery following the 2021 unrest, 2022 floods, and load shedding which devastated thousands of businesses. While financial support and business development programs were in place, unresolved issues, particularly unreliable electricity supply, continued to undermine small business resilience, leading to high failure rates and persistent unemployment.

In the most recent 2024/2025 KZN SOPA, the Premier once again outlined priorities such as economic rebuilding and sustainable development, emphasizing SMME expansion. However, with unemployment still above 30% (StatsSA, 2025), the gap between policy ambitions and real-world outcomes remains evident. While financial and non-financial support remains a focal point, the true measure of success is not just in the resources allocated but merely in their tangible impact on business sustainability. If small enterprises continue to face economic disruptions, financial support alone becomes a short-term fix rather than a lasting solution (Fashanu, 2021). This calls for a fundamental shift in thinking; while employment creation is the ultimate goal, ensuring the quality and resilience of support mechanisms is just as critical (Borax et al., 2018). The realities of these businesses and the financial implications of economic shocks are examined in detail in the subsequent chapter.

Having established the broader context of KwaZulu-Natal's economic challenges, it is now essential to focus on two key cities within the province: Durban and Pietermaritzburg (PMB). These cities are central to the province's economic activity, with Durban being the busiest port and a critical hub for trade, manufacturing and tourism. Pietermaritzburg, while smaller than Durban, serves as the provincial capital and an important centre for agriculture and services, and retail businesses (Nichol, 2020). Choosing both Durban and Pietermaritzburg for this study is important because both cities represent different aspect of KZN's economy.

The selection of Durban and Pietermaritzburg is both strategic and significant, given their substantial contribution to the provincial and national economy through SMME activity. Durban accounts for nearly 10 percent of South Africa's GDP and supports over 228,000 SMMEs, making it a central hub for entrepreneurial activity. Pietermaritzburg, while smaller in scale, plays a pivotal role in KwaZulu-Natal's economic growth, particularly by supporting SMMEs in surrounding rural areas (Durban.gov.za, 2012). Together, these cities offer a valuable lens through which the realities of small businesses under economic strain such as

those caused by load shedding can be effectively explored. Other cities like Richards Bay or Newcastle may not be as representative of the range of industries and small businesses found in these two cities.

The subsequent section of the paper delves into the research problem which involves a close examination of the impact of economic fluctuations on small businesses in South Africa. The objective is to gain a comprehensive understanding of the challenges these businesses encounter and to explore potential avenues for alleviating these difficulties.

1.3 Research problem

KwaZulu-Natal's economy faced a series of devastating blows in the aftermath of the COVID-19 pandemic, starting with widespread unrest and looting that crippled businesses across the province. The destruction resulted in R50 billion in GDP losses, with R20 billion in insured losses in the province. This means that R30 billion was uninsured, leaving many businesses without financial relief. The impact was high with a 63% decline in SMME revenues, and the closure of 45,000 small businesses, particularly in the Wholesale, Retail, and Manufacturing sectors. More than 1,000 jobs were lost, and R119 million in cash was stolen, further deepening the economic crisis. The situation worsened as the country faced devastating floods, which claimed lives and caused extensive property damage, including significant stock losses for businesses. As University of KwaZulu-Natal highlights, severe flooding and landslides caused by heavy rainfall led to the deaths of at least 459 people, displaced more than 40,000, destroyed over 12,000 properties, and left 45,000 people temporarily unemployed in the province. Infrastructure and business losses were estimated at US\$2 billion, making it one of the worst flooding events in recorded history, with Durban being the worst affected.

The economic crisis continued with the ongoing challenge of load shedding, which has had severe repercussions for South Africa's economy (Mundhree & Beharry-Ramraj, 2022). The World Bank Group (2023) highlights that the financial toll of load shedding has exceeded R1.2 trillion, which is approximately one-quarter of the nation's GDP. This impact surpasses the budgets allocated to critical sectors such as police services, courts, prisons, and science and innovation. The African Energy Chamber (AEC) highlights that load shedding incurs a daily cost of over R4 billion for South Africa, with small businesses bearing a significant portion of this burden due to their heavy dependence on electricity (Nedbank and TEA, 2023). These frequent power interruptions compel businesses to cut back on operating hours, resulting in increased costs and reduced profitability.

The SAPOA (2023) survey findings reinforce these economic challenges, providing direct evidence of the frequency, duration, and financial strain of load shedding on small businesses. A staggering 61.18% of small businesses experience daily load shedding, with 84.71% facing outages lasting between 2 to 4 hours. These frequent disruptions not only reduce productivity but also necessitate additional expenditures on alternative power sources. The survey highlights that 55.36% of businesses incur monthly costs between R100,000 and R500,000 to sustain operations during power outages, while 21.43% spend between R500,000 and R1 million. A smaller yet significant percentage (14.29%) face even higher costs, ranging from R1 million to R5 million, further straining their financial viability.

The weight of these hardships is more than just numbers, it is the reality of thousands of small business owners who wake up every day to uncertainty, watching their dreams slip away with every hour of lost electricity. The empty shops, the unpaid wages, the rising debts, each one tells a story of resilience being tested to its limits. In moments like these, the question is not just about survival but about what has truly been done to help. Have these businesses been given the support they so desperately need, or are they left to fight alone? Understanding this is not just an academic exercise; it is a necessity, a crucial step in uncovering whether the interventions in place are enough or if more must be done to prevent further devastation. Chapter two of this study delves into these pressing concerns in greater detail, setting the stage for a critical examination of the support mechanisms that stand between survival and collapse for small businesses. For now, however, the next part of the discussion outlines the research questions and objectives that will guide this investigation.

1.4 Research questions and objectives

1.4.1 Research objectives

In light of the research problem outlined, the following specific objectives have been formulated to guide this study:

- Determine the initiatives and measures implemented to support Small, Medium, and Micro Enterprises (SMMEs) in KwaZulu-Natal, South Africa, during periods of load shedding.
- Investigate the financial assistance provided by both the public and private sectors to SMMEs in KZN in mitigating the effects of power outages.

- Examine the factors influencing the decision-making processes of the public and private sectors in financing small businesses during times of load shedding in KZN.

1.4.2 Research questions

In light of the research problem outlined, the study seeks to answer a series of focused research questions. These questions are rooted in the need to understand the practical and financial support mechanisms available to SMMEs and their effectiveness in ensuring business continuity amid ongoing energy disruptions. As such, the research questions for this study are as follows:

- What specific initiatives and measures have been implemented to support Small, Medium, and Micro Enterprises (SMMEs) in KwaZulu-Natal, South Africa, during periods of load shedding?
- What financial assistance has been provided by both the public and private sectors to SMMEs in KZN to help them cope with power outages?
- What factors influence the decision-making processes of both the public and private sectors in financing SMMEs in KZN during periods of load shedding?

1.5 Significance of the study

This study is of critical importance as it addresses a significant gap in the understanding of how small and medium-sized enterprises navigate the multifaceted challenges presented by load shedding. Through exploring the support available to them, this research hopes to offer insights that can help create meaningful solutions, ensuring these businesses can thrive even in the face of ongoing power disruptions. The findings aim to inspire change and contribute to policies that protect the resilience of small businesses, allowing them to continue their work and support the livelihoods of many.

1.6 Justification for the study

The study is justified by the urgent need to address the challenges faced by small businesses in navigating the impact of load shedding in South Africa. Load shedding, as highlighted by Ndlovu (2019), presents a significant threat to the stability and growth of small businesses. Therefore, this study aims to investigate the intervention support provided to SMMEs during such periods. Through this investigation, the study seeks to shed light on the effectiveness of current measures and identify opportunities for improvement. Furthermore, Acknowledging

the vital role of small businesses in driving economic growth and job creation, it is also important to examine the factors influencing decision-making processes in financing them, both within the public and private space. By uncovering these influential factors, this study aims to provide valuable insights. These insights can then be used by policymakers, stakeholders, and practitioners to develop targeted interventions and policies. Ultimately, this can help strengthen small businesses and foster sustainable economic growth in South Africa.

1.7 Delimitation of the study area

Shaw (1999) defines the term "study area" in his guide to qualitative research as the physical location where the research takes place. In this study, it is acknowledged that examining interventions and financial support provided to SMMEs across South Africa may be too broad. Pursuing such a comprehensive approach could lead to overambition (Razak, Abdullah, and Ersoy, 2018). Likewise, the findings may not be broadly applicable to other provinces within South Africa, as certain discrepancies may occur. Hence, we begin by focusing on specific aspects through reading, so we narrow down the study by limiting it to the KZN province.

The selection of KZN province is substantiated by its status as South Africa's second-largest economy, accounting for more than 16 percent of the nation's GDP, and being recognized as a prominent economic and commercial centre (Razak, Abdullah, and Ersoy, 2018; KZN EDTEA, 2021). Likewise, the study was conducted in Durban and Pietermaritzburg and was limited to selected SMMEs. Durban and Pietermaritzburg seamlessly aligned with the study's objectives due to their economic relevance, the diverse range of SMMEs they host, and their outstanding accessibility (Maphumulo, 2024). These cities were selected as research locations because they play a pivotal role in KwaZulu-Natal's economy, offering a dynamic and representative landscape of SMMEs and stakeholders (Cameron and Hoque, 2017; Maphumulo, 2024). Additionally, the researcher's proximity to these cities enhanced accessibility, facilitating a deeper exploration of the relevant factors within an economically significant and easily accessible environment.

1.8 Ethics Statement

Following the definition provided by Coetzee and Els (2016), an ethics statement functions as an acknowledgment of ethical considerations and agreement to carry out fieldwork in alignment with ethical protocols. In accordance with this definition, the researcher has strictly adhered to all ethical guidelines governing the execution of the research study. During the data collection phase, participants were provided with a clear explanation of the study's purpose,

and their confidentiality was diligently safeguarded throughout the process. Prior to beginning the study, a formal request for authorization to proceed was submitted to the Humanities and Social Sciences Research Ethics Committee (HSSREC). The application was reviewed and approved, ensuring that the research complied with all necessary ethical standards.

1.9 Organization of the study

This study begins by providing the background and context of the research topic. It outlines the problem statement, research questions, and objectives of the study. Additionally, the chapter presents the justification for the research, highlighting its significance and relevance. Ethical considerations and the protocols followed to ensure compliance with ethical standards are also discussed.

The second chapter presents the theoretical and conceptual frameworks, providing a foundation for understanding the key concepts of the study. It defines key variables and explores the relationships between them, followed by a review of empirical literature relevant to the research topic.

Chapter three outlines the research design and methodology, detailing the approach used to collect and analyse data. It discusses the participant selection process and the tools employed for data gathering. Additionally, the chapter addresses the ethical considerations followed throughout the research, ensuring the study's integrity and compliance with ethical standards.

Chapter four presents the research findings, organized around key themes that emerged from the data. The voices of participants from all four groups are captured and discussed in relation to each theme. The findings are then connected to the three key sections of the literature: theories, conceptual framework, and empirical literature. This comparison highlights where the results align or diverge from existing knowledge.

Chapter five concludes the study by summarizing the key findings and offering recommendations based on these results. The limitations of the research are discussed, and areas for future research are identified.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The preceding chapter provided the background of the study. This chapter reviews relevant theoretical, conceptual, and empirical literature. Osano and Languitane (2016) emphasize the importance of conducting a thorough literature review before beginning new research, as it helps researchers stay informed about recent developments and provides a foundation for building on existing knowledge and identifying gaps. Coker (2022) further explains that a literature review offers a broad perspective on current research, helping to identify key theories, methodologies, and areas for future exploration.

Building upon the context set in Chapter one, this chapter explores existing theoretical frameworks and empirical studies that examine the effects of load shedding on business operations. It critically assesses the strategies and measures that have been implemented at various levels; global, national, and local to support SMMEs during these challenging times. This chapter also identifies gaps in the current literature, highlighting areas where further research is needed to better understand the effectiveness of these support initiatives. By exploring different perspectives, it provides valuable insights into how SMMEs have navigated power disruptions, shedding light on both successful approaches and areas for improvement. In doing so, it lays the groundwork for the subsequent analysis of the effectiveness of such initiatives and support structures within the context of KwaZulu-Natal.

2.2 Theoretical framework

Scholars such as Collins and Stockton (2018) and Gehman et al. (2018) describe a theoretical framework as the foundational basis for research structure and methodology. Makasi (2023) further elaborates on this by stating that it includes specific theories that underpin the researcher's viewpoints, a perspective this study complements and integrates.

This study explores the support mechanisms available to small businesses in KwaZulu-Natal during periods of load shedding, using a combination of foundational theories to build a clear and practical theoretical framework. First, the Resource Dependence Theory (RDT) explains how SMMEs rely heavily on external resources, especially electricity for their daily operations and long-term survival. When power supply becomes unreliable, these businesses are forced to seek additional support, both financial (e.g. loans or grants) and non-financial (e.g. access to backup power or information). This situation brings the Information Asymmetry Theory into focus, as it highlights how unequal access to critical information between businesses and those

providing support (such as banks or government agencies) can affect the efficiency and fairness of that support. Finally, the Agency Theory ties these ideas together by looking at how different goals, incentives, and knowledge gaps between stakeholders like government bodies, financial institutions, and business owners, influence decision-making and the delivery of support during load shedding.

2.2.1 Resource Dependency Theory

Resource Dependence Theory (RDT), as highlighted by Makasi (2023), shows how businesses rely on various resources to function and grow. Makasi (2023) expands on this theory by demonstrating that external factors, such as load shedding, significantly impede the growth prospects of businesses. The researcher emphasizes that newer businesses are particularly vulnerable to these external pressures. To understand the importance of RDT in the context of small businesses, it is essential to recognize how these businesses rely on external resources, such as electricity, to function effectively.

Umar and Kunda-Wamuwi (2019) provide a clear example of the challenges small businesses face when these vital resources are disrupted. Their study highlights the case of a newly established bakery located in a dynamic neighbourhood. Driven by a passion for baking, the owner envisioned a welcoming space where customers could enjoy fresh bread and pastries. However, as the bakery gained recognition and attracted more customers, load shedding struck, leading to power outages that interrupted its operations. Without a backup power system, production came to a complete standstill during these periods. This meant that essential products, like bread, could not be made, disrupting the daily flow needed to meet customer demand. In that moment, the owner realized how crucial a stable electricity supply was. Without it, the bakery could not operate smoothly, putting its success and long-term sustainability at risk.

A similar situation was observed in a bar owned by a woman in Kalingalinga, Zambia, as detailed by Umar and Kunda-Wamuwi (2019). The owner experienced reduced profits due to the high costs of managing load shedding. To keep drinks cold, she had to purchase ten packs of dry ice daily, each costing ZMW 27 (USD 2.6) and regularly purchase fuel for a generator. Due to the high costs, running the generator both during the day and at night was not financially feasible. Faced with high costs, she made a trade-off by choosing to run the generator at night rather than during the day, prioritizing evening sales over daytime customer attraction. This decision, however, came with an opportunity cost; forgoing potential daytime revenue due to

the lack of music, which made the bar less appealing. Yet, a deeper issue emerged; while she effectively managed her internal resources (fuel and electricity), she overlooked her external dependency on public infrastructure, particularly street lighting. The absence of street lighting at night due to load shedding created safety concerns, prompting customers to leave earlier and reducing her night-time sales as well.

This situation ties directly to RDT, which explains how businesses rely on external resources they do not fully control. In this case, even when the bar's resources were optimized, the external dependency on street lighting, a resource beyond the owner's control, resulted in negative consequences. The inability to provide a safe environment due to reliance on a single resource, electricity for the bar, reveals how SMMEs must constantly adapt to external variables, showing how RDT is not only about managing internal resources but also about understanding the broader, interconnected environment. It demonstrates that resource dependencies are rarely linear and can sometimes create unintended costs, like the missed opportunity for customer engagement, which diminishes the bar's profitability.

These examples show that financial decision-making is not just about managing costs but also about understanding external risks. Even when businesses make strategic trade-offs, they must recognize their reliance on outside factors. A failure to consider these dependencies can turn even the best decisions into unexpected financial losses. The examples illustrate the core idea of RDT, which, as highlighted by Mutambo et al. (2023), emphasizes how vital it is for businesses to manage their dependence on external resources to survive and grow. The stories of the bakery and the bar owners are more than just about selling bread and cold drinks; they are about perseverance, vulnerability, and the everyday struggles of small business owners.

When the bakery's production stops because of power cuts, or the bar loses its lively atmosphere due to a lack of music and the challenges of keeping drinks cold, it is not just about missing out on profits, it is about how these disruptions shake the very foundation of their businesses and their dreams. These businesses are more than just places of trade, they are central to their communities. As such, the threat to their operations is not only a threat to the business itself but to the social fabric they help sustain. This deeply reinforces the critical role of RDT in understanding the struggles that small enterprises face, especially when external factors, like electricity supply, are out of their control. Similar research by Tarwirei (2015) and Zheng, Singh, and Mitchell (2015) support this point, emphasizing that without access to essential resources, small businesses struggle to get off the ground and stay operational.

In the context of this study, much like small businesses that rely on a stable electricity supply, businesses across KwaZulu-Natal depend on uninterrupted access to power. For many businesses in the province, uninterrupted electricity is crucial for daily operations. When load shedding occurs, it halts production, interrupts service delivery, and negatively impacts customer experiences. The power cuts force businesses to either invest in costly backup power systems or suffer from decreased productivity and lost revenue. This strain on financial resources can limit the ability of businesses to operate effectively and meet the needs of their customers (Mutambo et al., 2023). The uncertainty of frequent power outages, as further explained by Mutambo et al. (2023), makes it difficult for businesses to plan ahead, affecting their ability to forecast demand, manage inventory, and maintain efficient operations. This emphasizes the relevance of RDT to this study, as it highlights how small businesses' ability to navigate and overcome the challenges posed by load shedding is closely tied to their access to critical resources. Understanding these dynamics is crucial for developing strategies to support small businesses during periods of power disruption.

2.2.2 Information Asymmetry Theory

Following RDT, the discussion of information asymmetry becomes relevant. Lean and Tucker (2001) define asymmetric information, also referred to as "information failure" as a situation in which one party possesses more or better information than the other. Many start-up and SME owners lack knowledge about what will help them qualify for a loan, particularly if they have never applied for one before or are doing so without any assistance. Specifically, when a small business owner attempts to obtain a loan, they often encounter the problem of asymmetric information.

Lean and Tucker (2001) explain that this issue arises because bank or financial institution staff tend to withhold crucial information. They do not share enough details about the loan process, terms, and conditions, which places the SME owner at a disadvantage. Mbekeni (2009) concludes that bank personnel possess more information and understanding about the loan and approval criteria, but they keep this information to themselves, making it challenging for the SME owner to make informed decisions or negotiate loan terms effectively.

In the context of this study, information asymmetry is particularly relevant. Load shedding exacerbates the challenges faced by SMMEs in KwaZulu-Natal by disrupting their operations and increasing their need for financial support. However, the lack of transparent information from government agencies and financial institutions further complicates their ability to secure

the necessary funding. These dynamic highlights the critical role of information asymmetry in ensuring that small businesses can access the resources they need to navigate and survive periods of load shedding. By understanding and addressing information asymmetry, this research aims to shed light on the barriers SMMEs face and propose strategies to improve their access to financial support.

2.2.3 Agency Theory

Agency Theory is crucial for this study as it examines the dynamics between government agencies and SMMEs concerning resource allocation and support. Agency Theory, originally developed by Jensen and Meckling (1976), addresses the conflicts of interest that arise when one party, the agents (in this case, government agencies/other stakeholders), are entrusted to act in the best interests of another party, the principal (SMMEs). Previous research, as highlighted by Yahya, Ali, and Ghazali (2016), has predominantly explored these conflicts within large public listed companies, with limited focus on their implications for small and medium-sized enterprises. This study fills that gap by focusing on the dynamics between government agencies and small businesses, providing an in-depth analysis of how agency problem impact resource distribution and support during critical challenges like load shedding in KwaZulu-Natal.

SMMEs often rely on government grants and funding to mitigate the impacts of load shedding, ensuring their operations remain viable. This phenomenon is supported by studies from researchers like du Venage (2020) and Mabunda (2021), among others. However, the theory suggests that these agencies, despite their mandate to support all qualifying businesses impartially, may prioritize funding based on factors other than merit alone. This could include personal connections, political affiliations, or other non-meritocratic considerations, leading to a scenario where deserving SMMEs may not receive the necessary support.

Such dynamics underscore the challenges faced by SMMEs in navigating bureaucratic processes and highlight the potential for agency problems to influence resource allocation in ways that may not align with the intended support mechanisms. This is particularly interesting because it ties into the discussions of agency problems and information asymmetry. Specifically, the study by Mbekeni (2009) serves as a foundational piece in highlighting how small business owners face challenges with government support. The primary objective of the study was to assess the effectiveness of government support for small businesses in SA.

The study found that although small business owners submitted their business plans to government agencies seeking financial assistance for activities such as business expansion and bridging finance, these plans were approved as NIPP (National Industrial Participation Programme) projects but remained inactive in the DTI database without receiving any support. This situation raises concerns about the efficiency and transparency of government support mechanisms. To be more specific, the situation exemplifies a core agency problem; although government policies exist to assist SMMEs, gaps in implementation, inefficiencies, and possible favouritism prevent these policies from translating into real benefits. Therefore, exploring Agency Theory in this context reveals how such conflicts of interest can influence the fair distribution of support during critical economic challenges such as load shedding. This is particularly an important point to consider, as Muriithi (2017) emphasize that when government pay little attention to SMEs sector/ interest are not aligning well with them, then, the sectors is prone to suffer, leading to many businesses being unable to survive in crisis like load shedding.

Furthermore, as the study examines both government and private sectors, a key question arises regarding agency problems within the private sector. Private financial institutions, driven by self-interest and profit maximization, may prioritize established businesses with better financial histories or require collateral that many small businesses cannot provide, thus limiting access to crucial resources. This behaviour creates an agency problem, where the private sector's self-interest (maximizing profit and minimizing risk) often leads to biased and unequal treatment of smaller enterprises, ultimately hindering their survival and growth (Khoase, and Ndayizigamiye, 2018). This is further compounded by systemic issues like gender biases. Gender bias represents a critical systemic issue, particularly within the private sector, and compounds the agency problems already present. While studies in developed countries, like that of Watson, Newby, and Mahuka (2009), show that gender bias in accessing financial support may not be a significant issue, the situation in South Africa is markedly different.

Research by Witbooi and Ukpere (2011), Singh and Dash (2021), Nyathi (2022), and Enwereji, Innocent and Aluko (2024) reveals that women entrepreneurs, who make up 51% of South Africa's population (StatsSA, 2024), still face considerable barriers in accessing finance and business opportunities due to deeply rooted historical and cultural biases. This gendered bias creates additional agency problems within both public and private sectors, where the interests of financial institutions may not align with the needs of women entrepreneurs, further exacerbating the inequalities in resource allocation. If financial institutions or government

agencies operate under implicit gender biases, women-led businesses may be systematically disadvantaged in terms of funding, support, and opportunities.

Thus, exploring Agency Theory in the context of both public and private sectors allows for a comprehensive understanding of how conflicts of interest, power imbalances, and gender biases shape the resource distribution and support provided to SMMEs during critical periods like load shedding. This theory provides a critical framework to analyse how institutional inefficiencies, misaligned priorities, and cultural biases contribute to the challenges SMMEs face in accessing vital resources for survival and growth. By addressing these agency problems, the study offers insights into creating equitable, transparent, and efficient support mechanisms that can foster the survival and growth of all SMMEs, regardless of their size, gender, or background.

2.3 Conceptual framework

Conceptual and theoretical frameworks are frequently delineated and explained in different manners by various authors, and the interpretation of what constitutes a study framework can diverge across institutions. Following the definition of these two important concepts by many authors, we complement Ravitch and Riggan (2017). We distinguish between conceptual and theoretical frameworks, with the conceptual framework being defined as a structured model that illustrates the relationship between key variables within a study. More specifically, it outlines the main concepts being examined, explains how they interact, and offers a theoretical basis that support the research questions or objectives.

This conceptual framework is designed to explore initiatives and support mechanisms necessary for survival of SMMEs during load shedding in KwaZulu-Natal. This is driven by an understanding of the complex environment in which these businesses operate, and the profound impact of both external and internal challenges on their ability to survive. At the core of this framework, is SMME survival during load shedding, the dependent variable, which represent the goal of the various support mechanisms.

The framework is organized around key variables that help us understand how different factors influence this goal. As we move forward in defining and exploring these variables, the framework will reveal the complex relationships between them and how they collectively contribute to the survival and success of SMMEs. By examining the targeted support, whether through financial support, infrastructural improvements, or policy interventions, we highlight the vital role these measures play in sustaining these businesses through difficult times. The

goal is not just to foster business growth but to protect and empower these essential pillars of the economy, ensuring they can continue to contribute meaningfully to the country's economy.

Before defining the key variables, it is essential to first understand how SMMEs are defined within the South African context, specifically in terms of sector, number of employees, size, and revenue generated. The table below illustrate these criteria, providing a clear understanding of how SMMEs are characterized in South Africa, as definitions often differ across countries.

The term "SME" encompasses a diverse array of definitions that differ from country to country. In the context of South Africa, as specified by the National Small Business Act 102 of 1996, p. 17, SMMEs are defined as businesses that adhere to specific limitations in terms of employees or financial metrics. Below is a classification that distinguishes a small, medium, and micro enterprises from large enterprises.

Table 1.1:SMME classification

Column 1	Column 2	Column 3	Column 4
Sectors or sub-sectors following the Standard Industrial Classification	Size or class of enterprise	The total full-time equivalent of paid employees	Total annual turnover
Agriculture	Medium	51-250	R35,0 million
	Small	11- 50	R17,0 million
	Micro	0-10	R7,0 million
Mining and Quarrying	Medium	51-250	R210,0 million
	Small	11- 50	R50,0 million
	Micro	0-10	R15,0 million
Manufacturing	Medium	51-250	R170,0 million
	Small	11- 50	R50,0 million
	Micro	0-10	≤R10,0 million
Electricity, Gas, and Water	Medium	51-250	R180,0 million
	Small	11- 50	R60,0 million
	Micro	0-10	R10,0 million

Column 1	Column 2	Column 3	Column 4
Sectors or sub-sectors following the Standard Industrial Classification	Size or class of enterprise of enterprise	The total full-time equivalent of paid employees	Total annual turnover
Construction	Medium	51-250	R170,0 million
	Small	11- 50	R75,0 million
	Micro	0-10	R10,0 million
Retail, motor trade repair	Medium	51-250	R80,0 million
	Small	11- 50	R25,0 million
	Micro	0-10	R7,5 million
Wholesale	Medium	51-250	≤R220,0 million
	Small	11- 50	R80,0 million
	Micro	0-10	R20,0 million
Catering, Accommodation, and other trade	Medium	51-250	R40,0 million
	Small	11- 50	≤R15,0 million
	Micro	0-10	R5,0 million
Transport, Storage, and Communications	Medium	51-250	R140,0 million
	Small	11- 50	R45,0 million
	Micro	0-10	R7,5 million
Finance and Business services	Medium	51-250	R85,0 million
	Small	11- 50	R35,0 million
	Micro	0-10	R7,5 million
Communication, Social, and Personal services	Medium	51-250	R70,0 million
	Small	11- 50	R22,0 million

Column 1	Column 2	Column 3	Column 4
	Micro	0-10	R5,0 million

Source: (Department of Small Business Development, 2019)

2.3.1 Definitions of key variables

To provide a clear overview of the factors affecting SMME survival, the table below presents detailed definitions of each key variable and outline their specific purposes within the conceptual framework.

Table 1.2: Definition of key variables

Variable Type	Variable Name	Definition	Purpose	References
Dependant variable	SMME survival during load shedding	This variable looks at whether SMMEs can remain viable and operational amidst these outages. Can they keep their doors open? Can they continue to grow, or do they collapse under the strain? The answer lies in exploring the support mechanisms and strategies that make survival possible.	The SMME Survival variable serves as the ultimate outcome of the study. It is the final target; if SMMEs can survive load shedding, it means they are resilient enough to weather other economic and environmental storms. Understanding the factors that contribute to or hinder this survival is critical, as this research can guide policies and support structures aimed at ensuring their longevity.	(Kintu, 2022)

Variable Type	Variable Name	Definition	Purpose	References
Independent Variables	Government Initiatives	Public sector initiatives are government-led actions designed to support the survival and growth of small businesses, particularly in challenging circumstances such as load shedding. These initiatives typically include financial support (such as grants, loans, and subsidies) and non-financial support (such as training, advisory services, and infrastructure development).	The purpose of these initiatives is to mitigate the challenges posed by power outages by providing resources that help SMMEs maintain operations, enhance efficiency, and improve long-term survival. These support mechanisms are directly relevant to the research questions as they address how government interventions can improve SMME resilience during load shedding. By examining the impact of both financial and non-financial support, the study explores the effectiveness of public sector efforts in ensuring SMME sustainability.	(Blose, 2018; Razak, Abdullah, and Ersoy, 2018))
	Private sector initiatives	Private sector initiatives similarly, focus on assisting through financial support (e.g., venture capital, corporate	These initiatives aim to help SMMEs access capital and expertise, enabling them to overcome the	(Blose, 2018, Moyo ,2012; Akuru and Okoro,

Variable Type	Variable Name	Definition	Purpose	References
		funding) and non-financial support (e.g., mentorship, incubation, supply chain integration). These components from the private sector offer SMMEs additional means to overcome operational disruptions caused by load shedding.	operational and financial challenges of load shedding. The purpose of private sector support is to enhance the capacity of SMMEs to innovate and adapt, ensuring their continuity and growth. By assessing both forms of support, the study explores how private sector involvement contributes to SMME survival, addressing key research questions about the role of the private sector in mitigating the impacts of load shedding.	2014; Nurudeen, Nafiu and Jibo, 2018)
Intervening Variables	Public Awareness, Networking, and Stakeholder Collaboration	Public Awareness, Networking, and Stakeholder Collaboration refer to the collective efforts of raising awareness about challenges faced by SMMEs, fostering connections among various stakeholders, and	The purpose of Public Awareness, Networking, and Stakeholder Collaboration is to generate a collective effort towards improving the regulatory environment and creating meaningful initiatives that provide	(Karadag, 2016; Maré, 2023; Bassey and Imoh, 2021; Fashanu, 2021; Alo and Adeyemo, 2021;

Variable Type	Variable Name	Definition	Purpose	References
		<p>encouraging joint efforts to address these challenges. Public awareness brings attention to issues, networking creates opportunities for collaboration, and stakeholder collaboration ensures that different groups work together towards common goals. Together, these elements drive positive change by enabling more informed decision-making, better policies, and collaborative initiatives that directly benefit SMMEs.</p>	<p>support to SMMEs. By raising awareness, building networks, and fostering collaboration, these elements act as the foundation for shaping policies and interventions that ensure SMMEs have the resources and support needed to survive and thrive in the face of challenges like load shedding.</p>	<p>Chukwulobe et al., 2022).</p>
	Regulatory Environment	<p>The regulatory environment refers to the policies, laws, and frameworks established by the government to govern business operations. An improved regulatory environment means that policies have been adjusted or</p>	<p>This variable is central to ensuring that businesses operate within a stable and supportive policy framework. A well-structured regulatory environment facilitates the establishment of government and private</p>	<p>(Goldberg 2015; Blose, 2018))</p>

Variable Type	Variable Name	Definition	Purpose	References
		introduced to create a more favorable climate for SMMEs, making it easier for them to access resources and support.	sector initiatives aimed at sustaining SMMEs.	
Moderating	Location	Location describes the environment in which initiatives are implemented. The availability of government and private sector support is shaped by location-based factors like infrastructure, economic activity, and institutional presence. This variable does not directly cause or change other variables but influences how they operate. The initiatives (independent variables) are designed first, and then their accessibility is determined by location. It therefore provides a backdrop for	Location serves as a contextual variable that helps explain disparities in access to government and private sector support initiatives. It highlights how geographical factors influence the distribution of resources, with urban areas typically having better access due to stronger infrastructure and institutional presence. Meanwhile, rural areas often receive less support unless specific policies or mandates are introduced to address the gap. By considering location, the study can assess the	(Mundhree and Beharry-Ramraj, 2022; World Bank Group, 2023)

Variable Type	Variable Name	Definition	Purpose	References
		understanding variations in access to support. Urban areas naturally attract more support due to economic activity, while rural areas require additional policy interventions to receive the same level of access.	fairness and effectiveness of support initiatives and determine whether interventions are needed to ensure that SMMEs in different regions have equitable opportunities to survive and thrive during load shedding.	

The table presented above provides a clear overview of the key variables in this study, detailing both their definitions and intended purposes. By defining each variable and articulating its role within the research, the table lays a foundation for a deeper exploration of how these variables interact and influence the outcome of interest, namely SMME survival during load shedding. Moving forward, a conceptual model visually illustrate these relationships. This model serves as a tool to demonstrate how each variable influences the other, offering a comprehensive understanding of the collective impact these factors have on sustaining and empowering SMMEs in challenging environments.

2.3.2 Relationship between variables

The following visual presentation offers a comprehensive overview of how various factors influence SMME survival, with five pathways converging on this single, crucial outcome. Each arrow signifies a distinct influence, demonstrating how these forces come together to support small businesses during challenging times of power cuts. In the section that follows, each relationship is examined in depth, uncovering the critical elements that enable small businesses to navigate and withstand challenging conditions.

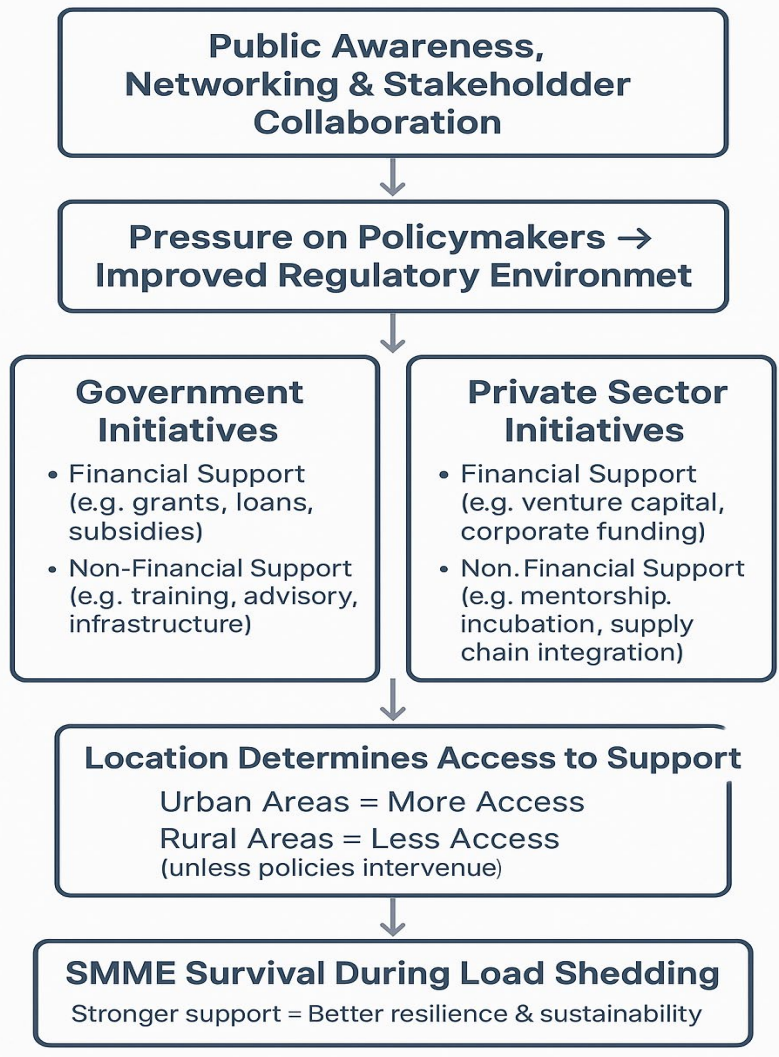


Figure 2: Relationship between variables

Source: (Open AI ChatGPT, 2025)

2.3.3.1 Public awareness, Networking, and Stakeholder collaboration → Regulatory environment → Government and Private sector initiatives → Location → SMME Survival

2.3.3.1.1 Public awareness, Networking, and Stakeholder collaboration → Regulatory environment

At the core of this framework lies public awareness, networking, and stakeholder collaboration. These three elements function as intervening variables, meaning they initiate the entire process of change. In the public sector, increased awareness drives policymakers to respond through regulatory adjustments and targeted support programs (Ngcobo and Sukdeo, 2015). When

SMMEs face difficulties like load shedding, their survival often depends on how well their challenges are communicated and understood by the public and policymakers. As such, for the private sector, awareness informs financial institutions, industry leaders, and corporate stakeholders, prompting them to adjust their approaches to financing and operational support for SMMEs (Sommer, 2017). This perspective is further supported by Ali Qalati (2020), Weaven et al. (2021), and Shava (2024), who emphasizes that joint efforts can lead to the sharing of critical resources.

Similarly, networking allows for the creation of platforms where business owners, government officials, industry experts, and community leaders come together to discuss issues (Debelia, 2018). These discussions not only highlight the challenges faced by SMMEs, but also provide opportunities to develop collective solutions. Through these platforms (Ali Qalati, 2020; Weaven et al., 2021; Shava, 2024), issues that directly impact the business ecosystem are discussed, analyzed, and often presented as part of advocacy for better policies. For example, in the public sector, government stakeholders are able to hear directly from SMMEs about their struggles and needs. This can drive public officials to refine existing regulations or introduce new frameworks that facilitate small business survival during the energy crisis.

In the private sector, networking within industry groups or professional associations can also lead to joint lobbying efforts for favorable regulations or even self-regulatory measures that support small businesses in their growth (Mallett, Wapshott, and Vorley, 2019). It is through these interactions that regulatory frameworks can be adjusted to provide better support for businesses across sectors. The collective efforts of these factors drive improvements in the regulatory environment, making it more responsive to the needs of small businesses (Debelia, 2018). Without the awareness and cooperation of all parties (Ngcobo and Sukdeo, 2015), there would be little push for stronger regulations, which makes these factors crucial for creating a supportive environment. This relationship is what makes public awareness, networking, and stakeholder collaboration an intervening variables. They are the initiators, creating the conditions needed for improvements in policy and regulations, which, in turn, pave the way for more targeted government and private sector support.

2.3.3.1.2 Regulatory environment → Government and Private sector initiatives

The regulatory environment plays a crucial role in shaping the effectiveness of both government and private sector initiatives designed to support SMMEs during load shedding. While it does not directly provide financial or non-financial support, it establishes the legal,

institutional, and policy frameworks that determine how these initiatives are structured, implemented, and accessed. Uzougbo, Ikegwu, and Adewusi (2024) emphasizes this, highlighting that a well-defined and adaptable regulatory environment enhances the success of these interventions, whereas weak or inconsistent regulations can limit their impact. Therefore, the relationship between public and private sector initiatives and their effectiveness in mitigating load shedding is mediated by the regulatory framework.

In the public sector, the government relies on regulations to ensure that support programs are efficiently structured and effectively implemented. Regulations determine how financial resources are allocated, ensuring that subsidies, tax incentives, and funding initiatives reach the most vulnerable SMMEs. Without clear policies, government interventions may suffer from inefficiencies, delays, or misallocation of resources, ultimately reducing their effectiveness. Additionally, regulations define the implementation of energy-related policies, such as the rollout of solar power grants and backup generator subsidies, ensuring that businesses can access alternative energy solutions without excessive bureaucratic processes (Zulu, Ngwenya, and Zondi, 2023). Uzougbo, Ikegwu, and Adewusi (2024) elaborate this further, highlighting that it provides the legal, institutional, and policy framework that determines how these initiatives are structured, implemented, and accessed. Without a strong and adaptable regulatory environment (Mallett, Wapshott, and Vorley, 2019), the government interventions may lack coordination, fail to reach intended beneficiaries, or become ineffective in addressing the operational disruptions caused by load shedding.

Unlike the private sector, which primarily operates on profit-driven motives, the government's regulatory focus is centered on equity, stability, and broad economic resilience (Kelly et al., 2021). Through targeted subsidies, infrastructure investments, and preferential lending programs, the government aims to create an enabling environment for SMMEs to withstand the challenges posed by power disruptions (Nieuwenhuizen, 2019). Energy policy regulations play a crucial role in these interventions, ensuring that support mechanisms are structured to promote long-term business sustainability. However, as noted by scholars such as Pahwa (2006) and Mmakola (2009), bureaucratic inefficiencies and regulatory delays often hinder the effectiveness of these initiatives, limiting their ability to provide immediate relief to struggling businesses. This reinforces the argument made by Uzougbo, Ikegwu, and Adewusi (2024), who assert that a well-structured regulatory environment is essential for ensuring clear guidelines for both financial and non-financial support services, all of which are critical to the survival of SMMEs. Therefore, while government initiatives (independent variable) serve as direct support

mechanisms for SMMEs, their effectiveness is ultimately determined by the strength and adaptability of the regulatory framework that governs them.

Building on the role of government initiatives, the private sector also plays a critical role in supporting SMMEs during load shedding, with the regulatory environment acting as a key intervening factor in shaping and guiding these efforts. Financial institutions, including banks, investment firms, and alternative lenders, operate within regulatory constraints that dictate how they extend financial and non financial support to businesses affected by power disruptions. Regulations influence the terms of business loans, credit accessibility, and risk assessment frameworks, ensuring that funding mechanisms align with broader economic stability and energy resilience objectives. Furthermore, private sector-led energy solutions, such as renewable energy financing, are largely dependent on clear regulatory guidelines that provide incentives for investment in solar energy, battery storage, and alternative power sources.

Beyond financial support, the regulatory framework also facilitates corporate-led non-financial initiatives, such as training programs, advisory services, and mentorship opportunities, by defining the boundaries of public-private collaboration. When effectively structured, the regulatory environment enables seamless integration of private sector efforts with national energy resilience strategies, creating a more coordinated response to load shedding. However, inconsistencies or overly restrictive regulations can limit private sector participation, reducing the effectiveness of financial and non-financial support initiatives. Thus, the private sector's ability to assist SMMEs in mitigating load shedding is not solely dependent on market willingness but is significantly shaped by the stability, clarity, and adaptability of the regulatory environment.

2.3.3.1.3 Government and Private sector initiatives → Location → SMME Survival

Government support mechanisms are designed to improve SMME survival, yet location plays a critical moderating role in determining access to this support. Businesses operating in urban areas typically have greater access to funding opportunities, business networks, and government support services, making it easier for them to leverage government initiatives (Beckmann, Garkisch, and Zeyen, 2023). On the other hand, SMMEs located in rural areas face significant barriers in accessing these initiatives. Geographical remoteness, limited infrastructure, and fewer financial services create challenges for rural businesses in benefiting from government and private sector support. While initiatives may exist, their reach and effectiveness are constrained by these location-based obstacles. In this way, location acts as a

moderator, determining the extent to which government and private sector initiatives can positively impact SMME survival.

Thus, the relationship between the independent variables (government and private sector initiatives) and the dependent variable (SMME survival) is influenced by the moderating effect of location. In urban areas, where access to resources and infrastructure is more robust, initiatives are more likely to contribute to the survival and resilience of SMMEs during load shedding (Beckmann, Garkisch, and Zeyen, 2023). However, in rural areas, the same initiatives may have a reduced impact due to the geographic and infrastructural challenges that limit their reach.

2.3.3.1.2 Concluding remarks

To conclude, the exploration between the key variables has been essential in understanding the complex factors influencing SMME survival, particularly in a country like South Africa, where external pressures like load shedding are constant. The relationships outlined are not just theoretical, but serve as a practical framework for understanding how these variables interact and influence each other in the context of small businesses. This analysis not only highlights the significance of each variable in the context of the study, but also demonstrates why these relationships are crucial for addressing the research problem.

By understanding how these variables influence each other, this discussion directly aligns with the first two main objectives of the study. First, it sheds light on the initiatives put in place to support SMMEs during power outages, showing how various external factors impact their ability to survive and adapt. Second, it has focused on how financial assistance from both public and private sectors plays a critical role in mitigating the effects of power outages, ensuring that small businesses can continue their operations during these challenging periods.

While these two primary objectives have been thoroughly explored through the relationships between the variables, the focus now shift to testing these connections against existing research to assess similarities, differences, and gaps in the literature across various contexts. It is also worth noting that secondary objective; examining the factors that influence both public and private sectors in supporting small businesses to survive load shedding, has not yet been fully addressed. This aspect is addressed in the upcoming empirical literature, where the findings and relationships discussed in this section are further developed and explored.

The discussion begins with a global perspective, narrowing down to the African landscape and, ultimately, the South African context. In essence, this theoretical discussion serves as the foundation for the study's findings. The variables and their interconnections, as shown in figure two, provide a comprehensive reference point for the analysis. This will guide the understanding of how diverse economic environments shape the support systems and resilience strategies that help small businesses withstand challenges like load shedding. By grounding the findings in real-world experiences, the study seeks to reveal meaningful insights into what small businesses need most to survive and thrive during challenging economic conditions.

2.4 Empirical literature

Empirical literature review involves analysing prior empirical studies to address a specific research question. As Schryen (2015) explains, empirical research sets itself apart by grounding its conclusions in real-world experiences and measurable data, rather than in theories or assumptions. The primary goal of this approach is to identify patterns, assess relationships, and draw evidence-based insights relevant to the research topic.

The following review adopt a structured approach to address all three research questions. It transitions from global perspectives to African, and South African contexts. By highlighting similarities, differences, and gaps across these levels, the review not only situates this study within the broader literature, but also emphasizes its unique contribution to understanding initiatives and support mechanisms that enabled SMMEs navigate the challenges posed by load shedding, with a particular focus on non-financial support, financial assistance, and the factors influencing public and private sector financing decisions. While studies on responses to energy crises, including load shedding exist and are reviewed, there is a notable gap in the literature, particularly regarding government and private sector interventions specific to small businesses during load shedding.

To address this gap and enrich the analysis, the review draws parallels with the global response to COVID-19, which, as a major crisis, offers valuable insights into crisis management strategies. It is acknowledged that a health crisis like COVID-19 and an energy crisis such as load shedding are inherently different, and the responses to these crises may vary significantly in scope and priorities. However, due to the scarcity of studies exploring government and private sector support during load shedding, incorporating insights from COVID-19 responses becomes necessary. This is done cautiously, focusing on identifying transferable approaches that can address the specific challenges faced by small businesses during energy disruptions.

2.4.1 Empirical literature in the global Context

2.4.1.1 SMME support during load shedding

A critical aspect of supporting SMEs lies in addressing the financial challenges they face, particularly during periods of disruption. As the discussion progresses, attention is now directed toward exploring the various forms of financial assistance that have been extended to these enterprises globally. The most recent study by Crawford, Cui, and Kewley (2024) offers valuable empirical insights into the dynamics of direct governmental support to micro, small, and medium enterprises (MSMEs), with a focus on initiatives such as temporary funding, loan schemes, and loan guarantees. The study conducted a systematic review of 89 scholarly articles published between 2001 and 2021. Its findings are categorized into four key themes: the provision of government loans, other forms of government financial support, external drivers for these interventions, and the purpose and outcomes of such support. The study found that SMEs often lack sufficient awareness of the financial incentives available to them through government programs, highlighting a significant gap in communication and outreach. It also discovered that there is a need for greater clarity in government policies regarding the purpose of loan provisions to SMEs, as the objectives behind these programs are often unclear. Finally, despite calls for more qualitative research, the study revealed a persistent lack of concrete evidence that fully describes how SMEs interact with and benefit from targeted government loan provisions in practice. In response to this call, the present study contributes valuable qualitative insights into how SMEs in KwaZulu-Natal navigate government financial support during load shedding.

Most studies have emphasized the critical role governments play in responding to crises like the COVID-19 pandemic, with many focusing on the financial support to SMEs through one-time grants and loans for an economic downturn. In Australia, these provisions came in the form of regular cash payments from the federal government to businesses for employee wages during COVID-19 lockdowns (ATO, 2021). Scholars such as Browning (2022), and articles like USA Gov (2021) highlights that in the United Kingdom and United States, similar initiatives such as the Coronavirus Business Interruption Loan Scheme (CBILS), Bounce Back Loans Scheme (BBLs), and the COVID-19 Economic Injury Disaster Loan (EIDL), alongside the Small Business Administration (SBA) and Debt Relief program were critical in offering a rapid emergency response to the devastating impact of the COVID-19 pandemic on small businesses.

Adding to this discussion, like other developing nations, India's Micro, Small and Medium Enterprise (MSME) has emerged as a very important sector of the Indian economy, contributing significantly to the employment generation, innovation, exports, and inclusive growth of the economy (Pandya, 2012). The SME Chamber of India elaborates on this further, stating that the MSME sector in India contributes 45 percent of the manufacturing output and 40 percent of total exports. Additionally, this sector employs approximately 42 million people across over 13 million units nationwide (Ghatak, 2020). Given its significant contribution to the economy, the sector's stability is vital. However, research findings highlight that nearly 95 percent of Indian firms were negatively affected by the national lockdown imposed in April 2020, with disruptions continuing through November 2021. These challenges exacerbated pre-existing difficulties faced by MSMEs, particularly in accessing markets, improving productivity, and securing funding (Ghatak, 2020).

Recognizing these pressing issues and the crucial role of the SME sector in economic recovery, the Indian government implemented various support measures to mitigate the impact of the crisis. Government initiatives aimed at enhancing financial inclusion have yielded positive outcomes, particularly through programs such as the Emergency Credit Line Guarantee Scheme, favourable repo rates, e-market linkages, and support for PF and EPF for businesses and workers. These measures have strengthened financial accessibility, providing critical relief to businesses while ensuring stability for workers.

Building on the global discourse surrounding government interventions and SME resilience, the focus now shifts to China, where the scale of its SME sector and the effectiveness of its crisis management strategies offer a compelling case study. Unlike developed economies such as the UK, the US, and Australia, which relied on grants, wage subsidies, and innovative loan programs to support SMEs during the COVID-19 pandemic, China implemented a more diverse and tailored approach suited to its unique economic needs.

The study by Lu and Xu (2020) reveals that China boasts over 140 million SMEs, which contribute more than 60 percent to the nation's GDP, 68 percent to exports, 50 percent to tax revenue, and 79 percent to job creation. In 2020, around 2.52 million new companies were registered in China, averaging 22,000 new enterprises daily (Lu and Xu, 2020). Despite unexpected challenges such as the COVID-19 pandemic, the survival rate of Chinese SMEs increased (Jai et al., 2020). The government's response to these challenges involved the swift implementation of comprehensive fiscal and financial policies to support SMEs and mitigate the pandemic's effects on this essential sector.

Building upon this, the Organisation for Economic Co-operation and Development (OECD) provides further insight by indicating that in the year 2020, SMEs secured financial resources from various avenues. The OECD (2020) highlights that venture capital, leasing, factoring, online lending, and crowdfunding remained pivotal sources of financing for SMEs despite the significant repercussions of the COVID-19 pandemic. In response, the Chinese government promptly implemented a series of urgent measures designed to extend financial assistance to SMEs during the initial phases of the crisis (Jai et al., 2020). These policy initiatives included actions like reducing the deposit reserve ratio, establishing specialized refinancing funds, and permitting SMEs to defer payments for overdue bank loan instalments (Lu and Xu, 2020). It is clear from this that China was able to respond as effectively as it could during the COVID-19 pandemic to ensure the survival of SMEs. This aligns with the study's second research objective by demonstrating how tailored government interventions, coupled with diverse financial resources, effectively mitigated economic disruptions and safeguarded the survival of SMEs during the pandemic. The discussion provides an insightful framework for understanding similar measures that could be applied in KwaZulu-Natal to support small businesses during load shedding.

2.4.1.2 Financial assistance for SMMEs

The recent study by Crawford, Cui, and Kewley (2024) highlights a critical distinction in the context of public-private partnerships (PPPs). In PPPs, neither the government nor the private sector acts as the sole principal providing financial resources to SMEs (agents) but instead, they share decision-making responsibilities as partners. What makes this insight even more valuable is that it aligns perfectly with the theoretical framework discussed earlier in this study. They intentionally exclude PPPs from their analysis, arguing that in such partnerships, the both parties' transitions from being a principal to a partner. Similarly, this study adopts a focused approach, examining the independent contributions of government and private sectors in supporting SMEs. This lens allows for a deeper exploration of critical questions: What strategies have been effective? What have failed? And where do these sectors fall short? These questions are explored through empirical evidence to uncover the impact of their support.

Building on the previous discussion regarding the role of government involvement in SME financing, it is important to recognize that the private sector also acknowledges the impact of government programs in facilitating access to financial support for SMEs, particularly under specific economic conditions. An insightful study by Beck et al. (2008) offers a comprehensive

perspective on the role of government programs in supporting SMEs, drawing from surveys conducted with 91 banks across various nations (11 from developed countries and 80 from developing nations).

Beck et al. (2008) reveals that government programs aimed at promoting SME finance are widespread, with such programs present in 6 out of 7 developed economies and 32 out of 45 developing countries. Among these, guarantee schemes emerge as the most common form of government support, implemented in 6 developed and 28 developing countries. Directed credit programs are the second most popular form of support in developing countries, present in 24 nations, while interest rate subsidies rank second in developed countries, available in 5 out of 7 economies, and also play a significant role in developing countries, with 23 adopting them. Regulatory subsidies (such as lower provisions or capital requirements for SME lending) are less common, with only 16 developing countries and 3 developed nations utilizing them.

What is particularly concerning, as raised by Beck et al. (2008), is that banks may perceive government interventions as impactful, even if these programs do not achieve their intended public policy objectives. Banks may view these programs as beneficial because they enable them to offer cheaper or longer-term financing to their existing clients, thus strengthening established banking relationships. However, this may not align with the primary goal of these programs, which is to extend financing to SMEs that have not previously accessed bank credit. As a result, while it is important to understand how banks perceive these government programs, Beck et al. (2008) argue that a deeper analysis is required to assess their true impact. This study seeks to address this gap by carefully evaluating the effectiveness of these interventions.

2.4.1.3 Decision making in SMME financing

The factors influencing public and private sector decisions to finance small businesses globally present a fascinating topic for exploration. Exploring these factors provides a strong foundation determining whether the same criteria are used in different regions and identifying how they may vary across various contexts.

A compelling study by Kim and Yasuda (2018) offers valuable insights into the evaluation processes for government-guaranteed loans. Their findings reveal that small businesses with higher-quality accounting information, specifically detailed and accurate accrual and cash flow records, are more likely to access and benefit from government-guaranteed loans. The findings of Kim and Yasuda (2018) build on the foundational insights of Berger and Udell (1998), creating a clear narrative about the critical role of financial transparency for small firms. Berger

and Udell (1998) emphasized that many small businesses lack audited financial statements, which makes it difficult for them to prove their financial reliability and overall quality to potential lenders.

Two decades later, Kim and Yasuda (2018) extended this understanding by demonstrating that lower-quality accounting information not only limits access to government-guaranteed loans, but also compels lenders to impose higher interest rates on relationship-based loans, likely to compensate for the increased risk associated with insufficient financial transparency. These findings directly relate to the study's objective by emphasizing that the public sectors' decision-making processes in financing SMEs, are significantly influenced by the quality of financial information available.

Another significant study by Caner and Karan (2012) focuses on evaluating the creditworthiness of small and medium-sized enterprises receiving financial and non-financial support from Turkey's Small Business Development Administration (KOSGEB), particularly those lacking transparent financial records. Using a logit model, incorporating both financial and non-financial firm-level data collected through KOSGEB's business survey, the study found that SMEs that are efficient, internationally competitive, and managed by their owners are less likely to default on financial obligations. These findings speak directly to the research objective of this study by demonstrating how alternative factors, beyond standard financial metrics, influence public sector decisions in financing small businesses particularly when traditional financial information is unavailable.

The study by Caner and Karan (2012) finds compelling support in Mester's (1997) earlier work, which emphasizes the necessity of looking beyond traditional financial metrics when evaluating SMEs for financing. Mester (1997) reinforces this by highlighting that the financial condition and history of SME owners are often deeply intertwined with the firm's stability, making them crucial components of any assessment. In the context of this study, which seeks to examine factors influencing public and private sector decision-making in financing SMEs during load shedding, these insights are invaluable. They emphasize the importance of adopting a broader, more inclusive approach to evaluating creditworthiness, one that considers both firm-level performance and owner-specific characteristics.

Vos et al. (2007) offer an insightful perspective by examining datasets from the UK (with a sample size of 15,750) and from the U.S. (with a sample size of 3239). The overall objective of this study was to investigate and provide insights into the financial behaviour and attitudes

of SMEs in the UK and the US. Surprisingly, their findings indicate that less than 10 percent of firms in the UK actively strive for significant growth, and merely 1.32 percent of US firms identify a shortage of capital beyond working capital as a significant challenge. They argue that in countries with well-developed educational systems like the UK and the US, SME owners are more likely to secure external financing because higher levels of education mitigate the apprehension of loan denial.

Building upon this notion, Moya et al. (2019) assert that older and more educated SME owners, often deemed to as "wiser"-are less likely to actively rely on external financial support, as they possess the capacity to fund their ventures through equity capital. As a result, SMEs in developed economies are less vulnerable to economic downturns than SMMEs in developing nations (Moya et al., 2019). This argument suggest that the age and educational background of SME owners can influence their financing preferences and, consequently, the vulnerability of SMEs to economic downturns, with those in developed economies potentially being less vulnerable due to the characteristics of their owners. In the context of South Africa, where financial literacy is a key challenge, these insights emphasize the need for targeted financial education programs to empower SME owners. By improving financial literacy, both public and private sectors can make more informed decisions, offering better support to SMEs, particularly during periods of economic uncertainty like load shedding.

Building on the insights of Vos et al. (2007) and Moya et al. (2019), which highlight the influence of age and education on SME financing, it is important to consider contrasting perspectives from other studies. Ogubazghi and Muturi (2014) provide mixed findings on this matter. Their study investigated the impact of owner/manager characteristics, specifically age and education on access to bank loans among SMEs. Using logistic regression analysis, they found that the age of the owner/manager significantly influenced access to bank loans, supporting the notion that older owners are viewed as more stable and creditworthy. However, their findings indicated that the educational level of the owner/manager did not have a statistically significant effect on access to debt financings. This observation aligns with the study by Abdesamed and Abd Wahab (2012), which also used logit regression and found that while educational level had a positive influence, it was statistically insignificant when determining access to bank loans, particularly at the startup phase of a business. These results challenge the broader consensus that education plays a pivotal role in financing outcomes.

Conversely, other scholars, such as Abdulsaleh, Ahmed, and Hamid (2011), Pandula (2011), Slavec and Prodan (2012), Nguyen and Luu (2013), Zarook et al. (2013), and Worthington

(2013), collectively argue that both age and education significantly impact SME financing. They posit that banks often perceive owner/managers with higher educational qualifications as more creditworthy, as these individuals are typically more knowledgeable about credit services and application requirements. Therefore, such entrepreneurs have higher likelihood of accessing bank loan than those who do not have. These authors also suggested that educated owner/manager have confidence to overcome obstacles of accessing bank loan and relatively well informed on bank credit services and its requirements.

Thus, it is more likely that such individuals tend to apply for loan than others with lower educational qualification. The contrasting views highlight the complexity of SME financing, and suggest that access to finance is not solely determined by owner characteristics like age and education, but also by broader economic and institutional factors. While some SME owners remain self-sufficient and do not require external financial support, others face barriers such as loan rejections or a lack of confidence to apply, often referred to as “discouraged borrowers.” These challenges raise critical questions about the inclusivity of financial systems, the factors that enable some SMEs to secure financing while others are excluded, and the need for tailored interventions to address these disparities.

Beck and Demirguc-Kunt (2006) offer valuable insights that help explore these issues. They used the 2003 Survey for Small Business Finance (SSBF), conducted in 1993, 1998, and 2003, to estimate a sequential set of probit regression models examining small business credit dynamics in the US. The models explore three stages: (1) firms deciding whether they need credit, (2) whether they will apply for credit, and (3) whether their credit applications are approved or denied. These surveys were conducted after significant global crises, including the 1990–1991 Gulf War and Recession, the 1997–1998 Asian Financial Crisis, the 1998 Russian Financial Crisis, and the 2000-2002 Dot-com Bubble Burst, providing a valuable perspective on small business credit demand during and following periods of economic uncertainty. Despite the lack of data for the 2008 Global Financial Crisis due to the cancellation of the scheduled 2008 SSBF, the study offers critical insights into the demand side of credit financing during recessionary cycles.

Their findings revealed that, approximately half of small firms required no additional credit, even during economic downturns, suggesting that credit supply issues impacted only a subset of businesses. These "No-Need" firms were less leveraged, more liquid, older, and of higher credit quality, with wealthier and more creditworthy owners (factors consistent with the pecking-order theory of capital structure). Additionally, over 80 percent of loan applications

were successful during these periods, indicating that most businesses seeking credit were approved.

However, discouraged firms significantly outnumbered denied firms and exhibited notable differences across dimensions such as size, profitability, and financial relationships. These findings challenge prior studies that grouped discouraged and denied firms together. A counterfactual analysis revealed that between 21 percent and 55 percent of discouraged firms could have been approved for credit had they applied, emphasizing the potential for policies aimed at educating and encouraging these firms to seek credit.

The findings of Beck and Demirguc-Kunt (2006) stand out as particularly ground-breaking, uncovering fresh perspectives that challenge traditional assumptions and offer intriguing opportunities for further research. The stark contrast between the high approval rates for loan applications and the sheer number of discouraged firms emphasizes a critical gap, not in credit availability, but in access and engagement. The counterfactual analysis, which suggests that a substantial portion of discouraged firms could have secured credit if they had applied, shows that being "discouraged" is different from being "denied." It is not that these businesses were turned down by banks; instead, they did not apply in the first place.

This highlights deeper issues, like business owners not knowing enough about how to get loans, not having access to the right information, or lacking the confidence to even try. These problems stop businesses from seeking support they might actually qualify for. This ties directly to the challenges small businesses face within the regulatory and financial environments. It reflects a gap between available support (from both public and private sectors) and businesses' ability to access it. Notably, the role of the regulatory environment becomes evident; when strengthened through clearer guidelines, improved communication, or direct interventions, it has the potential to bridge these gaps.

Beck et al. (2008) provide further insights into the factors banks consider when evaluating loans, specifically for small and medium-sized enterprises in comparison to larger firms. The same survey of 91 banks was conducted, and the findings highlight that the financial assessment of the business is the most crucial factor across all firm sizes, although it plays a more significant role in lending to larger enterprises (64 percent) than to SMEs (49 percent). When examining SME lending, Beck et al. (2008) observe notable differences between banks in developed and developing countries. For banks in developed countries, the size of the loan

ranks as the second-most important criterion (20 percent), while in developing countries, the firm's credit history with the bank is prioritized (16 percent).

Additionally, Beck et al. (2008) revealed how the ownership type of the bank influences lending decisions. Foreign-owned banks place a stronger emphasis on the financial assessment of businesses, with 58 percent of them considering it the most important factor, compared to 37 percent for domestically owned private banks. This distinction reflects the differing approaches to risk assessment, with foreign-owned banks relying more on hard, quantifiable data, while domestic banks place greater value on softer, relationship-based insights.

When it comes to collateral, the survey identifies a clear preference across all firm sizes for real estate, which is ranked as the most important type of collateral by 40 percent of the banks. Cash and other liquid assets are the second most important collateral type, with 22 percent of banks ranking them as the top choice, followed by bank and personal guarantees (10-15 percent). The study concludes that in developing countries, banks tend to demand collateral (such as property or assets) when lending money, primarily because the financial and regulatory systems in these countries may not be as strong or reliable. This reliance on collateral can make it more difficult for SMEs to secure loans, as they might not have sufficient assets to pledge as collateral.

A key takeaway from the discussion is that both public and private sector decisions to finance SMEs are shaped by multiple factors, including the quality of financial information, firm-specific characteristics, institutional environment, and the role of collateral. In developed countries, strong financial records and owner creditworthiness are central to securing financing, with banks and public institutions more likely to prioritize these factors. However, in developing countries, where institutional frameworks may be weaker, there is a greater reliance on collateral, such as real estate, to mitigate lending risks. These insights highlight the importance of improving financial transparency and literacy, particularly in developing economies, to better align public and private sector financing decisions with the needs of SMEs.

2.4.2 Empirical literature in the African Context

Across the African continent, SMEs are heavily impacted by power disruptions, particularly in countries where energy infrastructure is unreliable. The following section review existing studies in the African context, focusing on how the small businesses across the continent navigate power challenges.

2.4.2.1 SMME support during load shedding

The study by Abeberese (2022) explored how Ghanaian SMEs cope with unreliable electricity supply. The study utilized primary data collected through survey of Ghanaian SMEs, focusing on the manufacturing sector. The authors conducted an analysis of productivity losses due to power outages and assessed the adoption rates and effectiveness of different coping mechanisms. The findings indicate that SMEs in Ghana face an average of 10 power outages per month, each lasting about six hours, resulting in a 10 percent productivity loss. The most effective strategy was to switch to products that needs less electricity to make, which reduced productivity losses by 75 percent. Other strategies such as operating fewer hours (adopted by 56 percent of SMEs) and using generators (27 percent), provided limited relief, especially for smaller firms. Generators, while common, were less cost-effective for SMEs due to high fixed costs, making them more vulnerable to power disruptions compared to larger firms.

The study by Sosi and Atitianti (2021) confirm these findings, by reinforcing the idea that power outages severely impact the performance of SMEs in Ghana, particularly on productivity and sales. While both studies emphasize the use of backup generators, the study by Sosi and Atitianti (2021) stresses that these generators are not a sustainable solution and calls for improvements in the national electricity grid to ensure better long-term outcomes. Cissokho (2019) complement these studies, highlighting that in Senegal, power outages significantly hinder SME productivity, with smaller firms being the most affected. This study adds important dimension by identifying access to credit as a crucial factor in improving firm resilience. This marks a key distinction; while earlier studies focus on the effectiveness of specific coping mechanisms like generator usage, Cissokho highlights financial capacity as a foundational factor that determines whether SMEs can adopt such strategies effectively.

The study by Fiawoo (2016) provides additional insights into how SMEs in Madina, Ghana, cope with the adverse effect of electricity crisis. Using an exploratory design with a mix of qualitative and quantitative methods, gathering data through purposive, non-probabilistic sampling of 31 SMEs, the study highlights that load shedding negatively impacted SMEs by increasing operational costs, reducing productivity, causing revenue losses, and damaging equipment. The coping strategies businesses adopted to minimize the negative effects included: electric generators, reduction in labour force, early closure, solar power, uninterrupted power supply, power banks, inverters and voltage stabilizers.

Building on this, a recent study by Charity and Simon (2023) at Kabwata Market in Lusaka, Zambia, explored similar challenges faced by SMEs during load shedding. Their study focused on three key objectives: assessing the impact of load shedding on production, profit and workers; examining its effect on socio-economic life of female proprietors of SMEs; and evaluate the effectiveness of various coping mechanisms adopted by businesses. The research employed descriptive design for both qualitative and quantitative data of a case study, where a total of 100 respondents were randomly selected and key informants were interviewed. The study revealed that load shedding significantly disrupted production, profits, and the socio-economic lives of female.

Despite various coping strategies, such as alternative power sources and adjusted operating hours, most were found to be less effective in mitigating the challenges. The study highlights the resilience of these women and the urgent need for sustainable solutions to protect their livelihoods and ensure their businesses thrive despite ongoing power challenges. It highlights a pressing need for government action, calling for subsidies on alternative energy solutions, fairer electricity tariffs for SMEs, and ongoing investment in energy infrastructure and research. These recommendations resonate deeply with the focus of this study, emphasizing the critical role of tailored support in helping small businesses thrive despite the challenges of load shedding.

As can be seen above, a recurring theme in the literature is the self-reliance and adaptation of SMEs in Africa during load shedding, as studies consistently highlight the use of coping mechanisms such as alternative energy sources, adjusted operations, and less energy-intensive production (Fiawoo, 2016; Abeberese, 2022). However, these strategies often place a significant financial burden on SMEs, with smaller firms being disproportionately affected due to limited access to credit and the high costs of generators or solar systems (Cissokho, 2019).

While some studies have explored non-financial support mechanisms, they mostly focus on other types of economic crises and fail to address how SMEs can be supported during the energy crisis caused by load shedding. However, even studies that examine how SMEs cope with load shedding primarily focus on their independent efforts, with little emphasis on the institutional initiatives that could strengthen their ability to endure energy crises. This gap highlights the need for research into what has been done to support SMEs, shifting the narrative from self-reliance to the critical role of public and private sector in fostering resilience. In light of this gap, a few studies are reviewed below that examine non-financial support mechanisms during other economic conditions, and offer insights into how such interventions function to

better understand what could be done for SMEs facing load shedding. However, the real issue remains; Much more needs to be done to provide the right kind of support to ensure these businesses not only survive but thrive.

Ndegwa's (2022) study on the effect of business incubation on the survival of SMEs in Kenya provides valuable insight into how support mechanisms can bolster small business resilience. The study aimed to assess how management training, access to finance, marketing support, and networking impact the survival of SMEs, particularly in the renewable energy sector. The research utilized a descriptive research design, targeting 60 renewable energy SMEs from the World Bank database, and data were collected through semi-structured questionnaires. The findings indicate that SMMEs that participated in business incubation programs demonstrated higher survival rates, with access to finance, management training, networking, and marketing support playing a significant role in their resilience. These mechanisms helped businesses navigate challenges such as energy disruptions, reinforcing the framework's observation that targeted interventions enhance SMME survival during periods of crisis.

This aligns with the conceptual framework's perspective that both financial and non-financial support are critical for building resilience, particularly in mitigating external shocks like load shedding. The study, therefore, confirms that structured support mechanisms not only improve SMME survival, but also strengthen their capacity to adapt and sustain operations in uncertain environments. Building on the role of non-financial support for SMME survival, the study by Lwesya, Mwakalobo, and Mbukwa (2021) looks at how different non-financial services (such as training, business advice, marketing help, and technology support) impact the growth of MSMEs in Tanzania. It found that services like training, consultancy, marketing support, and government policies are helpful for MSME growth. However, it also found that business linkages and mentoring programs had a negative effect, likely because they were not suited to the needs of smaller businesses. The study also highlights that MSMEs struggle with a mismatch between the services they need and what is available, high service costs, and a lack of qualified providers.

Ndegwa (2022) highlights that such programs empower businesses to thrive even during crises like energy disruptions. However, Lwesya, Mwakalobo, and Mbukwa (2021) caution that support must be tailored to the specific needs of SMMEs to prevent mismatches that could undermine their effectiveness. This shows the urgent need for well-aligned and impactful interventions that enable SMMEs to navigate challenges like load shedding and emerge stronger.

2.4.2.2 Financial assistance for SMMEs.

Given the limited research on financial support specifically designed to help SMMEs cope with load shedding, this review draws on measures implemented during the COVID-19 crisis as a reference point. While not directly related to energy disruptions, the pandemic offers valuable insights into the types of financial support and interventions that can help SMEs during periods of crisis. By examining these responses, the study identifies parallels and explores potential strategies to support businesses facing challenges like load shedding.

In Northern Africa, specifically in Egypt, the government implemented several interventions to support small businesses during global crises like load shedding. For example, a \$6.13 billion stimulus package was announced to mitigate the impact of COVID-19 on the economy, with a particular focus on SMMEs in the tourism sector, given its significant contribution to the economy (IMF, 2020). Similarly, Tunisia, while lacking a direct stimulus package for the utility sector, introduced a COVID-19 emergency plan that included a \$0.71 billion financial package. This plan also postponed corporate income tax (CIT) payments, provided VAT exemptions, and ensured liquidity for the private sector to prevent layoffs, especially in the informal sector (IMF, 2020).

The government interventions in Egypt and Tunisia provide a clear example of how financial support can help SMMEs survive during crises like load shedding and economic downturns. These measures align with the broader themes of the study, especially the need for external support in sustaining business operations during crises (Umar and Kunda-Wamuwi, 2019). In line with the Resource Dependency Theory (RDT), these interventions aim to enhance the resources and capabilities of SMMEs, which are often under-resourced, to help them weather external shocks. The stimulus packages by focusing on critical sectors like tourism and providing liquidity, are interventions that directly support business sustainability and resilience (IMF, 2022). These interventions relate to the study's focus on financial support by showing how external funding mechanisms can be crucial for survival, much like the necessity for access to energy funds during load shedding. Addressing unemployment through these measures also highlights the role of SMMEs as primary employers in many African economies. The priority of preventing layoffs reflects the fact that, without the survival of SMMEs, larger-scale unemployment and economic distress could ensue.

In Southern Africa, various initiatives were implemented to support small businesses and the broader economy during the COVID-19 crisis. Namibia introduced an 8 billion Namibian

dollar economic stimulus and relief package focused on supporting agri-businesses and subsidizing wages, demonstrating efforts to protect jobs and combat unemployment (KPMG, 2020). However, beyond this initial intervention, no additional significant measures were taken by the Namibian government (Akrofi & Antwi, 2020; KPMG, 2020). In Eswatini, the government adopted financial measures, including reducing the discount rate by a cumulative 200 basis points to 4.5 percent, lowering liquidity requirements by 20 percent and restructuring loan repayments, providing businesses with temporary financial relief. Additionally, fuel prices were reduced, and electricity tariffs were suspended for two months starting in April 2020 (Akrofi & Antwi, 2020).

South Africa, facing the highest number of COVID-19 cases in the region, implemented more extensive economic interventions. The country's R500 billion (approximately \$27 billion) economic support package represented a comprehensive response to the COVID-19 crisis. Within this package, 30 billion rand was allocated to unemployment insurance fund to support workers who lost jobs, tax subsidies for small businesses, and a 100 basis-point interest rate reduction by the South African Reserve Bank, making financing more affordable (Akrofi and Antwi, 2020). Furthermore, over R10 billion was allocated to employment creation, job protection, and support for small and informal businesses.

On the other hand, Eskom estimated that electricity demand during this period increased by 7,500 MW, which is roughly 25 percent of its standard peak capacity i.e., the maximum electricity Eskom can supply during the busiest periods. This sharp rise in demand significantly strained the grid, much like asking a system operating at full capacity to suddenly handle 25 percent more workload. This prompted Eskom to declare a force majeure, a legal move allowing it to cut back on electricity purchases from renewable energy producers such as wind farms. This decision was meant to prevent the grid from being overwhelmed.

Akrofi and Antwi (2020) warned that such measures could negatively impact renewable energy targets, potentially leading to more severe load shedding in the future. This warning has materialized, as South Africa now faces persistent load shedding. The lack of investment in renewable energy during that period has left the country ill-prepared to meet growing electricity demands, placing SMMEs in an even more vulnerable position. This situation emphasizes the urgent need for financial support mechanisms that prioritize both immediate relief and long-term energy solutions to help SMMEs cope with the challenges of load shedding.

In the context of this study, the measures taken by Southern African countries reveal both similarities and differences in how governments supported small businesses during the COVID-19 crisis, with a notable emphasis on financial relief but a lack of long-term energy solutions. Namibia's approach, focused on agri-businesses and wage subsidies, showcases a direct effort to protect jobs, but the absence of additional interventions highlights a limited scope in addressing broader business needs. Eswatini's measures, such as interest rate cuts and loan restructuring, were similarly designed to relieve immediate financial pressure, but these steps were again short-term and did not address underlying structural challenges.

In contrast, South Africa's response was more comprehensive, with a large-scale R500 billion package that targeted a range of economic needs, including unemployment insurance, job protection, and support for small businesses. While this extensive support aligned with the country's greater economic footprint, it also exposed a critical vulnerability; the country's energy infrastructure could not handle the rising demand during the crisis. Eskom's decision to curb electricity purchases from renewable energy producers to stabilize the grid illustrates the tension between short-term economic relief and long-term energy sustainability. This has left small businesses vulnerable to the persistent issue of load shedding, a challenge that has worsened over time.

The study by Akrofi and Nwi (2020) provides valuable insights into the West African response to the COVID-19 crisis, revealing that all the countries in the region implemented some form of energy-related measures to support businesses during the pandemic. These measures included electricity bill waivers, suspension of payments, and other fiscal and regulatory actions aimed at alleviating financial strain. Spanger (2023) further highlights these efforts, noting that in Burkina Faso, the government reduced electricity bills by 50 percent and cancelled penalties for unpaid invoices from the main utility companies.

In Côte d'Ivoire, as further highlighted by IMF (2020), the government helped citizens, including small businesses, by postponing electricity and water bill payments and suspending payments for underprivileged groups for three months. This provided small businesses in vulnerable areas with breathing room to continue their operations without the immediate pressure of utility bills. Similarly, in Ghana, the government fully covered the electricity bills for lifeline consumers, which included small businesses with minimal electricity usage. For other businesses, 50 percent of electricity costs were absorbed, alleviating operational expenses during an already difficult time.

The insights provided above offer valuable understanding of how small businesses across Africa were supported during previous economic crises, particularly in the context of load shedding, which is a more recent global crisis. However, there are notable gaps that must be addressed. As highlighted in the introduction, the COVID-19 crisis, while a significant reference point, was primarily a global health emergency, and government responses were driven by the urgent need to protect public health and stabilize the broader economy.

This differs from the crisis of load shedding, which presents unique challenges that are not purely health-related, but rather tied to an energy crisis with far-reaching consequences for businesses. The financial support provided during COVID-19 was intended to cushion the economy as a whole, not specifically aimed at fostering the growth of small businesses. While some small businesses did benefit from these relief packages, the focus was never solely on them. Furthermore, the role of the private sector in these interventions remains underexplored, with much of the attention directed toward government responses. Despite these limitations, this section plays a crucial role in addressing part of the research question about how governments respond when small businesses and the broader economy need help the most. It sheds light on the measures taken by the government and their impact.

2.4.2.3 Decision making in SMME financing

In line with the research question, which investigates the factors influencing both public and private sector financing for SMMEs, it is crucial to examine the underlying drivers of funding decisions within the African context. Small businesses are essential to the continent's economic growth and development, yet they face substantial challenges, especially during economic downturns. Understanding what drives financial support decisions, whether from the public or private sector, can provide valuable insights into how these businesses can be better supported during crises like load shedding.

The studies by Meenakshi et al. (2011), Dinh et al. (2012), and Fowowe (2017) highlight significant barriers to credit access faced by small businesses, particularly in African countries. These barriers include the lack of collateral, which prevents many businesses from meeting the security requirements set by financial institutions, and the complex bureaucratic procedures involved in securing loans. Additionally, financial illiteracy is a major obstacle, as many small business owners lack the knowledge to navigate loan applications or manage their finances effectively. These challenges, according to the studies, lead to the exclusion of small businesses from formal financial systems, hindering their growth and sustainability.

The lack of collateral increases risk perception, pushing financial institutions to either demand stringent security or explore alternative risk mitigation strategies such as guarantees. Complex bureaucratic procedures discourage small businesses from accessing loans, prompting the need for simplified processes. Financial illiteracy among business owners further impacts their ability to engage with formal financial systems, influencing public and private sectors to incorporate capacity-building initiatives into their financing strategies. Additionally, the exclusion of small businesses from formal financial systems due to rigid institutional norms emphasizes the importance of developing inclusive policies, such as relaxed documentation requirements or alternative credit models. These factors reveal the systemic challenges shaping how the public and private sectors design and implement financial support mechanisms for small businesses in Africa.

The most recent study by Simba et al. (2024) focuses on understanding how the requirements for collateral, the value of collateral, and gender biases in Africa's financial markets affect small businesses' ability to access credit. Using data from 13,783 SMEs in 41 African countries collected through the World Bank Enterprise Survey (WBES), the study analyses these barriers through the lens of stakeholder-agency theory of debt financing. It finds that requiring high-value collateral makes it harder for SMEs to secure financing, while gender biases disproportionately disadvantage female business owners. These challenges discourage many small businesses from even applying for credit, further excluding them from formal financial systems.

Building on earlier research by Dinh et al. (2012) and Fowowe (2017), which showed how lack of collateral and financial illiteracy limit credit access, this study provides a deeper understanding of the structural problems in Africa's financial sector. It highlights that traditional lending models, combined with gender inequities, prevent SMEs from thriving. This has critical implications for public and private sector efforts to support small businesses. To overcome these barriers, alternative solutions like credit guarantee schemes, inclusive policies, and simplified loan processes are needed.

In the context of this research, the findings from Simba et al. (2024) show that addressing these challenges is essential to creating a fairer financing environment for SMEs. By tackling the systemic issues of collateral dependency and gender bias, government and financial institutions can help small businesses access the resources they need to grow and contribute to Africa's economic development.

The stakeholder-agency theory of debt financing, as explored by Kautonen et al. (2020), aligns closely with the findings of Simba et al. (2024), offering deeper insights into why SMEs face barriers to credit access. Kautonen et al. (2020) identify information asymmetry as a major challenge for banks, where the lack of reliable public information on SMEs leads to credit rationing. This study shows that trust can be a powerful tool to bridge the information gap between lenders and SMEs, which is crucial in environments where formal creditworthiness assessments may not fully capture the potential of a small business.

In the absence of sufficient collateral, trust can help establish the credibility of a business, providing an alternative way for lenders to assess risk. For small businesses struggling to secure their first round of funding, this approach can be a lifeline, enabling them to access the resources needed to survive and expand despite limited assets. By emphasizing trust over rigid collateral requirements, funding institutions can create a more supportive environment that enables small businesses to navigate economic challenges and build resilience in the face of adversity. This approach is particularly significant in South Africa, where economic pressures, such as load shedding and high unemployment, create additional hurdles for small businesses trying to get started. Trust-based financing can help overcome these barriers and facilitate the growth of small businesses, contributing to broader economic stability and development.

The study by Wellalage and Locke (2017), conducted in developing nations outside of Africa, presents a contrasting view by suggesting that female-owned businesses are slightly less likely to face credit constraints compared to male-owned businesses. This finding indicates that, in their context, gender bias in access to credit may not be as pronounced as it is in Africa. This contrast suggests that, while gender bias remains a challenge, the severity and impact may vary significantly between regions. This suggests that the nature of gender bias in credit access could be less systemic or entrenched in some other developing nations, whereas in Africa, it remains a critical issue that demands targeted policy interventions from both public and private sectors to level the playing field for female entrepreneurs.

Quartey et al. (2017) make an important contribution to understanding how small businesses in Sub-Saharan Africa access finance. Unlike many studies that only look at one country or industry, their research compares different countries and regions. At a sub-regional level, they find that factors such as firm size, ownership structure, legal rights, access to credit information, export orientation, and managerial experience consistently influence access to finance. This broader view complements the work of Wellalage and Locke (2017), who focused on specific challenges such as collateral requirements, gender discrimination, and low levels

of trust between lenders and business owners. More recently, Simba et al. (2024) have extended this conversation by exploring how trust and perceptions of risk influence financing relationships in different sectors.

However, Quartey et al. (2017) go further by showing that even when these challenges are common, each country still has its own unique issues. This means that governments and banks should not rely on one-size-fits-all solutions. Instead, they need to create financial policies that match the specific needs and conditions of each country. This insight challenges the more generalized findings of studies that suggest broad, uniform factors influencing credit access across African countries by highlighting the need for nuanced, country-specific policies that address unique legal, economic, and institutional factors. These findings suggest that, while regional studies are valuable for identifying common barriers, there is a critical need for localized solutions.

These studies reveal the harsh realities small businesses face in accessing finance, especially in Africa, where systemic barriers like high collateral requirements, gender biases, and financial illiteracy stand in the way of their growth and survival. For SMEs trying to make their mark, these challenges are more than just financial hurdles, they are the very things that keep them from reaching their potential. The public and private sectors must take a hard look at these barriers and rethink their financing strategies. It is not enough to have policies that work in theory; they need to work in practice, with a focus on inclusivity, fairness, and trust. These studies emphasize that, for small businesses to thrive and contribute to the broader economic recovery, governments and financial institutions must recognize and address the unique challenges these businesses face. The future of SMEs, particularly in times of crisis like load shedding, depends on the willingness to build a supportive, equitable financial ecosystem that truly enables them to grow

2.4.3 Empirical literature in the South African Context

A consistent and concerning trend emerges across several studies; small businesses facing energy crises are often compelled to adopt short-term survival strategies that unfortunately, have long-term negative consequences. Among these strategies, the most alarming is the laying off of workers, a response highlighted in studies by Jamil and TayyabaSohail (2018), Umar and Kaunda-Wamuwi (2019), Charity and Simon (2023), Mabunda et al. (2024), and Schoeman van Wyk and Blaauw (2024). This approach poses significant challenges, particularly in African nations like South Africa, where unemployment rates are already

alarmingly high. While these layoffs may seem necessary for immediate survival, they often lead to a loss of long-term job opportunities and hinder economic growth. The implications of such strategies are far-reaching, as they do not only affect the businesses themselves but also have a broader societal impact. Such pattern starkly challenges broader economic goals, such as those outlined in the National Development Plan (NDP), which emphasizes inclusive growth and job creation (Schoeman van Wyk and Blaauw, 2024). With this context in mind, it becomes crucial to ask whether South African SMMEs face similar challenges. Are their coping strategies in response to energy disruptions aligned with those observed globally, or are there distinct factors influencing their decisions? These aspects are explored in the next section, where existing studies are reviewed in relation to all three research objectives.

2.4.3.1 SMME support during load shedding

This section reviews existing studies on initiatives and measures designed to support SMMEs in South Africa, particularly during periods of load shedding. The literature highlights a range of financial and non-financial support mechanisms aimed at helping SMMEs navigate these disruptions. However, while many studies have examined these initiatives, there is limited research specifically focused on non-financial support programs tailored to assist SMMEs during load shedding.

Mathibe and van Zyl (2011) conducted an evaluation of non-financial support programs for SMMEs in the Free State Province, South Africa, assessing their effectiveness in the post-1994 era. Through structured interviews with government program representatives, they found that SMMEs often faced challenges due to limited awareness of available support, poor service delivery, and inefficiencies in program operations. Although this study did not specifically address load shedding, its findings provide a backdrop for understanding how gaps in non-financial support mechanisms may be exacerbated in times of crisis. The lack of effective communication and implementation within these programs is a crucial concern, particularly when external disruptions like load shedding amplify the vulnerabilities of SMMEs.

Building on this, Rungani and Potgieter (2018) explored the importance of financial support mechanisms for SMMEs and argued that while financial aid is essential, it needs to be accompanied by non-financial support measures such as advisory services and capacity-building initiatives. Their study, while focused primarily on the financial aspect, reinforces the need for a more comprehensive approach. The findings suggest that non-financial interventions, like business training and networking, can play a pivotal role in ensuring that

financial support is used effectively. In the context of load shedding, these non-financial measures could help SMMEs navigate disruptions by enabling them to better plan, adapt, and utilize available financial resources more efficiently

The study by Peters and Naicker (2013) aimed to evaluate the success of government support initiatives for the SMME sector, specifically examining the perceived strengths and weaknesses of the government's national strategy and the institutions responsible for creating an enabling environment for small businesses. To achieve this, the researchers employed a survey research design with a mixed-methods approach, gathering empirical data from 282 respondents. The findings revealed that the government's approach primarily focused on supply-side interventions, such as providing access to training, credit, mentoring, and information to both existing and new businesses.

However, a significant issue identified was the lack of awareness about these support initiatives, which respondents felt hindered their effectiveness. Many participants indicated that they often sought support from business consultants and external specialists, whom they believed added more value to their businesses than government-provided services. The lack of awareness observed in this study mirrors the challenges faced by SMMEs in accessing the support mechanisms available to them, highlighting a key gap in the delivery and communication of these initiatives.

Msimango-Galawe and Hlatshwayo (2021) provide a compelling perspective on the critical role of non-financial support in enabling SMMEs to endure economic challenges. Their study examined how business incubators contribute to mitigating the high failure rate of SMMEs in South Africa. The providers of business incubation include specialized government agencies, private corporations, non-profit organizations and business associations of which are sometimes referred to as business development service providers (BDSPs) (Hausberg and Korreck, 2021). The findings reveal that although incubators have had some positive effects on businesses that participated in their programs, these improvements have not been substantial enough to lower the national failure rate, which remains alarmingly high.

A key issue identified in the study is the misalignment between the services provided by business incubators and the actual needs of SMMEs. While SMMEs often prioritize access to finance as a critical need, incubators predominantly focus on offering services such as office space and general support, which may not address the most pressing concerns of these businesses. The disconnect between what SMMEs require and what support institutions

provide reflects a principal-agent problem, where the priorities of agents (such as business incubators) diverge from the needs of principals (SMMEs). For these initiatives to make a meaningful impact in reducing the high failure rate of SMMEs, it is essential to bridge this gap. This requires a shift from generalized support strategies to a more tailored approach that directly addresses the key needs of SMMEs, such as access to finance and tools to mitigate the effects of load shedding.

Mkhwebane and Ntuli (2019) explored the role of government in facilitating access to renewable energy solutions, specifically Small-Scale Embedded Generation (SSEG) systems like solar power, which could serve as alternatives during load shedding for SMMEs. Through semi-structured interviews with industry experts, including local government representatives and solar installation companies, they identified several barriers faced by small businesses in accessing these solutions. Key challenges included the lack of a clear regulatory framework, delays in obtaining grid connection permits, high setup costs, and competition from unqualified providers offering substandard services. These obstacles not only impede the quality and reliability of solar installations but also undermine customer confidence, leaving even businesses that can afford these solutions at risk of receiving unreliable services. Setbacks for installers ultimately mean delays in providing reliable power alternatives to client SMMEs, which can significantly disrupt their activities during power cuts.

These regulatory gaps echo the concerns raised in the literature, including Khoase and Ndayizigamiye (2018), who highlight the negative impact of unclear policies on SMMEs' ability to access vital support, including energy solutions. This aligns with the conceptual framework of the present study, which emphasizes that a stable regulatory environment is crucial for improving SMMEs' access to finance and ensuring their long-term survival. This theme of regulatory gaps is further explored in Mashamaite (2024), whose study on the Renewable Energy Independent Power Producer Procurement Programme (REI4P) echoes similar concerns.

Mashamaite (2024) identifies the lack of clear policies as a key barrier preventing township-based SMMEs from participating fully in renewable energy projects, restricting their potential for economic growth and impeding their ability to address energy insecurity. This aligns with the present study's conceptual framework, which stresses that a stable regulatory environment is crucial for SMMEs' resilience and operational stability, particularly in times of crisis like load shedding. Ensuring clarity and effectiveness in the regulatory framework is therefore key to improving SMMEs' ability to thrive and access necessary resources.

The literature reveals significant gaps and inefficiencies in the support provided to SMMEs, particularly with regard to government initiatives, with a notable absence of studies exploring the role of the private sector. This is of particular concern in light of South Africa's high unemployment rate, especially among young people, with 45.5 percent of individuals aged 15-34 unemployed, as reported by Stats SA in early 2024. Given the vital role that SMMEs play in the economy, providing essential jobs and contributing to economic stability, one might ask; could the high failure rates of SMMEs be a contributing factor to the growing unemployment crisis? While this is a question for further investigation, it is imperative to first understand what has been done to support these businesses, particularly in the context of challenges such as load shedding. Without a clear understanding of the initiatives in place, it is difficult to address the underlying issues. This study aims to fill this gap by examining the initiatives that have been implemented to support SMMEs during times of crisis, with a particular focus on the impact of load shedding.

2.4.3.2 Financial assistance for SMMEs

Loadshedding has become a major challenge for small businesses in South Africa. With power cuts happening more often, small businesses are losing valuable time, money, and productivity. For many small businesses, the constant power cuts make it difficult to keep running smoothly, and the question is: *What financial support is there to help them survive this crisis?*

Mabunde et al. (2023) highlight the devastating impact of load shedding on SMMEs in the Collins Chabane Local Municipality, Limpopo. Using a mixed-methods approach with triangulation, they surveyed 100 SMME owners and managers through purposive, snowball, and cluster sampling methods. The study found that load shedding caused businesses to lose an average of 61 percent of their revenue, forcing 59 percent of them to lay off employees due to their inability to pay wages.

The findings suggest that load shedding not only disrupts operational stability, but also poses a direct threat to employment and community livelihoods. Mabunde et al. (2023) recommend government subsidies for alternative energy solutions, such as solar panels, and call for government-led initiatives to empower SMMEs in renewable energy production. These insights emphasize the urgency of addressing the financial and infrastructural challenges posed by load shedding. However, their recommendations focus on the need for interventions rather than evaluating their implementation or impact, leaving a gap that this research aims to address.

Molo's (2019) study provides valuable insights into the nuanced relationship between government financial support and its outcomes for SMMEs, offering lessons that are directly relevant to this research. By employing a quantitative quasi-experimental design, the study assessed the impact of financial assistance from Gauteng Enterprise Development (GEP) on SMME turnover and employment levels. While the financial support significantly boosted turnover, the lack of a statistically significant effect on employment reveals a critical gap in achieving broader developmental priorities, such as job creation, a key goal for South Africa's government.

This finding is particularly meaningful in the context of this study, as it highlights that while financial interventions may address immediate operational challenges, like revenue losses due to load shedding, they often fall short of fostering long-term economic resilience and addressing systemic priorities like employment. For the current research, this emphasizes the importance of designing financial support programs that not only help SMMEs survive load shedding, but also contribute substantively to sustainable growth and employment. Molo's findings call for a more integrated approach to financial support, aligning it with developmental imperatives and ensuring that such initiatives deliver tangible benefits beyond mere survival, making it highly relevant to the aim of this study.

This aligns with Mbekeni's (2009) primary objective, which was to investigate the success rate of the government's National Industrial Participation Programme (NIPP) in supporting SMMEs. Mbekeni's study revealed that despite the DTI approving business plans under the NIPP, these projects often remain in the database without receiving the necessary financial support. The study concluded that the implementation of the NIPP is not effectively supporting SMMEs, as approved projects do not get funded. This overlap in findings emphasizes a critical issue within South Africa's support systems for SMMEs, raising questions about the barriers preventing these businesses from accessing essential financial assistance, despite existing government programs designed to help them

The study by Ladzani and Netswera (2009) aimed to raise awareness of the support needed and available for rural SMMEs in Limpopo Province, South Africa. They conducted a survey with 600 SMMEs from all six municipal districts to assess their profile, the support systems they used, and what was still needed. The study found that a large proportion (80 percent) of SMMEs perceived finance as inaccessible. It also highlighted that most SMMEs were owner-managed and small in scale, with many having been in operation for six years. This gap in access to

financial resources is a significant obstacle for SMMEs that struggle to survive load shedding and recover from its impacts.

In light of the current research question, which seeks to assess the financial support extended to SMMEs to help them cope with load shedding, Ladzani and Netswera's findings emphasize the importance of not just providing financial support but also ensuring that it is accessible, particularly to SMMEs operating in rural areas. The study positions the issue of accessibility as a key challenge that must be addressed for financial interventions to be effective. This aligns with the broader need for an integrated, inclusive approach to financial support, one that not only helps businesses survive immediate challenges like load shedding, but also fosters sustainable growth and resilience in the long term. By emphasizing the importance of both availability and accessibility of financial support, Ladzani and Netswera's study enriches the understanding of how government interventions can be better designed and implemented to meet the diverse needs of SMMEs, making it highly relevant to the objectives of this research.

While Molo's research in South Africa demonstrates that government funding boosts turnover but fails to impact employment significantly, Baker and Judge (2020) emphasize that government interventions, such as the Pay check Protection Program (PPP), are important but not sufficient to address the cash flow needs of small businesses during a crisis. They argue for creative solutions, including partnerships with existing intermediaries like banks and online lenders who have the infrastructure and relationships to distribute funds efficiently. Further, trying to work with a diverse array of intermediaries could expand the pool of businesses that ultimately receive help and could also reduce the tendency for the government's needed interventions to distort an already uneven market. This aligns with Molo's conclusion that interventions need refinement to ensure long-term sustainability.

The existing literature reveals a significant gap in the analysis of financial support extended to SMMEs in South Africa to mitigate the impact of load shedding. While the adverse effects on SMMEs, such as revenue losses, layoffs, and operational disruptions have been well documented, the literature has largely overlooked the specifics of the financial interventions designed to address these challenges. For instance, the introduction of the Energy Bounce Back Loan Guarantee Scheme (EBB) by the South African government in 2023, aimed at supporting SMMEs through loans for renewable energy solutions as detailed by the National Treasury (2023), appeared to be a promising initiative.

However, the rollout of this scheme has been slow, with significant delays in its implementation, leaving many businesses without access to critical financial support. This delay highlights a crucial disconnect between government announcements and the actual delivery of support on the ground, particularly for smaller enterprises and those in provincial areas. This gap emphasizes the need for further investigation into how financial support is being made available to SMMEs, how accessible it is, and how it aligns with the urgent needs of businesses grappling with load shedding. The current study seeks to address these gaps by examining the effectiveness and accessibility of financial interventions aimed at supporting SMMEs, while considering the broader implications of delayed implementation at both national and provincial levels. Through this, the study aims to contribute valuable insights to the discourse on enhancing financial resilience for SMMEs in the context of ongoing energy challenges.

2.4.3.3 Decision making in SMME financing

Msomi and Maharaj (2022) sought to uncover the barriers preventing SMMEs in KwaZulu-Natal from accessing financial support. Their mixed-methods study, which included surveys and interviews with SMME owners and financial institutions, identified key obstacles: collateral requirements, inadequate cash flow statements, and low equity from business owners. These challenges align with the findings of Serame (2019), whose research highlighted similar issues: poor credit histories, lack of financial literacy, and weak governance structures, as major barriers for SMMEs across South Africa. The findings from both studies paint a concerning picture of exclusion, where the financial systems in place often overlook or shut out small businesses, especially start-ups. Many SMMEs simply cannot meet the strict criteria set by banks, which leaves them struggling to access essential loans.

Additionally, Fatoki and Odeyemi (2010) added that beyond financial difficulties, many SMMEs also face gaps in management skills and critical documentation, issues that hinder their ability to secure the financing they need to survive and grow. During load shedding, the already existing financial barriers like inadequate cash flow and collateral requirements become even more detrimental, as businesses struggle to maintain operations under power disruptions. This context emphasizes the importance of understanding how public and private sector decisions can evolve to better support SMMEs in navigating these unprecedented challenges.

Similarly, Fatoki and Odeyemi (2010) identified a lack of managerial competencies and insufficient documentation as common obstacles. These findings suggest that beyond financial challenges, structural and knowledge gaps undermine SMMEs' ability to secure funding. While financial literacy programs and alternative credit assessments have shown promise in bridging these gaps, their implementation remains inconsistent. For instance, Fatoki (2014) recommended simplified financial literacy initiatives tailored to SMMEs, yet studies like Serame (2019) highlight the persistence of financial illiteracy among entrepreneurs. This disconnect emphasizes the need for more accessible, localized interventions to address the knowledge gap.

In terms of the role of financial institutions, Fatoki (2014) investigated the decision-making criteria of South Africa's four major banks, utilizing a survey-based methodology to identify key lending requirements. Meanwhile, Ramalho et al. (2018) analyzed venture capital trends in South Africa using case studies and financial data, focusing on risk perceptions and regulatory barriers. The findings by Fatoki (2014) revealed that banks prioritize creditworthiness, collateral, and strong business plans, which exclude many SMMEs from formal financial systems. The cycle of exclusion becomes even more apparent when considering the findings of Ramalho et al. (2018), who emphasized that high-risk perceptions and excessive regulatory barriers discourage venture capital investment in South Africa. This creates a situation where SMMEs, often seen as high-risk ventures, are left without the external financing necessary to grow and compete. In this way, they are caught in a cycle of dependency on internal funds and informal sources that are often inadequate.

Daniel et al. (2006) laid an important foundation by introducing a psychological dimension to the financing challenges faced by new SMMEs in South Africa. Their study revealed that beyond institutional barriers, many entrepreneurs are internally discouraged from seeking external finance due to fears of financial distress, bankruptcy, and the overwhelming responsibility associated with managing debt. This internal fear prevent them from even trying to access the finance they need. Later studies, such as those by Fatoki (2014) and Ramalho et al. (2018), built on this idea by focusing more on external barriers, such as strict loan conditions, lack of collateral, and the unwillingness of banks and investors to take risks on small businesses. Together, these studies show that small businesses are caught between internal fears and external obstacles. This is supported by the Pecking Order Theory, which suggests that businesses prefer using their own money first, then loans, and only seek external investors when absolutely necessary. As a result, many SMMEs remain underfunded, not

because they lack ambition, but because the environment and their fears make it too difficult to grow.

This observation also aligns with a global phenomenon identified in borrower behaviour research by Beck et al. (2008), where a significant group of potential borrowers, despite needing financial assistance, refrain from applying for loans altogether. This reluctance often stems from past negative experiences or perceptions of being unable to meet the required criteria. Such a pattern suggests that the issue goes beyond simple ineligibility for financing; it is about a deep-seated discouragement and fear of failure that holds SMMEs back from even taking the first step to seek help. This suggests that not only are SMMEs in South Africa struggling with accessing financial resources, but they are also discouraged from pursuing them in the first place. This psychological barrier exacerbates their financial struggles, particularly during challenging times like load shedding, where the risks of financial instability are heightened. This calls for a rethinking of the factors influencing SMMEs' access to finance, focusing not only on the institutional barriers but also on the psychological and behavioral aspects that prevent them from seeking out necessary financial support.

In terms of what works, innovative credit assessment models, such as cash-flow-based lending, have shown potential in addressing these challenges. However, their adoption remains limited. Fatoki (2014) suggested integrating such models into mainstream banking practices, yet there is little evidence of widespread implementation. Additionally, Ramalho et al. (2018) highlighted the need for regulatory reforms to encourage venture capital investment, but progress in this area has been slow.

Turning to the role of public and private sector interventions, Khoase and Ndayizigamiye (2018) explored the support systems available to SMMEs in South Africa and Lesotho. Their study found that while financial assistance programs such as start-up capital and referral services exist, SMMEs in both Pietermaritzburg and Maseru still face substantial barriers to accessing these funds. High interest rates and collateral requirements often render these programs ineffective. Furthermore, the GEM SA Report (2014) revealed that many entrepreneurs remain unaware of the funding opportunities available to them, emphasizing a significant knowledge gap that prevents SMMEs from taking full advantage of government and financial sector support.

Despite these challenges, the literature suggests that interventions such as targeted outreach programs and simplified application processes, hold great promise in improving access to

government funding. However, their effectiveness has been inconsistent, and their reach remains limited. The FinScope Survey (2010) recommended expanding financial literacy campaigns to raise awareness, but, as noted, the implementation of these campaigns has been uneven. This gap between policy intentions and real-world practice is a clear indication of the need for more comprehensive and coordinated efforts to ensure these programs can truly benefit the SMMEs they are designed to support. Similar challenges have been identified in neighboring countries, shedding light on the broader regional context of SME financing. Mutoko et al. (2017) in Botswana and Chauke et al. (2023) in South Africa's Capricorn District Municipality, emphasized the need for region-specific lending processes that cater to the unique circumstances of SMEs. These studies suggest that in order to enhance credit access, financial services must be tailored to local needs, addressing regional disparities and contextual barriers.

Moreover, Serame (2019) and Msomi and Maharaj (2022) highlighted the importance of strengthening partnerships between financial institutions, government agencies, and development finance institutions to effectively support SMMEs. The collaboration among these stakeholders is crucial to overcoming the systemic barriers faced by small businesses and improving access to financing. These regional findings reinforce the notion that while general solutions may exist, addressing the specific challenges and regional dynamics is key to enhancing access to financing for SMMEs.

The comprehensive literature has been incredibly valuable, offering a clear starting point and deep insights into the challenges that small businesses face when trying to secure financial support from both the public and private sectors. These studies have painted a clear picture of the many obstacles SMMEs face, such as strict collateral requirements, poor credit histories, and a lack of financial knowledge. By understanding these barriers, the current study has a strong foundation to show how addressing these issues could better position small businesses to access the financial help they desperately need.

However, while existing literature provides comprehensive insights into the barriers faced by SMMEs in accessing financial support, there remains a critical gap in understanding the motivating factors that drive these sectors to support small businesses. While many studies focus on the reasons behind the exclusion of SMMEs, very few explore the underlying incentives and motivations that influence decisions to provide financial assistance. This gap limits our understanding of how to create a more conducive environment for SMMEs to not only overcome barriers but also attract the support they need to thrive. As such, this study aims

to fill this gap by exploring the dynamics of SMME financing in the context of load shedding, particularly within KwaZulu-Natal.

2.5 Chapter Summary

After defining SMMEs, the chapter delves into the theories underpinning the study, explaining them in relation to the research focus. It then transitions to exploring the relationships among key variables, providing clear definitions and explanations of their roles and purposes. A conceptual model is visually presented to illustrate these connections, showcasing how each variable influences the others and collectively impacts the sustainability and empowerment of SMMEs in challenging environments. The chapter concludes with an empirical review of studies aligned with the research objectives, drawing insights from various contexts to establish a broader understanding and highlight gaps in the literature. This foundation sets the stage for the study's unique contributions. The following chapter delves into the research design and methods employed in this study. It outlines the qualitative approach adopted, detailing the rationale behind its selection and its suitability for exploring the complexities of SMME support amidst load shedding.

CHAPTER 3: RESEARCH METHODOLOGY

3. Introduction

Having established a comprehensive understanding of the complexities associated with supporting small and medium-sized enterprises across various economic landscapes, including the distinct challenges presented by load shedding in South Africa, the discussion now shifts to the methodological framework of this study. Building upon the theoretical foundations outlined in the preceding chapter, this chapter details the research design, data collection methods, and analytical approaches employed to examine the support mechanisms available to SMMEs.

3.1 Research Philosophy

To ground the research approach, an interpretivist philosophy is adopted, which aligns with the study's aim of exploring the initiatives implemented to support SMMEs in surviving load shedding in KwaZulu-Natal. This approach focuses on understanding the personal experiences and perspectives of four key groups: SMME owners, industry experts, funding institutions, and government representatives, shedding light on the strategies and actions taken to assist small businesses in this challenging context. This philosophy prioritizes understanding the meaning behind human actions and decisions within their specific social context, ensuring that the voices of all participants are heard and their perspectives valued (Mvunabandi, 2022). Unlike positivism, which limits itself to measurable data, or philosophies like pragmatism and critical realism, which rely on detached analysis and mixed methods, interpretivism dives into the rich complexity of human experiences, making it the ideal choice to fully capture the challenges faced by SMMEs during load shedding (Duberley, 2012).

By doing so, this research ensures that the social constructs shaping their survival strategies are thoroughly examined, providing valuable insights into the practical and emotional aspects of navigating such crises. This interpretivist approach is not only suitable but has become even more compelling, as recent studies continue to validate its importance in understanding the experiences and perspectives of SMMEs. Research by Motloug (2022) and Malau (2025) emphasizes the need to explore the subjective realities of small business owners, particularly within the context of crises like load shedding. Given these recent findings, the approach taken in this study aligns with the most current academic trends and ensures a thorough understanding

of the support systems at play, thus confirming the appropriateness of using interpretivism to address the challenges faced by SMMEs in KwaZulu-Natal.

3.2 Research strategy

The research strategy for this study, firmly rooted in an interpretivist philosophy, is a carefully considered approach that draws from a rich body of scholarly work that has explored similar challenges faced by small businesses. For instance, Weligodapola and Darabi (2018) utilized an inductive qualitative approach to uncover patterns and themes from raw data, a method that aligns seamlessly with the objectives of the present study. Their focus on uncovering the underlying factors influencing small enterprises' behaviour aligns closely with the aim of this study which is to understand the mechanisms designed to help small businesses cope with load shedding. Shaw (1999) also emphasized the importance of semi-structured interviews in exploring the experiences of small businesses, a method this study adopts to capture the diverse perspectives of the participants. By using semi-structured interviews and thematic analysis, this study follows proven, context-sensitive research practices, ensuring a comprehensive understanding of the support strategies for small businesses.

3.3 Research Design

Karadağ (2016) defines research design as the blueprint or plan that outlines the structure and methodology of a research study. Ndlovu (2019) elaborates this further, stating that it serves as a roadmap for researchers, guiding them on how to effectively collect and analyse data to address their research questions. Makasi (2023) then categorizes research designs into three main types: qualitative, quantitative, and mixed methods, each distinguished by unique characteristics and applications. Qualitative research, as described by Makasi (2023), focuses on understanding through non-numerical data and interactions with participants, making it suitable for exploring meanings and experiences. Quantitative research, on the other hand, is characterized as an objective process involving numerical data to analyse relationships between variables and patterns, focusing on causes and effects. Mixed methods research integrates both qualitative and quantitative methods within a single study, combining their strengths to offset respective disadvantages (Makasi, 2023).

For this study, qualitative research was deemed the most relevant approach. This choice is supported by the need to deeply explore and understand the experiences, challenges, and support mechanisms for SMMEs during load shedding in KwaZulu-Natal. The qualitative

approach is well-suited to this study, as it allows for a deeper understanding of how SMMEs manage and respond to the challenges brought about by power outages.

In line with the identified research gap and the need for an in-depth understanding of intervention support for SMMEs, the researcher employed a robust methodological approach for data analysis. The sections that follow delve into the methods used to ensure that this design brought their experiences to life with accuracy, depth, and care.

3.3.1 Population

In the realm of statistics, a population refers to the complete group for which specific information needs to be gathered (Karadağ, 2016). The target population for this research comprises 375,209 SMMEs within the KZN province, based on the latest available Quarterly Labour Force Survey conducted by StatsSA in the last quarter of 2022. While this figure represents the most recent data, it is worth noting that the number of SMMEs in the province has shown variability.

Notably, KZN was the only province to record a significant decrease in the number of SMMEs between 2021 and 2022, with an 8.9 percent decline (equating to 30,528 fewer SMMEs). This decrease highlights unique challenges faced by small businesses in KZN, potentially linked to the region's prolonged energy challenges and other economic factors. Since the data was collected in the last quarter of 2022, the current number of SMMEs in KZN may have changed slightly due to natural fluctuations over time. Therefore, the figure of 375,209 represents an approximate population for this study.

The accessible population is further narrowed to SMMEs located in Durban and Pietermaritzburg, a focus strongly justified in Chapter one. The key stakeholders, including government officials, representatives from financial institutions, SMME owners, and industry experts are the relevant population group for this study. Once the population for this research was taken into consideration, a sample was drawn

3.3.2 Sampling technique

Sampling is a method used to select specific group of individuals from a larger population. This technique allows to draw conclusions and estimate the characteristics of the entire group based on the data gathered (Blöse, 2018). For this qualitative research, purposive sampling was employed, a method chosen specifically for its ability to strategically select participants most relevant to addressing the research questions. This approach allowed the researcher to engage

deeply with a small, carefully selected participants, extracting rich and meaningful insights pertinent to the study. One of the primary advantages of this method was its effectiveness in ensuring that the participants were well-positioned to provide detailed and contextually relevant information.

However, purpose sampling is not without its challenges. One of the disadvantages is the risk of selection bias, as the researcher exercises judgement in choosing participants. Additionally, the reliance on a small sample size may limit the diversity of perspectives. To address these limitations, the researcher leveraged referrals from other experts to identify participants with substantial experience and influence. Background research was then conducted to verify their expertise, knowledge, and the impact they are making within the small business landscape in KZN. This two-step approach ensured that the selected participants were highly relevant to the study. Finally, the researcher carefully chose participants whose experiences and knowledge were particularly rich and relevant, ensuring that even with a small sample, the insights gathered were diverse and comprehensive.

3.3.2.1 Selection criteria

Selection criteria refer to the specific standards or requirements used to choose participants for a study, ensuring that the data collected aligns with the research objectives (Makasi, 2023). The inclusion criteria outline the necessary characteristics participants must meet to be eligible for the study, ensuring relevance to the research objectives. Conversely, the exclusion criteria identify characteristics that disqualify potential participants, maintaining focus and enhancing the validity of the results.

3.3.2.1.1 Research participants

Table 1.3: Inclusion criteria

Category	Participant(s)	Count
Financial Institution Representatives	Male; Durban, Banking Industry, Male; Durban & PMB, Financial Services	2
Government Representatives	Female, PMB, SMME Support Durban, SMME Support	2

Category	Participant(s)	Count
Industry Experts	Female, Durban, Business Development & Advisory	2
	Male, Durban, Business Consulting (SMME Support)	
SMME Owners	Male, Durban, Baking Industry,	4
	Female, PMB, Production	
	Female, Durban, Poultry Farming	
	Female, PMB, Services	
Total Participants		10

As shown in the table above, the sample size consists of 10 participants, with 6 from Durban and 4 from PMB, categorized into four groups: 2 financial institution representatives, 2 government representatives, 2 industry experts, and 4 SMME owners. This division ensures a balanced representation of perspectives from key stakeholders across the two cities. The selection of participants for interviews was conducted using purposive sampling. The criteria for selecting participants were carefully designed to ensure that the chosen individuals have direct relevance to the research objectives and possessed a high level of knowledge and expertise. Participants were chosen based on their roles and responsibilities related to SMME support during load shedding. Government representatives involved in policy development and implementation aimed at supporting SMMEs within the province were among the key participants. The researcher sought approval from eThekweni Municipality to conduct interviews with permanent staff members. This request was granted through the issuance of a gatekeeper letter (see appendix e), providing access to key individuals with valuable insights.

The representatives from financial institutions, one of the four participant groups in this study, were included to provide insights into their role in supporting SMMEs. To access these participants, the researcher submitted a formal request to these institutions, seeking permission to conduct interviews with individuals who could provide valuable insights. The request was accompanied by all the necessary supporting documents, which were reviewed and approved by the relevant authorities. For example, the researcher submitted an ethical clearance letter

from the UKZN Human and Social Sciences Research Ethics Committee to ensure adherence to ethical protocols, which facilitated a smooth approval process. Their extensive experience and expertise in the sector further ensured that their contributions were both relevant and insightful.

SMME owners who had been directly impacted by load shedding were included to provide first-hand accounts of the practical challenges they face. Industry experts with experience in SMME development were also included to provide a broader understanding of the systemic challenges and potential solutions for supporting small businesses during load shedding. For accessing both SMME owners and leading industry experts, networking played a crucial role. The researcher collaborated with an incubation company dedicated to supporting the development of SMMEs. Through their gatekeeper letter, the researcher was able to identify and engage relevant participants. These experts shared their experiences, elaborating on the roles they have played in assisting SMMEs and their observations of systemic gaps in existing support mechanisms. They offered valuable perspectives on what is lacking in the current approaches and highlighted areas that, if addressed effectively, could enhance the resilience and sustainability of SMMEs during energy disruptions.

3.3.2.1.2 Exclusion criteria

In line with the purposive sampling approach, specific exclusion criteria were established to ensure that participants selected were closely aligned with the study's focus. Participants whose roles did not directly relate to SMME support during load shedding were excluded from the study. Additionally, participants from sectors that were not significantly impacted by load shedding or those lacking direct experience with relevant policies and interventions were not included. The study also excluded participants located outside the KwaZulu-Natal province to maintain a focus on region-specific challenges and interventions. Excluding these groups ensured that the study remains focused on participants who can provide relevant, detailed, and meaningful information that aligns with the research objectives. By narrowing the participant pool to those most affected by load shedding or directly involved in related interventions, the researcher gathered richer and more actionable data.

3.1.2.2 Sample size

In qualitative research, sample size is not predetermined but rather guided by the principle of thematic saturation; the point at which no new themes emerge from the data (Morse, 2000). This study followed this approach, ensuring that data collection continued until saturation was

reached, rather than being restricted to a fixed number of participants (Guest, Bunce, and Johnson, 2006). Furthermore, while smaller sample sizes in qualitative research may be perceived as a limitation due to potential concerns about breadth and generalizability, qualitative studies prioritize depth over quantity and they typically follow different guidelines regarding sample size requirements. Methodologists, such as Creswell (1998), suggest 20-30 participants, while others like Morse (2000), suggest fewer sample sizes, especially when aiming for in-depth exploration rather than generalization.

Despite these differing guidelines, the choice of a sample size of 10 participants in this study was justified by the concept of thematic saturation. Research by Guest, Bunce, and Johnson (2006) supports this approach, demonstrating that saturation often occurred early in the data collection process. In their phenomenological study, 73 percent of the codes were identified after only six interviews, with 92 percent of codes emerging by the 12th interview, with only a small number of additional codes (8 in total) emerging by the 30th interview. Furthermore, their analysis showed that Cronbach's alpha, a measure of the consistency of the themes, reached an acceptable reliability of 0.70 after just 12 interviews, and continued to improve at decreasing rates with additional interviews. Beginning data collection with a pilot study further enhanced the likelihood of reaching saturation quickly, as preliminary themes emerged early on and were refined through subsequent interviews.

3.3.3 Data collection technique

Data collection methods refers to the techniques and procedures employed by researcher from various sources to address research questions and achieve study objectives (Kintu, 2022). Primary and secondary data collection, are two distinct approach used to gather information for research analysis. Primary data collection involves obtaining data directly from the source or through direct interaction with participants. This method includes techniques such as surveys, interviews, observations, focus groups, and experiments (Kintu, 2022). Secondary data collection on the other hand, involves utilizing existing data that was originally collected for a different purpose. This data can be sourced from various sources such as online databases, published reports, or official documents (Gray 2014, cited in Makasi, 2023).

This study adopted semi-structured interviews, recognized as one of the most effective tools for exploring complex issues in depth. By engaging with four distinct groups of participants, this approach provided a detailed and well-rounded examination of different perspectives. The flexibility of semi-structured interviews allowed the researcher to explore key themes in detail

while also identifying important insights that may not have been initially anticipated, leading to a deeper understanding of the research problem.

3.3.3.1 Pilot study

The pilot study played a crucial role in refining the research instrument and ensuring the success of the main study. As highlighted by Morse (2000), the pilot study is not just a formality, it is an opportunity to refine, perfect, and understand the instruments and methods that will shape the research. This in turn, serves as a bridge between theory and practice, where the study's tools are tested in the real world, allowing the researcher to assess whether they can capture the essence of what needs to be understood. In this study, a small, carefully selected group of participants, not part of those in the main study, took part in the pilot phase. These participants were not just data points but were chosen for their willingness to give honest, thoughtful feedback, knowing that their insights would help improve the research process. Semi-structured interviews were conducted with these participants, following the same interview guide intended for the main study, allowing the researcher to test and refine the questions and approach.

While several important insights emerged from the pilot study, the focus here is on a few critical observations that influenced the refinement of the research process. First, the complexity and wording of some questions posed challenges for participants, as certain terms were difficult for them to understand without additional clarification. In some cases, this led the researcher to elaborate more on the question, which unintentionally directed the conversation toward specific interpretations. This not only narrowed the scope of responses, potentially leading participants to answer based on perceived expectations, but it also consumed valuable time. With many participants being busy professionals, sticking to the timeframe was crucial. As a result, these extra explanations caused delays, and some of the conversations were rushed, leaving important points unaddressed.

Similarly, the open-ended format of the discussions posed its own challenges in keeping within the scheduled timeframe. In the effort to cover all questions, the researcher found himself occasionally rushing, which left some responses less explored. Another realization surfaced as participants, despite their knowledge, sometimes lacked the depth of experience needed to tackle specific questions, particularly those that required detailed knowledge of industry-specific projects or long-term financial practices. It became evident that those with substantial experience, particularly those in permanent government or private-sector roles, could offer

richer insights. These experiences highlighted the need to fine-tune both the way questions are asked and the selection of participants, so that the main study can run more smoothly and gather even richer, and more meaningful data.

Building on the discussion of sample size in the previous section, the pilot study provided valuable insights into the effectiveness of the research design and data collection process. It involved four participants, each representing one of the key participant groups, offering an initial exploration of diverse perspectives. These participants were not included in the main study; instead, their involvement was instrumental in refining the interview questions, improving clarity, and ensuring that the data collection process was well-structured.

The pilot interviews highlighted the depth of information that could be obtained, revealing emerging themes early in the process. This helped assess whether the research approach was on track to achieve thematic saturation. While adjustments were made to enhance the interview process, the preliminary findings reinforced the feasibility of the chosen methodology. By conducting a pilot study first, the researcher ensured that data collection strategies were well-adjusted to gather meaningful insights without overlooking critical perspectives. This iterative process ultimately strengthened the reliability of the main study and its ability to comprehensively address the research objectives.

3.3.3.2 Research instrument

With primary data collection as the foundation for this research, the study employed semi-structured interviews as the key measuring instrument. This approach allows for direct engagement with key stakeholders, drawing out their unique perspectives and experiences, which ensures that the data is closely aligned with the study's objectives (Schryen, 2015). While this approach allows for open ended discussion, it also present certain challenges. The variation in responses across participants can make it difficult to compare answers consistently. There is also a risk of bias, either from the researcher unintentionally guiding the conversation or participants giving answers they think are expected. Makasi (2023) elaborates this further, highlighting how such biases can influence the overall readability of the data. To minimize the impact of these potential drawbacks, the researcher designed an interview guide that balanced both clear questions and the freedom for participants to express themselves openly. By adhering closely to the interview guide, remaining neutral in phrasing, and fostering an open, comfortable environment, every effort was made to create a fair and unbiased setting. Although it was understood that some bias could not be entirely avoided, the researcher's dedication to

being neutral and thoughtful in approach helped to limit these influences, allowing the participants' true voices to come through as clearly as possible.

3.3.3.3 Interviews

For this study, a list of interview questions was used as part of an interview guide which served as a structured outline to keep interviews focused, efficient, and meaningful. The interview questions were thoughtfully crafted to align with the study's objectives and research questions, providing a structured yet flexible framework for the discussions. Special attention was given to the unique background and expertise of each participants group. For instance, questions for government and financial institutions representatives delved into criteria for funding and support, while those of SMME owners were specifically designed to explore the challenges they face in their businesses, while also investigating whether they have benefited from any initiatives aimed at helping them cope with these difficulties. This tailored approach ensured that participants felt respected and understood, creating a space where their stories could unfold authentically.

Before each interview, the researcher took extra care to send the interview questions in advance. This was not only to inform participants, but to give them a chance to reflect, gather their thoughts, and feel ready to share their insights. It was important to make them feel comfortable, allowing them the space to open up and share their experiences without feeling rushed or unprepared. Along with questions, a simple summary of what the study aimed to achieve was also shared. The summary was written in a clear, easy-to-understand way, so everyone knew exactly what the research was about and how their input would help. This helped set a positive tone for the interview and made sure everyone was on the same page, ready to contribute to something meaningful.

The interviews were conducted both in person and virtually, depending on each participant's needs. The aim was to create a comfortable environment that encouraged openness. The in-person interviews provided the opportunity for deeper connection and the ability to observe non-verbal cues, while virtual interviews allowed for flexibility, making it easier for participants to engage without the burden of travel. However, both formats presented their own challenges. In-person interviews required careful scheduling and location considerations. Online interviews on the other hand, offered greater convenient but risked technical issues, such as connectivity problems or distractions in participant's surroundings.

To minimize these challenges, the researcher took great care in planning, offering clear instructions beforehand and ensuring the necessary technology was in place. This thoughtful approach helped to foster an environment where participants could comfortably express their views, regardless of the format. The interviews, lasting between 45 and 60 minutes, provided participants with the time and space to reflect, speak freely, and share important details. Before each interview, the researcher emphasized the study's purpose and ensured that all responses would remain confidential, fostering a sense of trust that helped participants feel comfortable sharing openly. Every interview felt like a meaningful exchange, a partnership in gathering valuable insights.

In total, 10 interviews were conducted, and as the interviews progressed, the answers began to repeat, signalling that the researcher had gathered a thorough understanding. By listening deeply to these varied perspectives, this study gathered insights that go beyond surface-level observations, capturing the resilience and determination of those involved in KwaZulu-Natal's SMME ecosystem.

3.3.3.4 Data quality control

Mbekeni (2009) defines data quality control as the processes and practices used to ensure that the data collected in a research study is accurate, consistent, reliable, and free from errors. It aims to maintain the integrity of the data and ensure that it meets the standards required for the research objectives. To ensure the validity and reliability of this study, the Guba Trustworthiness Model was applied. This model, developed by Guba and Lincoln (1989), is widely regarded in qualitative research for assessing the trustworthiness of study findings through four essential criteria: credibility, transferability, dependability, and confirmability. To meet these criteria, the invaluable guidance provided by Nowell et al. (2017) was fundamental. Nowell et al. (2017) offer a comprehensive framework for ensuring trustworthiness in qualitative research, emphasizing the importance of credibility, transferability, dependability, and confirmability. What sets their work apart is the practical application of these criteria, offering clear strategies for integrating them into every stage of the research process.

For instance, they provide guidance on maintaining researcher reflexivity, ensuring data triangulation, and using member checking to enhance the accuracy of findings. This practical orientation aligns directly with the methodological approach adopted in this research, where thematic analysis (detailed in the data analysis section) was chosen as the method of analysis. By adhering to Nowell et al.'s framework, this study aimed to ensure that the findings were not

only robust but also grounded in a process that reinforces trustworthiness, making the research process transparent and credible. Although other sources on trustworthiness informed this research, the study by Nowell et al. (2017) took a centre stage, particularly in data quality control and analysis. Their framework provided a comprehensive guide that was integral in maintaining data quality and conducting analysis, ensuring that the research process adhered to the highest ethical standards of rigor. As such, the study by Nowell et al. (2017) is frequently cited in this research due to its strong relevance and practical application in ensuring the trustworthiness of the findings. In the next section, the strategies employed to uphold the trustworthiness of this study are discussed in detail.

3.3.3.4.1 Credibility

The credibility of the study assesses the truthfulness of a qualitative research, determining whether the findings are accurate and representative of the phenomenon being studied (Schryen, 2015). As Schryen (2015) further explains, this is among the most challenging criteria to meet, as there is a risk that interpretations may diverge from what participants truly intended to communicate. To address this challenge, several strategies recommended by Guba and Lincoln (1989), such as prolonged engagement, member checking, and triangulation were implemented, with practical guidance on their application provided by Nowell et al. (2017). By spending time with participants and revisiting their response to validate the research findings, we ensured that the research was accurate and reflective of their true perspective, even though this step required extra effort.

3.3.3.4.2 Transferability

Transferability is another criterion introduced by Guba and Lincoln (1989) to describe the degree to which findings from one study can be applied to other contexts or settings. Though transferability is a key aspect of qualitative research, it has its own limitations. The findings of a qualitative study cannot be transferred to all contexts since each context has its unique characteristics (Toblin & Begley, 2004; Nowell et al., 2017). Therefore, transferability is only possible when the context of the study shares similarities with other settings. In this study, the focus was on SMME support in KwaZulu-Natal, and while this geographical context may limit the application of findings elsewhere, the researcher provided a rich detailed description of the research context and participants, helping readers understand the setting in which the research was conducted. This enables them to assess the relevance of the findings to their own context.

3.3.3.4.3 Dependability

Dependability in a qualitative research emphasizes the need for the study to be conducted in a manner that is transparent and repeatable (Guest et al., 2006). Essentially, it asks whether the study's findings would be consistent if the research was to be conducted in a similar context with the same participants. However, this criterion has its own sets of challenges as well. Factors such as researcher biases, the way participants respond, and the dynamic nature of qualitative data can influence the research process. Guided by Nowell et al. (2017), the researcher ensured dependability by thoroughly documenting the entire research process and creating an audit trail that included details about the data collection, analysis, and decisions made throughout. This not only strengthens the dependability of the study, but also built a sense of trust and integrity in the research process.

3.3.3.4.4 Confirmability

Confirmability, the final criterion in ensuring trustworthiness, is established when credibility, transferability, and dependability are all achieved (Guba and Lincoln, 1989). To elaborate this further, it serves as the cornerstone that ties together all the aspects of the research process, ensuring that the findings are not only rooted in the data, but are also transparent and traceable. With careful documentation and a commitment to objectivity, this study confidently demonstrated that its conclusions are truly the voices of the participants, free from researcher bias, and firmly grounded in the data. This commitment reflects the researcher's dedication to integrity and to representing participants' perspectives authentically, a responsibility that lies at the heart of qualitative research.

3.3.4 Data analysis process

Data analysis is a process of transforming raw or primary data into meaningful insights that are essential for achieving the research objectives. This section details the methodology employed to analyse qualitative data collected from the diverse group of participants through semi-structured interviews. Through this methodological approach, the data analysis goes beyond the technical aspects of sorting and coding data. This analysis aims to uncover the deeper narratives of resilience, adaptability, and survival, and the hope that through understanding, real solutions can emerge. In essence, it is a journey to capture what works, what falls short, and where there is a better hope for support in the future. This approach ensures that findings are grounded in the voices of those directly affected, offering insights that are both academically sound and deeply connected to the realities of those navigating the crisis.

3.3.4.1 Data analysis approach

In this study, thematic analysis was chosen as the primary method for analysing qualitative data due to its ability to uncover patterns and meanings that align with the study’s objectives. As Ravindran (2019) explains, it is an inductive approach that helps identify, analyse, and report patterns within data, offering a detailed account of complex data sets. Thematic analysis is particularly appealing for its capacity to accommodate diverse perspectives, providing a deeper understanding of varied data. This method allowed the study to explore the initiatives and measures supporting SMMEs during load shedding, focusing on recurring themes, financial support from public and private sectors, and factors influencing decision-making in financing small businesses.

While effective, thematic analysis has limitations, including potential researcher bias and the risk of oversimplifying narratives. To mitigate these, the study followed the step-by-step guidance of Nowell et al. (2017), ensuring a rigorous and unbiased analysis that captured the richness of the data. The table below outlines the specific steps undertaken to uphold the highest standards of qualitative research.

Table 1.4: Phases of thematic analysis

Thematic Analysis	
Phases of Thematic Analysis	Means of Establishing Trustworthiness
Phase 1: Familiarizing yourself with your data	Prolong engagement with data
	Triangulate different data collection
	modes
	Document theoretical and reflective
	thoughts
	Document thoughts about potential
	codes/themes

Thematic Analysis	
Phases of Thematic Analysis	Means of Establishing Trustworthiness
	Store raw data in well-organized archives
	Keep records of all data field notes,
	transcripts, and reflexive journals
Phase 2: Generating initial codes	Peer debriefing
	Researcher triangulation
	Reflexive journaling
	Use of a coding framework
	Audit trail of code generation
	Documentation of all team meeting and peer debriefing
Phase 3: Searching for	Researcher triangulation
	Diagramming to make sense of theme connections
	Keep detailed notes about development and hierarchies of concepts and theme
Phase 4: Reviewing theme	Researcher triangulation
	Themes and subthemes vetted by team members
	Test for referential adequacy by returning data to raw data
Phase 5: Defining and naming themes	Researcher triangulation
	Peer debriefing

Thematic Analysis	
Phases of Thematic Analysis	Means of Establishing Trustworthiness
	Team consensus on themes
	Documentation of team meetings regarding themes
	Documentation of theme naming
Phase 6: Producing the report	Member checking
	Peer debriefing
	Describing process of coding and analysis in insufficient details
	Thick descriptions of context
	Description of the audit trail
	Report on reasons for theoretical, methodological, and analytical choices

Source: (Nowe et al., 2017)

Though the above illustration from Nowell et al. (2017) provides a profound understanding of how trustworthiness was ensured through thematic analysis, it is beneficial to delve deeper into specific phases to paint a comprehensive picture of how these principles were applied in this study. The process began with data preparation. The data for this study was collected through semi-structured interviews, many of which were recorded via Microsoft Teams, with the transcription feature enabled. Some interviews, however, were not recorded, as noted in the previous interview section, requiring alternative method to document the discussion. For both virtual and in-person interviews, the researcher used MS Teams to record the discussions, adhering to the ethical guidelines by first seeking the participants' consent and ensuring they were comfortable with the approach.

This method ensured that the recordings were securely stored in a trusted platform, and it facilitated easy access to the recordings and transcriptions. While MS Teams provided a convenient starting point, one significant drawback was occasional inaccuracy in the transcriptions, as certain words or phrases did not fully align with what the participants had actually said. Recognizing the importance of precision, the researcher played a central role in carefully reviewing the recordings after each interview, manually editing the transcripts to ensure they accurately reflected the participants' intended responses. This hands-on process not only improved the quality of the transcripts, but also allowed the researcher to engage deeply with the data.

Following the manual revisions, the researcher utilized an AI tool, ChatGPT, to further refine the transcripts. This process focused on correcting grammatical errors or instances where MS Teams occasionally misinterpreted words such as “low shedding instead of load shedding” or “some cities instead of subsidies”. The use of this tool helped identify errors that may have been overlooked during the manual review, particularly due to the extensive volume of data. The researcher approached the use of ChatGPT with caution, being fully aware of its limitations and disadvantages, including the risk of unintended changes without precise instructions. To mitigate these risks, the researcher attended multiple seminars and virtual workshops organized by the university, which explored the advantages, disadvantages, and best practices for using AI tools in academic research. By combining careful manual editing with thoughtful AI support, the data preparation phase ensured the transcripts were both accurate and polished, maintaining the integrity of the participants' voices.

Once the raw data had been transcribed, the researcher was immediately immersed in the process of reading and reflecting on the data. As outlined by Nowell et al. (2017) in Phase 1 of thematic analysis, this step involves a deep review of the data to uncover patterns and initial insights. However, in this study, much of the reflective engagement had already occurred during the data preparation phase. As the researcher refined the transcripts, he simultaneously reviewed and reflected on the content, developing a deeper understanding of the participants' insights. This prior engagement gave the researcher a solid foundation, enabling him to approach the next stages of coding and categorizing with a clearer set of the data's core themes and issues.

Building upon this initial process of reading and reflection, the researcher progressed to coding, an essential step in the data analysis as highlighted in the Phase 2 of Nowell et al. (2017). During the coding, categorizing and memoing phase, the researcher assigned codes using a

software tool “NVivo” to the selected portion of interview transcripts. This helped organize data into manageable sections for deeper analysis. This process enabled the researcher to uncover both obvious meanings (manifest content), such as specific phrases used by participants, and hidden meaning (latent content) that required deeper interpretation to identify underlying patterns. NVivo was chosen for this study due to its strong reputation in qualitative research for enhancing the organisation and analysis of complex data. As noted by Schryen (2015), the software enables researchers to efficiently handle large volumes of both textual and non-textual information, making it particularly valuable in studies involving multiple data sources.

While NVivo is a useful tool for organizing and sorting large amount of data, it has its own limitations. This is supported by Ravindran (2019), who state that while software packages like NVivo and Atlas-ti can assist in categorizing data, they cannot interpret or derive meaning from the text on their own. This means that the researcher still must engage with the data, reflect on it, and identify the key themes and patterns. Therefore, despite the software’s efficiency in organizing data, the process of interpretations and thematic development remained the researcher’s responsibility, ensuring that the findings accurately reflected the participants’ perspectives. In this way, NVivo and similar tools are instruments that merely facilitate the research journey; the true essence lies in the researcher's ability to interpret, connect, and draw meaningful conclusions. These tools may support the process, but they cannot replace the human touch that turns raw data into rich and meaningful insights; an art that only the researcher can master.

After coding, categorizing and memoing process was completed, the researcher embarked on the meaningful tasks of developing themes, ensuring that the voices of the participants remained central to the analysis. Guided by Phase 4 of Nowell et al. (2017), which emphasizes reviewing and refining themes, the researcher adopted a deliberate and a systematic approach. This began with focusing on each group of participants individually, such as financial institutions’ representatives, government officials, and industry experts. By doing so, the researcher not only respected the distinct roles these groups played in supporting small businesses, but also derive themes that captured the essence of their contributions. This careful process of refining and naming themes follows Phase five of Nowell et al. (2017), which emphasizes not only defining each theme, but also uncovering its deeper meaning and relevance. Through this approach, the researcher was able to construct a narrative that connects

these themes to the research questions, providing insights into the critical role played by each group, making the findings not just meaningful but impactful.

3.4. Chapter Summary

This chapter provides a detailed overview of the research design and methods utilized in this study. Beginning with a qualitative approach, the chapter discusses the rationale behind this method and its suitability for exploring the complexities of SMME support. It outlines the population, sampling techniques, and size, highlighting the use of purposive sampling to ensure relevance to the research objectives. Moreover, the chapter highlights the significance of the pilot study in refining research instruments and procedures. Detailed discussions on data collection techniques are provided, along with measures for maintaining data quality. Looking forward, the study now turns to the important stage of presenting and analyzing the findings. This marks a significant step toward answering the research questions and fulfilling the study's objectives.

CHAPTER 4: PRESENTATION OF FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter provides a presentation and discussion of the findings, employing thematic analysis to systematically interpret the data. To address the three central research questions, data was collected through conducting semi-structured interviews with ten participants from four groups; financial institutions, government representatives, industry experts, and SMME owners. Using NVivo software, as detailed in Chapter three, transcripts were imported, coded, and organized into themes and sub-themes aligned with the study's objectives. This approach ensured a clear and systematic analysis, enhancing the accuracy and meaningfulness of the findings. The findings are then compared with existing studies to identify areas of alignment or contrast, providing a broader context for understanding the support mechanisms available to SMMEs. Theoretical perspectives discussed in Chapter two are applied to interpret the data, assessing how well the findings align with or challenge existing frameworks. Finally, the results are examined against the conceptual framework to determine whether they confirm or deviate from expected relationships between key variables.

4.2 Interview mode and duration

For financial institutions representatives, interviews were arranged directly via emails and phone calls. The government representatives were approached with the help of gatekeepers' letter from the eThekweni Municipality (see appendix e) which streamlined the process. For industry experts and SMME owners, the researcher leveraged trusted recommendations to identify highly relevant participants and interviews were conducted both online and in-person, depending on their preferences. As outlined in Chapter three, consent was obtained for the interviews to be recorded but for those who felt uncomfortable with recording, the researcher respected their wishes and focused on listening attentively while carefully taking notes. Interviews lasted between 45-60 minutes with every word contributing valuable insight. To ensure reliability and build credibility, notes were sent back to participants, allowing them to review and confirm the accuracy of their response, just as Mvunabandi (2022) did, further strengthening trust and integrity of the study.

This chapter presents a comprehensive analysis of the initiatives designed to support small businesses in KwaZulu-Natal as they navigate the challenges posed by load shedding. The findings are closely aligned with the objectives of this study, which focuses on:

- Understanding the initiatives and measures implemented to support Small, Medium, and Micro Enterprises (SMMEs) in KwaZulu-Natal, South Africa, during periods of load shedding.
- Investigating the financial assistance provided by both the public and private sectors to SMMEs in KZN in mitigating the effects of power outages.
- Examining the factors influencing the decision-making processes of the public and private sectors in financing small businesses during times of load shedding in KZN.

The first two objectives are the central focus of this study, as they directly address the question of what has been done to support small businesses during load shedding in KZN, and how these efforts have impacted them. These objectives are explored through the development of themes from the coded data. The third objective, while still relevant, initially received less emphasis because it is secondary to the main objectives. Its role was to explore the underlying motivations and reasons behind the support actions, which was not the immediate priority. However, as the study progresses, this secondary objective become more important, answering not just what has been done, but why these actions were undertaken.

4.2.1 Demographics of the Participants

Question 1: Are you based in the KwaZulu-Natal Province or currently working within the province?

Only participants who confirmed their residence or employment within KwaZulu-Natal were included in the interview process. Those who responded otherwise were respectfully excluded, as the study specifically focuses on individuals living or working in the province.

Question 2: What is your age?

As illustrated in Figure 4.1, the majority of participants (60 percent) are over 41 years old, while a smaller proportion falls within their late twenties and early thirties. This diverse age distribution ensures a well-rounded perspective, with the more experienced participants offering valuable insights and expertise, complemented by the fresh, innovative contributions of younger individuals.

Age Range Distribution

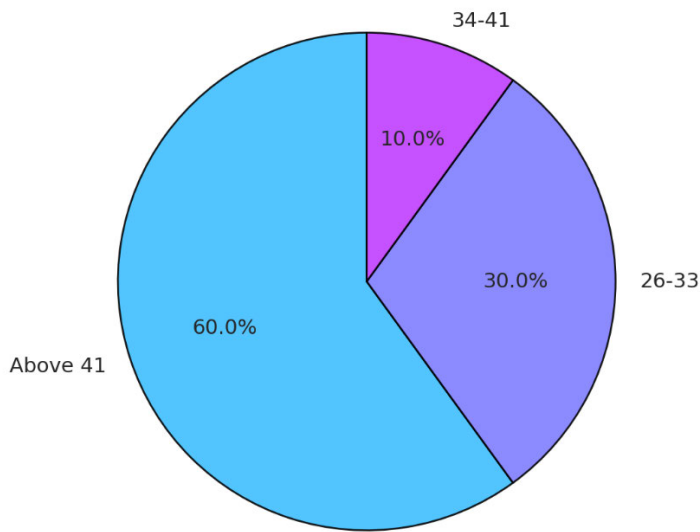


Figure 3: Distribution of participants by age across key stakeholder groups

Source: Developed using NVivo 15

As indicated by Figure 4 below, the participant group comprised an equal gender distribution, with five males and five females. This balance enriches the study by incorporating diverse perspectives and minimizing potential gender bias.

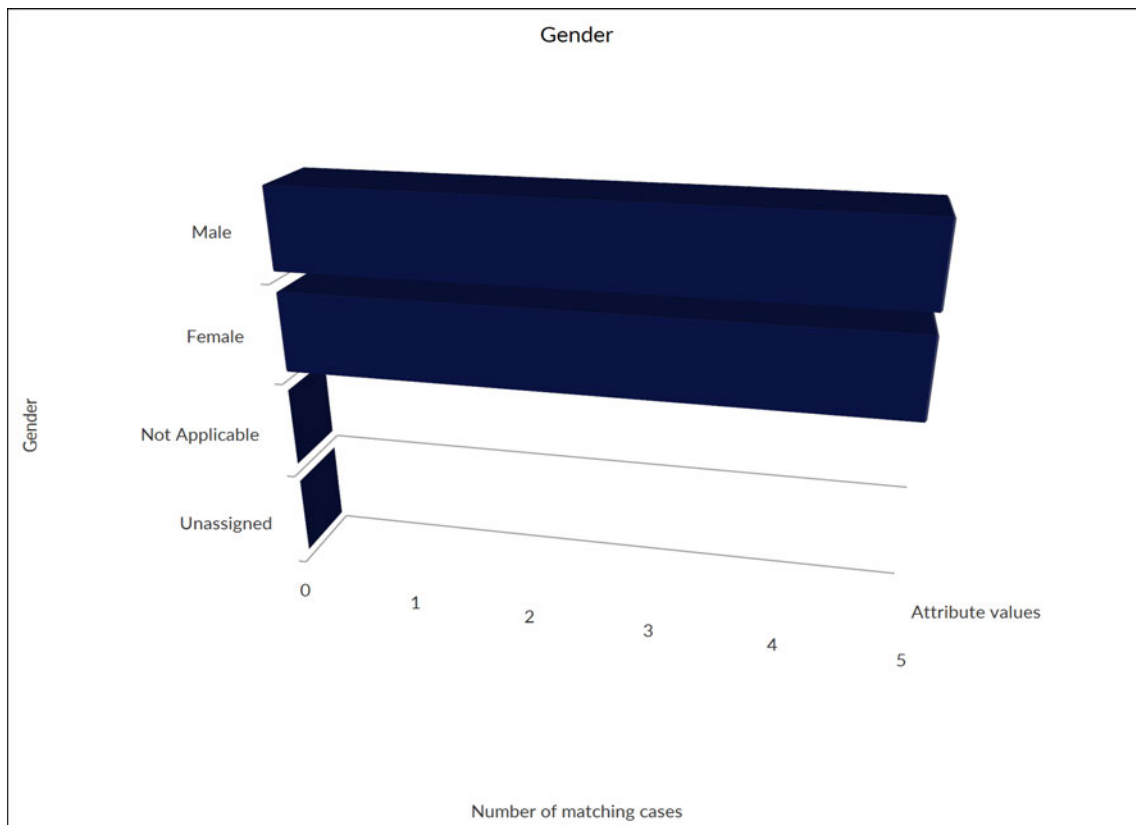


Figure 4: Distribution of participants by gender across key stakeholders

Source: Developed using NVivo 15

As shown in Figure 5 below, 60 percent of participants are based in Durban, while over 30 percent are in Pietermaritzburg. The difference in percentages highlights Durban as a slightly more prominent hub for participants, yet the significant representation from Pietermaritzburg ensures balanced insights from both key areas central to the study.

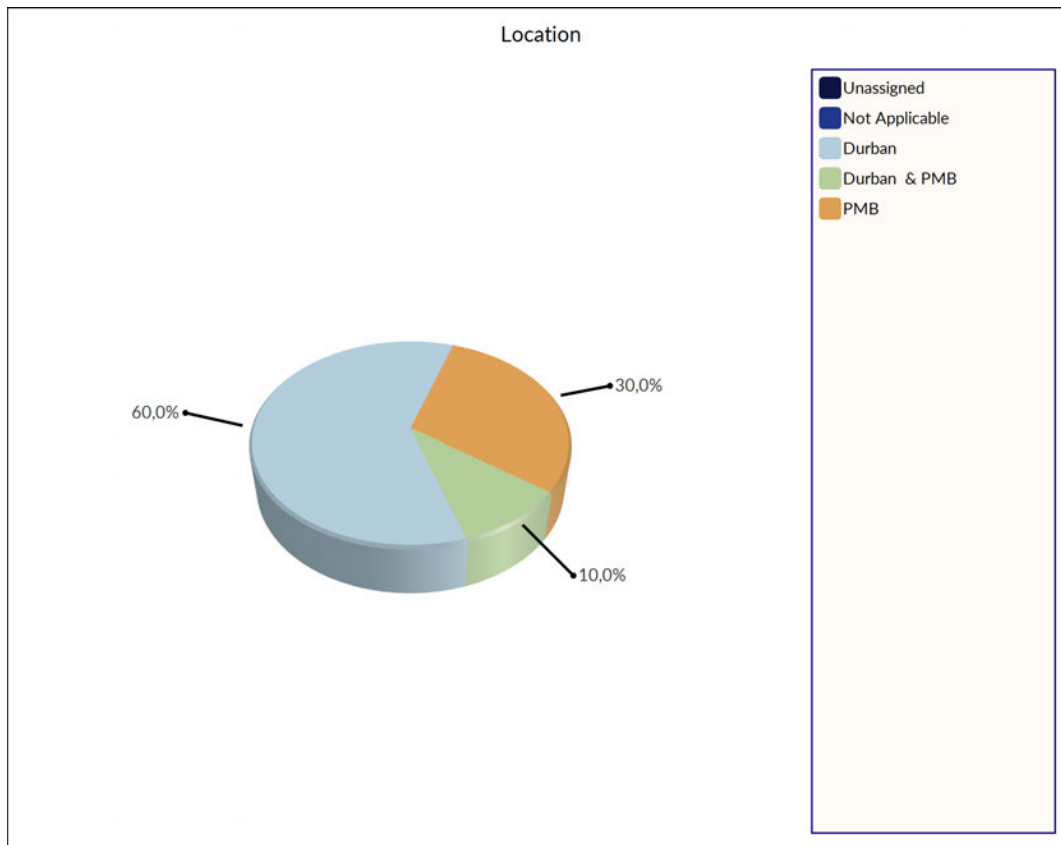


Figure 5: Distribution of participants by location across key stakeholder groups

Source: Developed using NVivo 15

Participants were asked about their occupation/role, as shown in Figure 6 below. The responses revealed a diverse range of roles: four participants were small business owners, two were government representatives, two represented financial institutions, and two were industry experts. This variety provides a well-rounded view from key stakeholders central to the study.

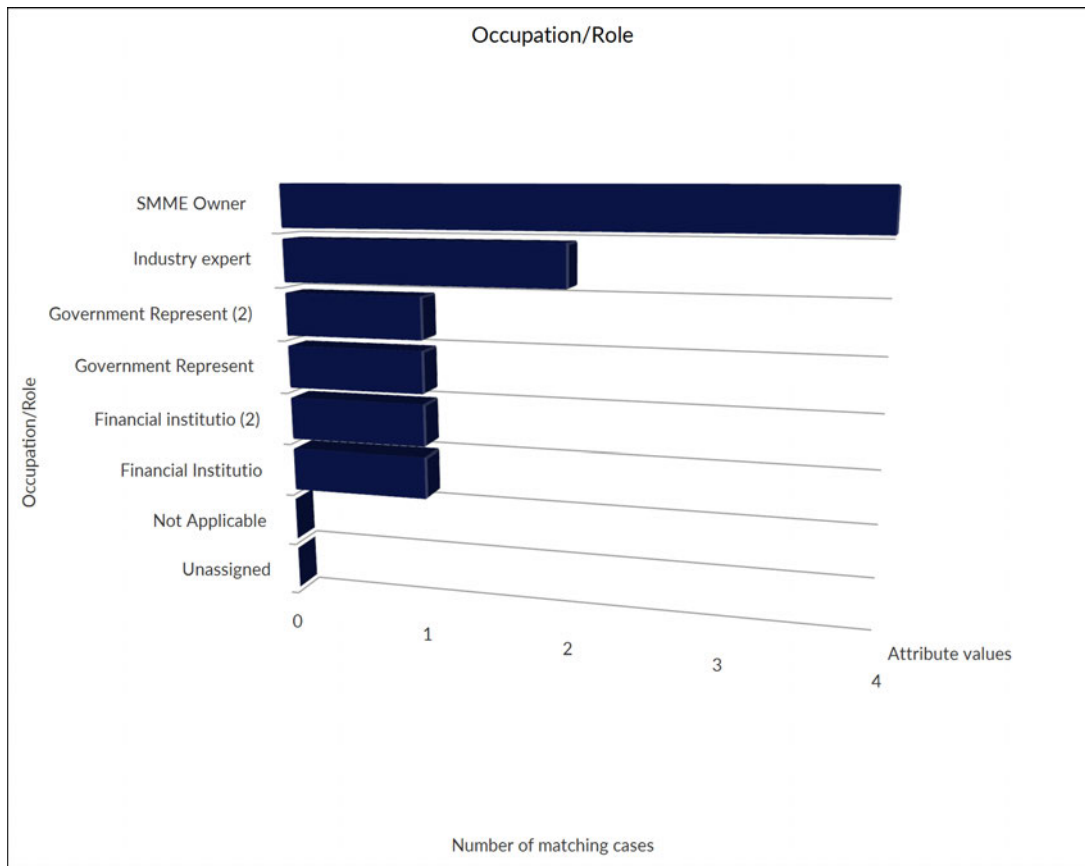


Figure 6: Distribution of participants by occupation/role across key stakeholder groups

Source: Developed using NVivo 15

Participants were asked about the industries they operate in, and the results highlight the diverse sectors in which SMMEs are active, many of which are highly dependent on power. In addition to the SMME owners, the group includes two government agencies focused on SMME support, two representatives from financial and banking institutions, and two industry experts. One of the industry experts is involved in a business incubation company, offering valuable insights into the unique challenges and needs of SMMEs, while the other specializes in business development and advisory. This diverse mix of expertise is illustrated in Figure 7 below.

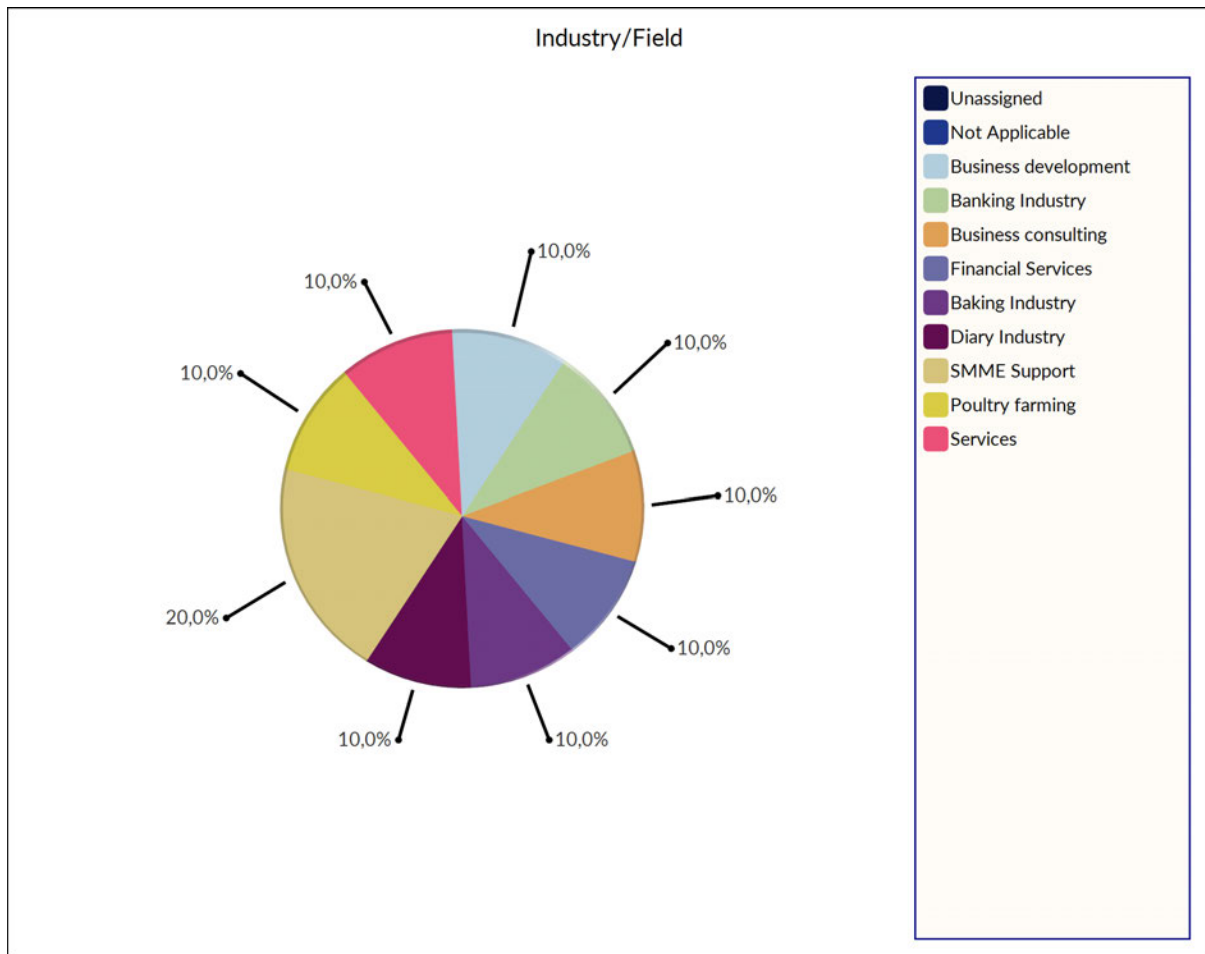


Figure 7: Distribution of participants by industry/field across key stakeholder groups

Source: Developed using NVivo 15

As shown in Figure 8 below, 40 percent of SMME owners have completed secondary education, while the majority of other participants possess tertiary education or higher. This indicates that SMME owners in the study have a foundational level of education, which may shape their business practices and decision-making.

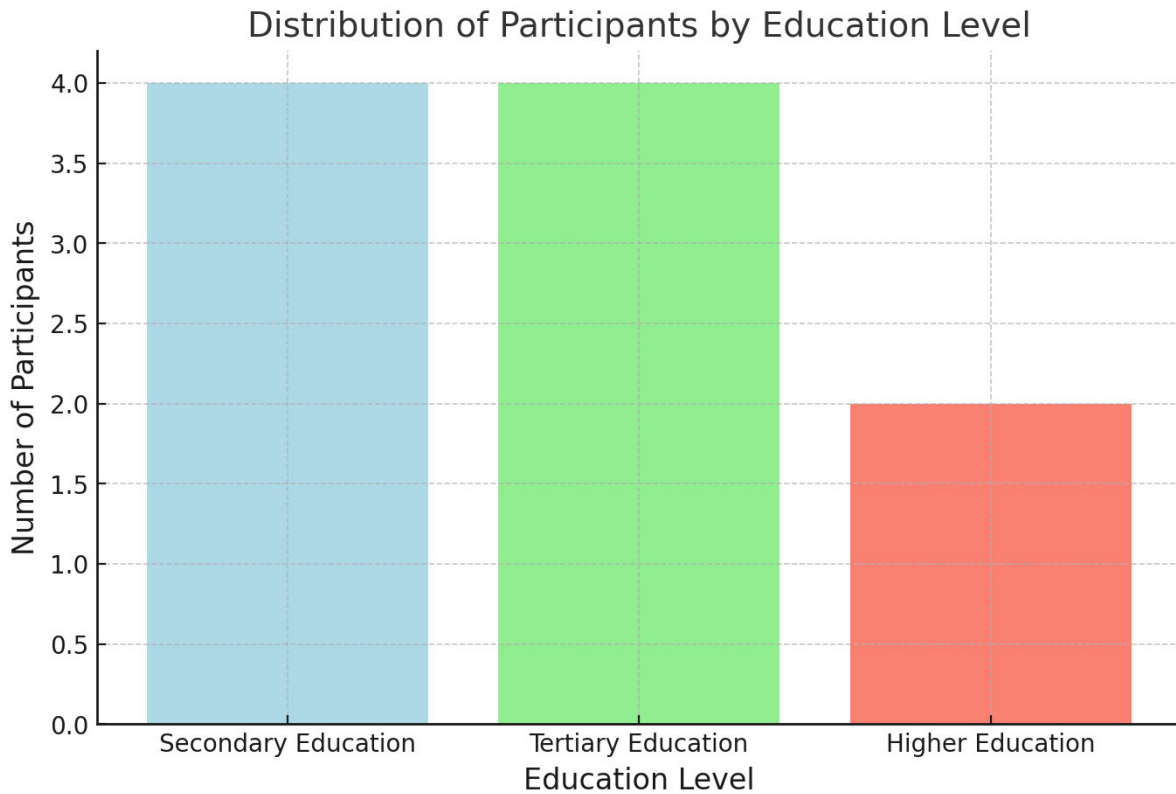


Figure 8: Distribution of participants by educational level across key stakeholder groups

Source: Developed using NVivo 15

Participants were asked about the duration of their operations, as well as the length of time funding and government institutions have been supporting SMMEs, as shown in Figure 9 below. More than three small businesses have been operating for over five years, with two in the 5-10-year range, one exceeding 20 years, and one between 3-5 years. This is particularly noteworthy, considering that in South Africa, 70-80 percent of SMMEs typically fail within the first five years.

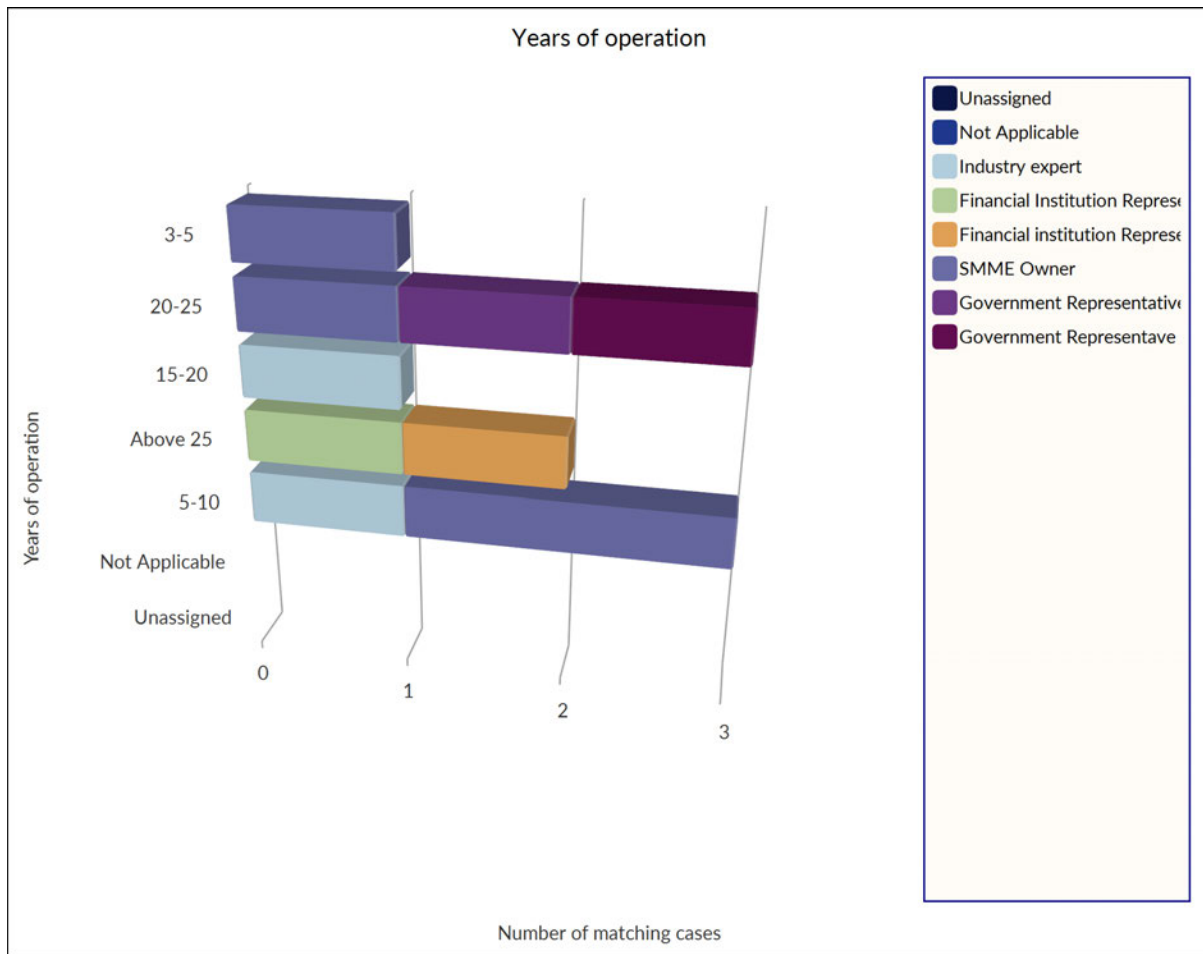


Figure 9: Distribution of participants by years of operation/experience by key stakeholder groups

Source: Developed using NVivo 15

4.3 Presentation of findings

This section presents the findings derived from the thematic analysis of the interview data, structured around the research objectives. Three main themes emerged from the data, each addressing one of the research questions. From these main themes, eight sub-themes were identified, contributing to a deeper understanding of the research questions. Each research question is first illustrated with a figure showing its corresponding theme and sub-themes, followed by a respondent-level frequency distribution table. This table provides a clear overview of how many participants from each group contributed to the discussion of each theme, offering valuable insights into the prevalence of particular perspectives across the different stakeholder groups. The respondent-level frequency distribution approach, as supported by scholars such as Bryman (2016), Creswell, and Poeth (2016), and Saldana (2016),

is employed to ensure that the analysis accurately reflects the diversity of participant responses, rather than just the volume of data.

Unlike word count-based methods or weighted percentage analysis (commonly used in NVivo), which can overemphasize frequently mentioned responses or longer entries, the respondent-level method addresses this limitation by focusing on the number of individual participants contributing to each theme, ensuring a more balanced representation of diverse perspectives across different participant groups. To help interpret the tables, it is important to recall that there are ten interviewed participants: two financial institution representatives, two government representatives, two industry experts, and four SMME owners (see Chapter three for a detailed breakdown). The frequency tables show both the number and percentage of participants in each group who contributed to a theme. For example, since there are two financial institution representatives, if both participants discussed a theme, this would be recorded as 2 (100%), meaning that 100% of this group engaged with the theme. If only one participant contributed, the table would show 1 (50%), meaning that half of the group addressed the sub-theme. The same logic applies to all other groups, ensuring a clear and consistent interpretation of participant contributions.

4.3.1. Support Initiatives for SMME Resilience during load shedding

Using NVivo software and following the thematic analysis guidelines outlined by Nowell et al. (2017), these codes were carefully reviewed, revisited, and refined. This iterative process led to the emergence of a single overarching theme: "Targeted Support Initiatives for SMME Resilience." This theme encompasses the various strategies and initiatives highlighted by participants to support small businesses in KwaZulu-Natal during load shedding. Under this central theme, three sub-themes were identified, each representing a specific area of focus within the broader efforts aimed at enhancing resilience. The structure of these themes and sub-themes is illustrated in Figure 10 below.

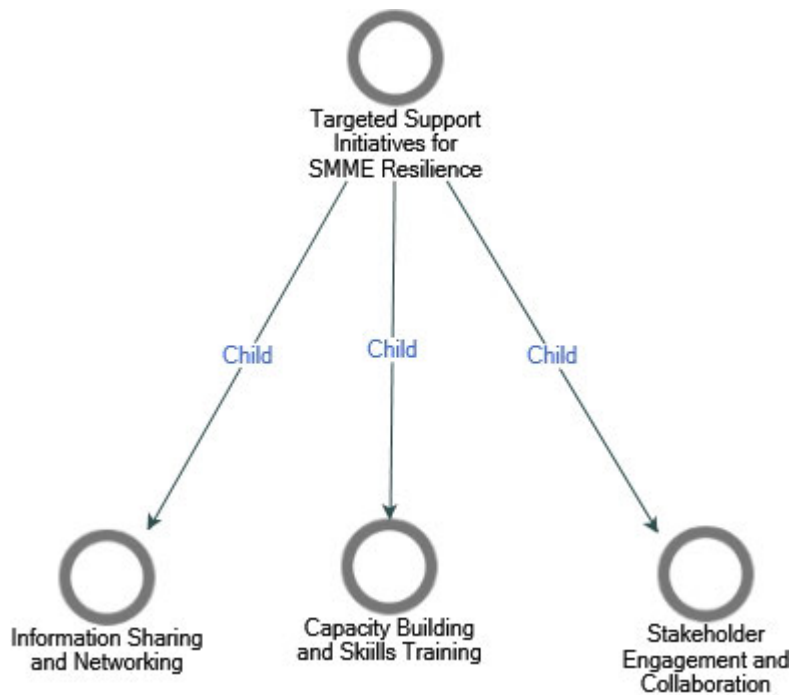


Figure 10: Theme and Sub-themes on Initiatives and support for SMMEs during load shedding

Source: Developed using NVivo 15

4.3.1.1 Information sharing and networking platforms

Access to information and the use of networking platforms play a pivotal role in empowering SMMEs by enabling them to gather critical knowledge and resources. Networking, in particular, is a crucial mechanism for accessing information about available support mechanisms, such as government initiatives, funding opportunities, and strategies for adapting to challenges like load shedding. Jaim (2021) emphasizes the importance of networking in developing nations, particularly for women entrepreneurs seeking information about bank loans and government-backed development programmes. The study highlights the dynamics of formal and informal networks in providing access to critical resources, which are often overlooked in these contexts. It emphasizes that these networks are instrumental in bridging the gap between policy initiatives and the SMMEs they aim to support, offering valuable insights for policymakers to empower women and foster economic development. This sub-theme helps answer the research question by highlighting how access to timely information and networking platforms serve as key support mechanisms for small businesses in KwaZulu-Natal during load shedding. These tools enable businesses to access resources, collaborate, and adapt effectively, directly addressing the initiatives and support systems in place to enhance resilience.

Building on the description of this sub-theme, the focus now turns to the compelling insights revealed in the frequency distribution table. This table highlights the diverse perspectives shared by all participant groups on the critical role of access to information and networking platforms in fostering resilience.

Table 1.5: Information and networking for SMME resilience during load shedding

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Information Dissemination Empowers SMMEs to Make Informed Decisions During Critical Periods Like Load Shedding	2 (100 %)	2 (100 %)	1 (50 %)	3 (75 %)	8 (80 %)
Networking and Knowledge Sharing Foster Resilience Among SMMEs	2 (100 %)	1 (50 %)	1 (50 %)	2 (50 %)	6 (60 %)

As shown in the frequency table for the first theme of information sharing, there is variation in how participants perceive the initiatives taken to support small businesses during the critical period of load shedding. The results indicate that all participants from both the public and private sectors recognized the importance of these initiatives, acknowledging their positive impact on small businesses. This is evident from the frequency table, where 100% of respondents from both groups reported sharing information with SMMEs, which they believe helped businesses make more informed decisions during this challenging time. However, a point of concern raised by some industry experts was the timing of the information shared. Despite the general acknowledgment of the initiative’s impact, one SMME owner, while noting the value of the information provided, expressed that it had not been helpful, ultimately dismissing its usefulness. In response to the first research question, which aims to understand

the non-financial support initiatives implemented to assist small businesses in KwaZulu-Natal, both government and financial institutions emphasize that providing information, particularly about available support, is a vital resource for businesses during times of crisis like load shedding. Without access to the right information, small businesses struggle to make informed decisions, and their vulnerability increases during power cuts, making them more dependent on external support.

What stands out in the responses from both government and financial institution representatives is the shared concern about the low participation in programs designed to assist small businesses, particularly those in townships and rural areas. They identified a critical lack of awareness as the main barrier preventing these businesses from accessing the vital resources they need to survive. To tackle this, both sectors have worked to bring help closer to where these businesses are. Although their approaches varied, the goal was the same; to eliminate the barriers of long-distance travel and making it easier for small businesses to access critical resources. This approach not only empowers small businesses but also gives them a realistic opportunity to grow and remain resilient in the face of adversity. Its significance becomes even more pronounced when considering the distinct challenges faced by businesses operating in rural and township areas of KwaZulu-Natal, where access to resources and support is often limited.

Despite their significant contribution to employment and the informal economy; accounting for over 17% of employment and 6% of GDP, as highlighted by Township Economies (2021), small businesses in rural and township areas have long been sidelined in mainstream economic and developmental planning. This historical exclusion has resulted in limited access to critical resources and support, particularly when compared to their urban counterparts. SA Cities (2023) reinforces this concern by pointing out that many township enterprises remain disconnected from formal support systems, making it difficult for them to grow and thrive. Encouragingly, recent efforts by government and financial institutions to decentralize services represent a promising step toward redressing these imbalances. These interventions closely align with scholars such as Rogerson (2018), who emphasize the need for inclusive, localized approaches that directly target historically underserved groups and enable their meaningful participation in the broader economy.

To further explore how the initiative works from both government and financial institutions, respondents from government agencies emphasized their ongoing and sustained commitment to decentralizing information, particularly in Durban, Pietermaritzburg, and the surrounding

areas. These efforts are continuously carried out through both in-person engagements and digital channels. One respondent from the government explained that their organization regularly organizes events where stakeholders present their services and available support options, helping SMMEs understand the resources they qualify for and how to access them.

This approach aligns with the findings of Umar and Kunda-Wamuwi (2019), who emphasize the importance of small businesses understanding the resources they need and their dependence on them. These ongoing initiatives ensure that small businesses, particularly those in underserved areas, consistently have the necessary information to make informed decisions during times of economic strain (Beckmann et al., 2023). The respondent further noted that they conduct briefing sessions in collaboration with municipalities at accessible venues such as community halls, specifically aimed at reaching SMMEs in these underserved areas and ensuring they are not excluded from vital resources. From the digital side, both respondents highlighted their continued use of social media platforms like Facebook and Twitter to share broad updates and reach a wide audience. They also maintain personalized walk-in consultations at their offices, offering tailored guidance and direct engagement with SMMEs.

Despite the government's ongoing efforts to decentralize services, earlier studies like Snyman (2003) highlight significant challenges in the effectiveness of such approaches. The study noted that past government initiatives aimed at decentralizing information and services through Information and Communication Technology (ICT) faced serious issues, such as mismanagement and poor infrastructure, which limited their impact. These challenges led to the failure of many initiatives to effectively reach their intended beneficiaries in rural areas, diminishing their potential to support local businesses. However, what is promising in the current initiatives is the integration of both in-person and online engagement, which reflects a shift toward more accessible support. This shift addresses some of the concerns raised by Snyman (2003), particularly by improving access to services through multiple channels. Similarly, Tladi and Kekwaletswe (2018) emphasize the potential of technology for rural development but warn that technology alone cannot guarantee success. They argue that technology must be paired with well-planned strategies and infrastructure improvements to be truly effective. The current initiatives appear to respond to this argument by combining digital tools with physical access points, making them a more balanced and potentially more effective approach to supporting local businesses.

However, the findings from Malau (2025) raise a critical concern that these efforts, while positive, may still fall short in their reach and effectiveness. The study, focusing on Gauteng,

points out that government support is unevenly distributed, with the bulk of services concentrated in major urban areas like Johannesburg. What is noteworthy in the case of KZN, however, is that the government is actively working to address these very issues. While past efforts may have fallen short, the current initiatives in the province demonstrate a more deliberate attempt to reach SMMEs in both urban and rural areas. KZN has seen a clear commitment to reducing disparities by not only enhancing digital access but also ensuring physical presence in underserved regions. This ongoing shift is a marked contrast to the situation in Gauteng, where the challenge of uneven support distribution persists. While the insights thus far provide valuable context, they remain incomplete without considering the perspectives of other crucial stakeholders, particularly the voices of SMMEs themselves. To further enrich the discussion, it is essential to incorporate the perspectives of other key stakeholders, beginning with financial institutions.

From the private sector side, it is particularly interesting to note that financial institutions also utilize both physical and online platforms to engage with SMMEs. One respondent from a this group shared that their initiative involves visiting over 40 locations across townships and rural areas to provide crucial information about available financial products and services. This outreach addresses a key barrier identified in empirical studies, which highlight the lack of access to funding as a major challenge for small businesses, particularly those in underserved areas. In terms of online efforts, they have been proactive in disseminating information to both urban and rural SMMEs. Both of these funding institutions have leveraged a variety of channels, including digital platforms, TV, and community radio stations to reach a wider audience.

One respondent specifically mentioned using popular radio and TV platforms to inform SMMEs about financial resources available to support their businesses. Moreover, another respondent highlighted effort to extend support beyond their existing client base by promoting solutions such as renewable energy options, like solar panels and generators, through mobile apps, websites, community-based initiatives, and targeted digital advertisements. This broad approach ensures that even SMMEs that are not current clients of the institution have access to critical resources. This approach by financial institutions aligns with Memka and Lekhanya (2017), who highlights the importance of outreach in overcoming financial barriers for underserved businesses. Unlike government initiatives, which struggle with uneven distribution and limited access in rural areas (Malau, 2025; Snyman, 2003), private sector efforts provide a more inclusive solution, extending support even to businesses not currently

clients. Furthermore, innovative solutions like renewable energy options, such as solar panels, help address challenges like load shedding, supporting Kambule (2024)'s findings on energy efficiency. Thus, private sector initiatives prove more effective in reaching and supporting SMMEs, filling gaps where government initiatives often fall short.

The voices of SMME owners and industry experts reveal a critical gap in support systems designed to help small businesses survive load shedding. While both government and private sector initiatives prioritize sharing information about available products and resources to help businesses navigate challenges, a key concern raised by SMME owners is the timing of this information. Although such efforts may be effective in principle, they often fail to reach businesses when they need it most. For example, one SMME owner shared a pressing concern; while she appreciated the importance of receiving information from both government and private entities, it often arrived too late, after the business had already suffered losses. In her early-stage production business, power cuts lasting for hours or even an entire day made it impossible to meet demand, leading to customer loss and financial strain. The frustration of receiving information about available support after the damage had already occurred added to the overwhelming pressure on small businesses. This aligns with broader concerns raised in previous studies. In this sense, timeliness and clarity emerge as key themes in SMME concerns. This finding contrasts with Rogerson's (2018) assertion that information dissemination is a key area of improvement for SMMEs, but this study adds that the timing and proactive delivery of information need to be prioritized. Kambule (2014) also emphasizes the role of timely intervention in supporting small businesses during economic crises, but much of the literature does not adequately address the urgency required in response to load shedding and other pressing issues. The study suggests that while awareness has improved, the lack of real-time support creates a gap in the effectiveness of initiatives.

Industry experts, who work closely with government and financial institutions, acknowledge these gaps but focus on efforts to close them. One expert noted that despite staying engaged with government agencies, attending workshops, and participating in seminars, there is still a lack of concrete plans to provide tangible financial relief for SMMEs during crises. This aligns with Malau's (2025) study, which critiques government initiatives for focusing on information-sharing while neglecting immediate financial intervention. A major concern raised by an industry expert was that even when information is available, it lacks a compelling motivation for SMMEs to act. Without a clear action plan or a structured framework, many small businesses fail to recognize the relevance of available support or overlook opportunities that

could assist them (Park, Lee, and Kim, 2020). This reinforces the importance of not only providing information but ensuring that it is actionable, accessible, and reaches businesses before they face irreversible losses.

A clear contrast emerges between how SMME owners and industry experts perceive the effectiveness of current support measures, with SMME owners emphasizing the urgency of assistance while government and industry stakeholders focus on refining support structures over time. Despite these differences, both groups agree on the need for decentralization, ensuring that support reaches rural and township SMMEs rather than being concentrated in urban centres. Additionally, clearer communication is essential, with a preference for practical, step-by-step guidance over generalized information about available support. Proactive intervention is also highlighted as a priority, shifting from reactive responses to advance planning and early warnings about potential risks. A positive aspect noted by some SMME owners is that government and financial institutions have made efforts to engage with them during critical periods. For instance, an agribusiness owner shared that attending sessions on available energy solutions and financial support helped her adapt her business model to cope with load shedding. However, both groups emphasize that the frequency and consistency of these engagements must improve to ensure that businesses receive support before reaching a crisis point.

A key takeaway from this is the critical role of digital tools, media, and direct consultations in improving information flow and accessibility. More importantly, the content of shared information matters, facilitating access to energy-efficient programs is one way to ensure businesses can build long-term resilience (Turner, Varghese, and Walker, 2008; Buys, 2012; Bourletidis, and Triantafyllopoulos, 2014; Coetzee, and Els, 2016). By targeting these businesses with customized support, government and financial institutions can bridge a critical gap and ensure that solutions reach those who need them most. Additionally, efforts to engage SMMEs in rural and township areas show a commitment to inclusivity in support initiatives. This is consistent with Beck, Demirgüç-Kunt, and Martinez-Peria's (2008) findings, which highlight the importance of information-sharing and access to financial resources. However, despite these efforts, this study highlights that a persistent challenge remains in ensuring that support mechanisms are structured, consistent, and responsive to the unpredictable nature of load shedding.

While Institutional Theory offers useful insights into how organizations respond to external pressures, such as policies and regulations, the current situation in KZN does not fully align

with this framework. In this case, there have not been significant external pressures such as strong regulations or policies, from the national or provincial governments pushing these initiatives. However, the current initiatives primarily reflect internal motivations, such as the desire to expand outreach into underserved rural areas, and meet the regional needs which would benefit from the implementation of a more structured and powerful regulatory environment.

The effectiveness of strong regulation in driving these types of initiatives was, in fact, observed in the conceptual framework, where it was noted that a regulated environment helps small businesses access critical resources like funding, ultimately contributing to their survival during crises. This is evident in the African context, where external pressures, such as regulations from the World Health Organization (WHO), have driven several countries to implement drastic measures aimed at protecting their populations and economies, with successful outcomes. As such, with the implementation of stronger regulatory frameworks and policies, SMMEs could be better protected, ensuring they receive the necessary support to navigate challenges like load shedding and continue contributing to the economy.

For now, the situation is more accurately explained through the lens of Information Asymmetry, where the key challenge is the lack of information and access to resources for small businesses in these areas. While the government and financial institutions are taking steps to bridge this gap by sharing information on available funding and energy solutions, the core issue remains that many businesses, especially in rural and township areas, are unaware of the resources that could help them survive crises like load shedding. In this sense, the initiatives are less about responding to external institutional pressures and more about addressing the informational divide between the businesses and the support structures that exist to assist them.

In the context of networking and knowledge-sharing initiatives, one respondent from a financial institution emphasized their commitment to supporting SMMEs during load shedding. The respondent explained that they provide platforms designed to foster networking and secure business opportunities, with a particular focus on supporting marginalized groups such as youth, women, people with disabilities, and businesses in rural and township areas. These platforms enable businesses to connect, share insights, and identify potential partnerships, which are crucial for sustaining operations during challenging times.

Effective knowledge-sharing initiatives are crucial for ensuring that SMMEs can access the support they need. Tlhagale (2024) highlights that African-owned SMMEs in the City of

Tshwane often struggle due to a lack of awareness about available government support mechanisms. Similarly, Mago and Toro (2013) emphasize that, despite government efforts, uptake remains low, largely due to poor dissemination of information. Their study, referencing the FinScope (2010) survey, found that 75 percent of SMME owners were unaware of support organizations. Awareness levels varied by business size, with larger businesses in higher Business Service Management (BSM) segments being more informed, while smaller enterprises, particularly in rural areas, remained largely excluded. Even among those who were aware, many did not fully understand how the programs operated, reflecting persistent communication gaps.

The insights from participants in KZN highlight a positive shift in addressing the knowledge-sharing challenges identified in the literature. While previous studies pointed out that SMMEs often face a lack of awareness about available support programs, participants in KZN expressed that the public and private sector initiatives are beginning to improve access to both financial and non-financial support. This indicates that knowledge-sharing efforts are becoming more effective, bridging the gap between available resources and SMMEs, and suggesting that with continued support and proper marketing, SMMEs in KZN can better utilize these programs, ultimately improving their resilience, especially during challenges like load shedding.

In addition, the SMME owners shared a critical perspective on the effectiveness of information-sharing initiatives. The majority explained that, despite receiving information about available support and funding through social media, they found it to be ineffective because they lacked the resources and support to act on it. The voices of SMME owners in KwaZulu-Natal strongly resonate with empirical studies, reinforcing the observed relationship between knowledge-sharing, networking, and effective support structures as essential for business survival during load shedding. Their lived experiences validate the argument put forward by William (2017), Chiromo and Nani (2019), Jordão, Novas, and Gupta (2020), and Tlhagale (2024), who collectively emphasized that information alone does not lead to tangible business improvements unless it is paired with access to resources and networking opportunities. This directly ties into the conceptual framework, where public awareness, networking, and stakeholder collaboration serve as key drivers of a responsive regulatory environment that can mitigate the operational disruptions caused by load shedding. The findings illustrate that while awareness campaigns inform businesses, it is through networking and collaborative engagement that regulatory frameworks evolve to better support small enterprises with energy resilience strategies. The empirical evidence and participant experiences collectively affirm

that knowledge-sharing, when coupled with strong networks, transforms into a force that not only informs but also empowers SMMEs to secure resources, adapt to power disruptions, and sustain their operations in the face of prolonged load shedding. Industry experts further emphasize the broader impact of these platforms, noting that they provide opportunities for SMMEs to engage with a wide range of stakeholders, such as financial institutions, career coaches, and suppliers. This type of networking helps businesses not only gain the support they need but also become more adaptable and sustainable over time, making the knowledge-sharing process more meaningful and effective.

This creates an overlapping relationship, where the combination of knowledge-sharing and networking strengthens the support structure for SMMEs, ensuring they not only gain knowledge but also have access to the means to implement it effectively. In literature, knowledge-sharing was predominantly observed in the context of skills training and capacity building, but the integration with networking adds another layer of practicality. While knowledge-sharing and training equip businesses with the skills to manage energy challenges, networking ensures these businesses can act on that knowledge by connecting with others who provide critical support. This dynamic combination enhances SMME survival by making the knowledge gained actionable and supported by necessary resources, fostering greater adaptability and long-term sustainability during load shedding.

Building on the discussion of knowledge sharing and networking, the insights from the industry experts emphasized the significance of public-private partnerships (PPPs) in facilitating these connections. One expert emphasized the pivotal role of PPPs, whether led by the government or the private sector, in helping SMMEs navigate challenges like load shedding by providing access to crucial resources and fostering strategic partnership. The impact of PPPs is clearly evident in the experiences shared by SMME owners. One such owner recounted a transformative experience at the Durban Business Fair, a prominent exhibition where businesses come together to showcase their products and services. Initially, uncertain about the event's potential, she was pleasantly surprised by the numerous opportunities that emerged. By showcasing her products, she not only gained immediate clients but also connected with other businesses. Through these connections, she was able to share resources, exchange valuable insights, and even form strategic partnerships.

The exhibition, part of a larger initiative by financial institutions and government-supported platforms, allowed her business to gain exposure and credibility. Beyond attracting clients, it became a place where small businesses collaborated, shared best practices, and supported each

other. The networking opportunities helped her tap into a network of suppliers and mentors, who provided advice and guidance that directly contributed to the growth of her business. This experience highlighted the power of such initiatives in helping SMMEs navigate tough times like load shedding. It reinforces the notion that platforms facilitating networking, knowledge-sharing, and collaboration can translate into meaningful outcomes, empowering small businesses to move beyond mere survival and position themselves for sustainable growth, even in times of crisis.

The findings from the study emphasize the critical role of information sharing and networking in supporting SMMEs during load shedding, confirming that timely and relevant information enhances decision-making and survival in the face of energy crises. Initiatives by both public and private sectors have enabled businesses to access resources and plan ahead. However, gaps remain, such as the delay in information dissemination and inconsistent outreach, especially in rural areas. These limitations highlight the need for a more responsive, proactive, and well-coordinated approach, which remains a key challenge in fully addressing SMMEs' needs during crises. Thus, while the research confirms that information and networking play a key role in SMME resilience, it also reveals areas requiring further improvement to ensure sustainable support and inclusivity for all businesses.

Conclusion: Answering a research question

The study identifies several key initiatives and measures implemented to support SMMEs in KwaZulu-Natal during periods of load shedding, with a focus on both government and private sector efforts. Central to these efforts is the emphasis on information sharing, with both sectors recognizing its importance in helping businesses make informed decisions. However, challenges remain regarding the timing of this information, often arriving too late to prevent losses. To address this, there has been a push to decentralize services, ensuring that support reaches rural and township SMMEs, though uneven distribution remains a concern in some areas. Financial institutions have extended support through inclusive outreach programs, including promoting renewable energy solutions like solar panels to mitigate load shedding's impact. Despite these efforts, SMME owners have called for clearer, actionable guidance and more proactive interventions. Collaboration between the public and private sectors has increased, with a shared focus on improving communication and engagement with businesses in underserved areas. The study also highlights the role of digital tools and direct consultations in improving information flow, while also noting the importance of networking and public-private partnerships for building long-term resilience. However, gaps remain in addressing

Information Asymmetry, as many businesses, especially in rural areas, remain unaware of available resources. The study concludes that while initiatives have made strides, there is a need for more coordinated, timely, and actionable support for SMMEs, ensuring that these businesses can thrive despite challenges like load shedding.

4.3.1.2 Capacity building and skills training

Capacity building and skills training are critical initiatives that directly address the pressing needs of SMMEs, particularly those struggling to cope with the ongoing disruptions caused by load shedding. SMMEs, often resource-constrained and vulnerable to operational disruptions, rely heavily on these programs to build resilience and improve their ability to adapt to power outages. These initiatives are designed to equip business owners and their employees with the knowledge and skills necessary to manage energy-related challenges, optimize resources, and ensure business continuity. By focusing on these support mechanisms, the study explores how capacity building directly answers the research question, providing insights into the ways in which SMMEs are empowered to not only survive but thrive during periods of load shedding, thereby enhancing their long-term sustainability. The frequency distribution in Table 4.2 highlights the shared experiences of resilience and the profound role capacity-building efforts have played in helping SMMEs weather the storm of energy disruptions.

Table 1.6: Capacity building and Skills training initiatives for SMME resilience during Load Shedding

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Training Programs and Educational Initiatives Have Been Key to Helping SMMEs Survive Load Shedding	2 (100%)	2 (100%)	2 (100%)	2 (50%)	8 (80%)

Education and training play a pivotal role in enhancing the resilience and sustainability of Small, Medium, and Micro Enterprises, particularly in developing countries like South Africa.

However, access to education and the quality of training programs remain significant challenges that hinder business development. These challenges are compounded by crises such as load shedding, which further threaten the viability of SMMEs. As highlighted by Chimucheka (2013), limited access to education in these regions presents barriers to economic growth, entrepreneurial success, and effective resource utilization. This concern is even more pressing during power disruptions caused by load shedding, which has been identified by participants as a key obstacle to business continuity. In the context of load shedding, all participants in this study, as can be seen in the frequency table above, have recognized the critical role of training programs and educational initiatives in supporting SMMEs. These responses were consistent across different sectors and highlighted a shared understanding of the need for practical knowledge and skill development particularly in challenging economic times.

A respondent from the government highlighted the importance of non-financial support programs, specifically focusing on training in essential business skills like financial literacy and operations management. They explained that by offering training in areas such as bookkeeping and financial management, the government is equipping SMMEs with the necessary skills to manage their finances, a critical factor in ensuring business continuity during disruptions like load shedding. This approach directly addresses the research question concerning initiatives aimed at supporting businesses during such crises, as it helps SMMEs better manage their cash flow, plan for challenges, and overcome financial difficulties.

These government efforts are further complemented by similar initiatives from the financial sector. For example, a respondent from a financial institution emphasized the severe impact of load shedding on SMMEs, especially in the manufacturing sector, where power disruptions often lead to financial difficulties or even business closures. This concern is echoed by various scholars, including Coetzee and Els (2016), Kintu (2022), Mutambo et al. (2023), Blaauw (2024), Klishi (2024), and Schoeman and Van Wyk (2024), who have documented the negative economic effects of load shedding on South Africa's businesses. To counter these challenges, the financial institution has implemented proactive measures, such as investor education seminars designed to provide tailored support for SMME owners. These seminars focus on equipping entrepreneurs with the practical knowledge necessary to navigate funding opportunities, make strategic investments, and build resilience in the face of ongoing power disruptions.

Moreover, another respondent from the financial institution emphasized the institution's broader approach, offering business development skills, mentorship, coaching, and financial literacy programs that aim to help businesses become self-sustaining and grow despite the challenges posed by load shedding. Interestingly, the respondent pointed out that their financial literacy programs are available to all small businesses in KwaZulu-Natal, regardless of their banking affiliation, ensuring that a wide range of entrepreneurs can acquire the necessary skills to manage their finances effectively, particularly during times of crisis. As Derbyshire (2016) asserts, such educational initiatives are pivotal in empowering SMMEs to survive and thrive amidst disruptions like load shedding.

This perspective was reinforced by a participant from the industry expert group, who, drawing from her consulting and teaching experience, emphasized the importance of resilience-building and the strategic adoption of digital tools. She emphasized that while financial support is valuable, empowering SMMEs with the skills and strategies to adapt and innovate often proves even more impactful in the long term. Another respondent from the financial institution emphasized the importance of awareness and education about available support mechanisms. Drawing on his experience with institutions such as Trade & Investment KZN (TIKZN) and the Industrial Development Corporation (IDC), he stressed the need to guide small businesses on how to navigate, access, and effectively utilize these resources to better manage the challenges posed by power interruptions.

As can be seen in the respondent-level table above, while many SMMEs recognized the value of training initiatives, the feedback was mixed. 50 percent of the participants reported satisfaction with the programmes they had accessed, whereas the other half expressed dissatisfaction, citing gaps in relevance and accessibility. A recurring concern was the lack of financial literacy and the absence of educational content tailored to the practical realities of operating during periods of load shedding. One respondent, based in a rural area, emphasised the difficulty of acquiring business skills in a context marked by low literacy levels and limited access to business education. Nonetheless, despite these constraints, the respondent remained determined to sustain the business and, through referrals, was introduced to a business development programme. Although initially uncertain about its value, the experience proved transformative, boosting both her and her team's confidence and offering practical tools for navigating ongoing challenges.

On a more positive note, another respondent shared how training offered by an incubation company, sponsored by a private entity, enabled them to adapt their operations during load

shedding. This support not only equipped them with practical skills but also fostered resilience, empowering them to navigate the challenges of power outages with greater ease. However, not all responses were entirely positive. For example, another SMME owner expressed concern that the training programs did not specifically address the operational challenges posed by load shedding. While the business development workshops were valuable, they did not offer actionable strategies to mitigate the impact of power disruptions. Similarly, another small business owner noted that in the baking industry, although the financial literacy training was beneficial, it did not provide solutions to counter the production losses caused by load shedding.

These insights highlight a critical gap in the effectiveness of current education and training programs. While they offer valuable skills in areas like financial management, they often fail to address the immediate challenges posed by load shedding. This becomes evident through the diverse experiences shared by the SMME owners, who, although not directly involved in every program, represent a range of industries and geographical locations. The responses of these SMMEs offer a snapshot of how well these broader initiatives are resonating with businesses on the ground. For instance, while some SMMEs have found value in these programs, particularly those focusing on financial literacy, others have expressed that the training did not offer practical solutions to operational issues like load shedding.

This pattern of varying experiences reflects a larger trend; even when support programs are available, their effectiveness in helping businesses tackle specific challenges such as energy disruptions, remains inconsistent. What emerges is a picture of the current state of support, where some sectors and regions seem to benefit more from the existing initiatives, while others face gaps in practical application. This gives a clear sense of where improvements may be needed, especially in adapting the support mechanisms to better address the realities of businesses navigating the complexities of load shedding.

These concerns and gaps align with broader discussions in the literature on the role of education and training in strengthening SMME resilience. Isaacs (2007) emphasizes the importance of both government and private sector-led programs in equipping small business owners with the skills necessary to manage daily operations and withstand external shocks. Peters and Brijlal (2011) further establish a direct link between an entrepreneur's education level and their ability to navigate economic downturns, but they also emphasize the need for continuous monitoring and evaluation to ensure these programs remain relevant. Chimucheka (2015) reinforces this point, stating that while education and training are critical for developing the management

competencies necessary for business success, their true impact depends on their ability to address real-time operational crises. His study calls for continued government investment in entrepreneurship education, but also stresses that SMME owners should take proactive steps in skill development as well. The experiences of the SMME owners in this study however, suggest that while capacity-building programs exist, their true impact remains questionable when they fail to provide practical, industry-specific solutions to the immediate and long-term challenges caused by load shedding. This highlights the need for training initiatives that go beyond theoretical business skills and integrate actionable strategies that enable businesses to remain operational in the face of persistent power disruptions.

The respondents from the financial institutions concluded by acknowledging the government's comprehensive response to supporting SMMEs, with initiatives from the Ministry of Small Business Development, Department of Trade, Industry and Competition, and agencies like SEFA, SEDA, and Ithala. However, a critical observation emerged; the existence of support structures does not automatically translate into effective access or use. The real challenge, according to these participants, lies in ensuring that SMMEs are equipped to navigate the complex institutional frameworks that govern such support. While financial and non-financial resources may be available, the absence of tailored guidance and structured education often leaves businesses unable to engage meaningfully with the systems intended to assist them. As emphasized by Mwakalobo and Mbukwa (2021), the lack of tailored support can hinder the effectiveness of these initiatives.

What is particularly noteworthy is that this gap, and the critical role of targeted training, was explored within the conceptual framework of this study, where training in essential skills is seen as directly contributing to SMME resilience. The voices of the respondents reaffirm that while knowledge-sharing and training programs are essential, their impact is contingent on their alignment with industry-specific challenges and needs. The experiences of participants illustrate how a mismatch between the content of these programs and the operational realities of businesses can limit their effectiveness. This concept resonates with the findings of the Global Entrepreneurial Monitor (2010), which asserts that skills training among SMME owners serves as a bridge, where the information shared, combined with practical skills building, enhances managerial competencies.

These competencies, as elaborated by Beck, Demirgüç-Kunt, and Martinez-Peria (2008) and Hellriegel et al. (2008), are not only foundational for sound decision-making but also serve as key indicators of creditworthiness. When SMME owners possess strong financial literacy and

management skills, they are better equipped to enhance operational efficiency, respond effectively to challenges such as load shedding, and improve their eligibility for funding and support. This strong connection between education, skills development, and access to resources underscores the transformative role of targeted training. It empowers entrepreneurs with both the resilience to navigate disruptions and the capacity to seize growth opportunities, thereby contributing to the long-term sustainability of their enterprises.

The integration of Resource Dependency Theory (RDT) and Information Asymmetry Theory offers valuable insight into this dynamic. From the perspective of RDT, SMMEs are dependent on both internal capabilities and external resources to survive and grow, particularly in uncertain environments. When SMME owners and their teams are equipped with relevant business, energy management, and strategic planning skills, they become less vulnerable to external shocks. This internal capacity fosters independence and strengthens their ability to adapt, innovate, and thrive without being overly dependent on support that may be inconsistent or inaccessible (Kunda-Wamuwi, 2019). However, this self-reliance is only achievable when training programs are carefully crafted to meet the real and immediate challenges SMMEs face. When training initiatives fail to align with these needs, their effectiveness is diminished, leaving businesses still reliant on inaccessible or poorly understood external resources (Kunda-Wamuwi, 2019; Makasi, 2023).

Information Asymmetry Theory further enriches this understanding by explaining how education and skills training helps close the knowledge gap between SMME owners and external stakeholders, particularly financial institutions and government agencies. In many cases, SMME owners possess critical insights into their operations that financiers do not, creating a mismatch of information that hinders trust and access to support. By acquiring relevant education and training, SMME owners gain the knowledge to make more informed decisions, articulate their business needs clearly, and demonstrate their competence. This reduces the information gap, allowing them to present themselves as trustworthy and capable (Kautonen et al., 2020). As the information asymmetry is reduced, scholars such as Abdulsaleh, Ahmed, and Hamid (2011), Pandula (2011), Slavec and Prodan (2012), Nguyen and Luu (2013), and Zarook et al. (2013) collectively argue that financiers become more confident in the SMME's capabilities, which lowers their perceived risk. This in turn, builds trust and enhances the business's attractiveness for financial support, as financiers can make more informed decisions with a clearer understanding of the SMME's capacity to succeed, even during challenging times like load shedding. In essence, education serves as a tool to mitigate

risk aversion by providing the necessary assurances about an SMME's potential for growth and repayment (Kautonen et al., 2020).

As Kambule's study was cited in the context of information sharing, his focus on Energy Efficiency (EE) adoption offers an important insight into the broader discussion of education and training. Kambule (2014) highlights that almost all firms (96 percent) perceive EE as an opportunity, yet only 50 percent have adopted EE measures due to barriers like lack of finance and, more importantly, lack of skills. The study suggests that capacity building through workshops can directly bridge this gap, which mirrors the argument made about the power of tailored education and skills training. This aligns with the idea that managerial competencies, which include knowledge of energy efficiency, are a key factor in business resilience and long-term success. This alignment emphasizes that for SMMEs to thrive in challenging environments, they require not only access to information but also the necessary skills to apply that knowledge effectively. Together, these elements form a comprehensive approach to building SMME resilience. The study by Derbyshire (2016) aligns with the government's initiatives mentioned by the respondent, particularly regarding the importance of financial literacy in supporting SMMEs during load shedding. Derbyshire's research highlights a significant gap in the financial literacy of small- and micro-enterprise owners, particularly in areas like basic bookkeeping and financial management. This gap often hinders their ability to make informed financial decisions, access funding, and sustain their businesses.

In answering the research question, various initiatives and measures have been implemented to support SMMEs in KwaZulu-Natal during load shedding, primarily through capacity-building and skills training programs. The government has introduced non-financial support initiatives, including financial literacy and operations management training, to help businesses improve cash flow management and strategic planning during power disruptions. Financial institutions have supplemented these efforts with investor education seminars, mentorship, and business development programs, ensuring that SMMEs gain the financial knowledge and resilience needed to withstand operational challenges. However, despite these interventions, some SMMEs have expressed concerns that training programs do not always offer practical, industry-specific solutions to mitigate load shedding's direct effects. The application of RDT explains how these initiatives strengthen internal capabilities, reducing reliance on external funding and enabling businesses to sustain themselves during crises. At the same time, Information Asymmetry Theory highlights how improved financial literacy empowers SMMEs to engage more effectively with financial institutions, increasing access to funding and

resources. These combined efforts demonstrate that while capacity-building initiatives play a crucial role in supporting SMMEs during load shedding, their effectiveness hinges on their ability to provide practical, tailored solutions that directly address the challenges businesses face.

4.3.1.3 Stakeholder engagement and collaboration

Stakeholder engagement and collaboration serves as the foundation for addressing the challenges faced by SMMEs during load shedding in KwaZulu-Natal. This theme highlights processes and relationships that facilitate the design and implementation of support initiatives. It focuses on how stakeholders work together to create impactful programs. Initiatives under this theme include joint workshops, co-funded energy projects, and public-private partnerships designed to provide tailored solutions and resources for SMMEs.

Table 1.7: Stakeholder engagement and collaboration

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Government and Stakeholder engagement and collaboration are key to ensuring SMMEs access effective support during load shedding	2 (100%)	2 (100%)	2 (100%)	2 (50%)	8 (80%)

The survival and success of small businesses, particularly during crises like load shedding, require much more than just financial support. They depend on strong collaboration and engagement between various stakeholders, including financial institutions, government agencies, and development partners (Ali Qalati, 2020; Weaven et al., 2021; Shava, 2024). Financial institutions have recognized this need and have stepped up by offering personalized support to SMMEs. One institution, for example, assigned a dedicated relationship banker to oversee and support SMMEs, ensuring these businesses receive personalized assistance during

crises like load shedding. These bankers maintain close contact with SMMEs, providing tailored guidance, offering timely solutions, and connecting them to available financial and operational support mechanisms.

This approach directly reflects the core principles of Stakeholder Theory, which emphasizes that organizations must focus on understanding and addressing the needs of all stakeholders. In this case, the financial institution views SMMEs as critical stakeholders, whose survival and growth are integral to the institution's broader success. The theory suggests that organizations thrive when they prioritize the well-being of their stakeholders (Susnienė and Vanagas, 2006; Nair, 2020). In this case, the financial institution's efforts to support SMMEs during load shedding go beyond just financial transactions, they focus on fostering long-term relationships and contributing to the broader success of the business community.

The institution's actions also align with the growing global trend observed by Beck, Demirgüç-Kunt, and Martinez-Peria (2008), where over 60 percent of banks globally have established dedicated SME departments to cater to the unique needs of small businesses. This trend reflects a recognition of the importance of relationship banking, particularly in developed countries, where financial institutions have long understood that SMMEs require tailored, proactive support to succeed. However, what differentiates the local context is the focus on personalized support during load shedding, a challenge unique to South Africa's energy crises. While the global trend emphasizes the creation of SME-focused departments, the financial institution in this study is specifically addressing a regional challenge, thereby demonstrating a more localized adaptation of the global practice. This local adaptation, where relationship bankers are deployed to offer personalized solutions, speaks to the evolving nature of support systems in South Africa and reinforces the need for stronger collaboration between financial institutions and SMMEs. Unlike in previous studies, such as those by Mago and Toro (2013), where low awareness and uptake of support programs were major challenges, the proactive engagement from the financial institution suggests a shift towards more effective and targeted outreach (Xesha, Iwu, and Slabbert, 2014; Farisani, 2022; Nsongelwa, 2023).

Moreover, further collaboration with external stakeholders has become a key strategy for KZN funding institutions. For instance, the same respondent also mentioned that their institution has partnered with organizations like the Chamber of Commerce and Industry, with the aim of raising awareness and providing support to SMMEs during load shedding. Through these networks, the institution helps small businesses access valuable resources, ensuring they have the information and support necessary to remain operational during power cuts. In addition to

maintaining strong connections with SMMEs, the financial institution has contributed to tangible solutions, such as assisting businesses with the installation of solar panels and generators. The institution has also integrated small businesses accredited to install these systems into their supplier database, creating new opportunities for these businesses to grow by offering services to other SMMEs. Similarly, another respondent shared how their financial institution addressed the challenges faced by SMMEs during load shedding. In collaboration with the DTIC and the Department of Energy, this institution developed the Alternative Energy Fund. The fund aims to help SMMEs access alternative energy solutions, reducing their dependence on Eskom and ensuring a more reliable energy source to sustain operations during load shedding.

In summary, the insights shared by these financial institutions illustrate how collaboration can turn the challenges faced by SMMEs into opportunities for survival and growth. At the core of these efforts is a shared sense of responsibility and purpose among stakeholders: financial institutions, government bodies, and SMMEs themselves. This reflects how Stakeholder Theory operates in practice. According to the theory, an organization's success; especially for small businesses, depends not only on its internal resources but also on the external relationships and support it can access. By fostering partnerships with various stakeholders, financial institutions are creating a support network that enables SMMEs to navigate challenging times like load shedding (Weaven et al., 2021; Shava, 2024).

What stands out here is the way these external stakeholders collaborate to offer not just temporary relief but long-term solutions. This approach confirms the relationship observed in the conceptual framework of this study, particularly in the context of “Stakeholder collaboration, private sector initiatives, and SMME survival.” The literature and framework both emphasize that the survival and growth of SMMEs during challenging times like load shedding depend heavily on effective collaboration between stakeholders. This collaboration results in the provision of critical infrastructure solutions, such as alternative energy, which support SMMEs. In this case, the financial institution’s role in facilitating collaboration with external stakeholders, such as the Chamber of Commerce and the DTIC, aligns with the conceptual framework by creating a robust support network for SMMEs. This network, in turn, helps businesses access the infrastructure necessary to remain operational during power cuts, which directly addresses the research question on the types of support available for SMMEs during load shedding. By assisting SMMEs in installing solar panels and generators, and integrating accredited small businesses into the supply chain, the institution is not only offering

immediate relief but also contributing to long-term solutions. This sustainable approach, which empowers businesses to continue operations despite power cuts, exemplifies the framework's assertion that stakeholder collaboration and infrastructure development are key to SMME survival. The integration of alternative energy solutions directly supports the conceptual framework's focus on the importance of infrastructure in helping SMMEs navigate crises like load shedding, confirming the central role of collaborative efforts in ensuring SMME resilience.

Similarly, the findings from the two government respondents present specific and strategic initiatives aimed at supporting SMMEs in KwaZulu-Natal during periods of load shedding, emphasizing the importance of Public-Private Partnerships (PPPs) and comprehensive business support systems. The first respondent highlighted the government's use of PPPs as a key strategy, particularly through enterprise and supplier development programs in collaboration with private sector companies. These partnerships, formalized through Memorandums of Understanding (MOUs), ensure that SMMEs, particularly those in townships, gain access to valuable resources such as financial support, expertise, and skills development, which are crucial during times of crisis such as load shedding. By fostering these collaborations, the government connects SMMEs with financial and knowledge-based resources, facilitating access to essential tools that might otherwise be out of reach, especially for small businesses in underdeveloped areas (Crawford, Cui, and Kewley, 2024). This approach resonates with the literature on public-private sector collaboration, which emphasizes its importance in providing resources to SMMEs, particularly in marginalized areas.

The second government respondent elaborated on another important initiative; the establishment of a one-stop shop that integrates various forms of support, such as financial assistance and regulatory compliance. This initiative focuses on ensuring that businesses, particularly those in townships, are not only provided with financial resources but also meet the required legal standards, with a special emphasis on verifying local ownership. Through collaborations with key departments, including Labour, Police, and Home Affairs, the initiative aims to ensure that businesses are genuinely South African-owned, addressing the challenges of businesses being registered locally but operated by foreign nationals. The respondent highlighted that these partnerships are essential for the success of the one-stop shop and for maintaining an inclusive ecosystem where SMMEs are supported across multiple facets of their operations. This collaborative approach emphasizes the significance of creating inclusive support systems, particularly for historically disadvantaged groups, as also emphasized by

Mago and Toro (2013), who argue that inclusive systems are crucial for helping marginalized communities overcome systemic barriers.

The government's initiatives to address energy-related challenges were a notable focus among respondents, particularly efforts involving partnerships with entities such as the Industrial Development Corporation (IDC), the Clean Energy Fund, and Ithala. These collaborations aim to deliver alternative energy solutions to SMMEs, particularly those operating in vulnerable township areas of KwaZulu-Natal. The core objective is to reduce the operational disruptions caused by load shedding by enabling businesses to access sustainable energy alternatives such as solar power or backup systems. This targeted support strategy supports the findings of Mago and Toro (2013), who emphasize that access to reliable energy infrastructure is not a luxury but a fundamental necessity for the survival and continuity of SMMEs during periods of energy instability. The empirical evidence thus reinforces the argument that energy resilience is an essential pillar of business sustainability in energy-constrained environments. However, when these findings are considered alongside broader literature, it becomes clear that energy solutions, while necessary, may not be entirely sufficient. Baker and Judge (2020), for example, argue that even well-structured government interventions, including PPPs, may fall short of addressing the immediate liquidity constraints that SMMEs experience during crises. They advocate for creative solutions, including partnerships with intermediaries like banks and online lenders who have the infrastructure to efficiently distribute funds.

The initiatives presented by the government in this study, particularly the integration of PPPs with private companies, reflect a more structured and targeted approach than the broader government interventions discussed by Baker and Judge (2020). The respondents in this study indicate that these efforts are providing tangible, sector-specific support, especially for township-based businesses. In contrast to the findings from Soga (2022) in Gauteng, which suggest that government initiatives have been ineffective due to inefficiencies and misalignment with business needs, the respondents from KwaZulu-Natal paint a more optimistic picture. The initiatives in KZN appear to be more closely aligned with the region's specific needs, especially in terms of energy challenges and the prioritization of township businesses. The focus on partnerships and integrated support systems suggests that, while challenges remain, the government's approach in KwaZulu-Natal may be more effective than the general criticisms observed in Gauteng. These comparisons emphasize the importance of tailored, region-specific interventions that address the unique challenges faced by SMMEs. While broader government initiatives are necessary, the success of the programs in KwaZulu-

Natal illustrates how targeted, inclusive, and well-coordinated interventions can support small businesses more effectively during periods of crisis like load shedding.

Based on the respondents' perspectives, it can be concluded that the KwaZulu-Natal government has fostered stakeholder engagement and collaboration, that has resulted in tangible outcomes for businesses, helping them navigate challenges such as load shedding. Also, the government has shown deliberate efforts through extensive collaboration with several entities to safeguard local business ownership. These efforts have had tangible outcomes, such as the successful implementation of the Clean Energy Fund, which benefited township-based businesses that were better positioned due to improved infrastructure and proximity to support services. This has led to greater access to essential resources and survival opportunities during load shedding. However, rural SMMEs, with less infrastructure and fewer opportunities for collaboration, were less able to leverage these initiatives.

When these findings are considered alongside the conceptual framework, they offer strong confirmation of the relationship between government and private sector initiatives, location, and SMME survival. Specifically, they illustrate how location acts as a moderating variable, shaping the extent to which support mechanisms actually reach and benefit small businesses. Participants described how SMMEs located in townships were more likely to receive assistance through partnerships government entities. These businesses benefited not only from alternative energy solutions but also from improved infrastructure and easier access to government-driven collaborations. This directly affirms the conceptual relationship, where government and private sector interventions are more effective in urban and peri-urban areas, due to better-developed infrastructure and stronger institutional presence (Beckmann, Garkisch, & Zeyen, 2023). In contrast, rural SMMEs, despite facing similar or even more intense challenges, were often excluded from these benefits, due to geographic isolation, weak infrastructure, and limited access to support networks.

As a result, the impact of such initiatives on their survival was significantly muted. What emerges here is a clear empirical validation of the conceptual proposition; location does not merely correlate with differences in outcomes, it actively moderates the success of support interventions. Where access is easy, impact is visible. However, where access is hard, potential remains untapped. Therefore, for these interventions to contribute meaningfully to SMME resilience in the face of load shedding, they must be tailored with spatial equity in mind. Only by addressing the locational divide can policymakers ensure that all SMMEs, regardless of where they operate, can access the tools and resources necessary for survival and growth.

Furthermore, as indicated in the frequency table, all industry experts shared a common view that collaboration is key to developing solutions and accessing the resources necessary for SMMEs to survive load shedding. They emphasized that both public and private sectors must work together to create a supportive environment for small businesses during these challenging times. When discussing this with SMME owners, a more personal and emotional perspective emerged. All SMME owners, including acknowledged the value of stakeholder engagement and collaboration, though their experiences were primarily rooted in informal, peer-driven networks rather than formal structures like PPPs. For example, one bakery owner shared how, during load shedding, he and his peers formed an informal network where they supported each other by sharing resources. This collaborative spirit was born out of the understanding that no external entity would come to their rescue, so they had no choice but to act as a collective to survive. The owner's reflection emphasized a sense of community and resilience, showing how the bakery owner, along with his friends, pulled together to find solutions.

This sense of self-reliance was reinforced by another owner, who emphasized that most of his businesses are managed by women. He instilled in his team the mindset that the business is their own, that it is their livelihood, and in his absence, they must take initiative. This ownership mentality extended to their response to load shedding, as the threat of losing their source of income motivated collaboration not as a mere formality, but as a necessary action to ensure their survival. For these SMMEs, the solution was not just about ticking boxes for collaboration but about understanding the stakes, their businesses' survival depended on it. This experience highlights the gap between the formal structures of support, such as PPPs, and the informal, community-based approaches that many SMMEs are relying on in times of crisis. It also emphasizes the importance of strengthening and making formal collaborations more relevant and impactful for businesses on the ground.

Conclusion: Answering a research question

The research findings provide a clear and comprehensive answer to the question: *What specific initiatives and measures have been implemented to support Small, Medium, and Micro Enterprises (SMMEs) in KwaZulu-Natal, South Africa, during periods of load shedding?* The research findings reveal that a range of targeted initiatives and measures have been implemented to support SMMEs in KwaZulu-Natal during load shedding, emphasizing the power of stakeholder engagement and collaboration. Financial institutions have introduced dedicated relationship banking, offering personalized guidance and financial solutions, while also partnering with organizations like the Chamber of Commerce and DTIC to facilitate access

to funding and alternative energy solutions. The government has played a crucial role through Public-Private Partnerships (PPPs), working with private companies to provide financial assistance, skills training, and infrastructure support, particularly for township businesses. Meanwhile, industry experts stress the importance of structured collaboration to sustain long-term interventions, yet SMME owners highlight the reality of informal, peer-driven networks as their primary means of survival, demonstrating a gap between formal support systems and on-the-ground experiences. Collectively, these efforts provide both immediate relief and long-term resilience by ensuring access to financial support, alternative energy solutions, and skills development programs. Therefore, the research question is answered through the clear evidence that SMME survival during load shedding relies on a multifaceted support system where government, financial institutions, and community-driven networks all play a role in mitigating the effects of power disruptions and sustaining business operations.

4.3.2 Financial support for SMME resilience

To answer the main research question, a similar process was followed, using Nvivo software to generate codes. Guided by the framework of Nowell et al. (2017), 21 codes were identified, leading to the development of a central theme: “Financial support for SMMEs in KZN during load shedding.” This theme is further broken down into several sub-themes, which are illustrated in a tree diagram below. Each sub-theme is explained in simple terms, showing its connection to the main theme and, most importantly, how it helps answer the research question of the study. Finally, a frequency distribution table is utilized to present the perspectives of participants across all groups.

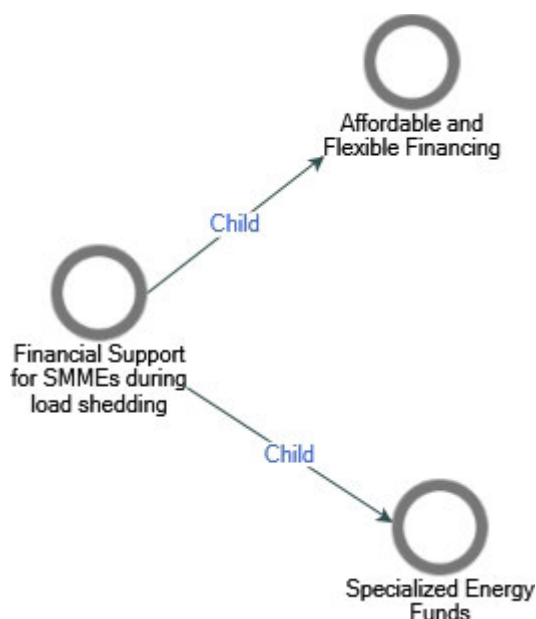


Figure 11: Financial support for SMMEs during load shedding

Source: Developed using NVivo 15

4.3.2.1 Affordable and flexible financing

This sub-theme highlights the availability of financial options that are both affordable and adaptable to the needs of SMMEs. It emphasizes financing solutions that offer manageable terms. These options enable businesses to cope with the financial strain caused by load shedding by providing manageable repayment terms and accessible funding. This directly answers the research question by illustrating how flexible financing options help SMMEs maintain operations and overcome challenges during power outages.

Table 1.8: Affordable and flexible financing

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Affordable and flexible financing options provide SMMEs with the ability to adjust their financial obligations in response to power disruptions	2 (100 %)	2 (100 %)	2 (100 %)	1 (25 %)	7 (70%)

As reflected in the frequency table, a striking 75 percent of respondents reported never having accessed financial assistance for their businesses. This is more than just a statistic; it reflects a harsh and persistent reality faced by many small business owners in KwaZulu-Natal and across South Africa. It speaks to a systemic gap where the very support structures meant to uplift SMMEs fail to reach those who need them most. For many of these entrepreneurs, the dream of building a stable business is constantly undermined by the absence of financial support, leaving them vulnerable, particularly during crises such as load shedding. This pattern is well-documented in the literature, with scholars such as Beck and Demirguc-Kunt (2006), Osano and Languitane (2016), Quartey et al. (2017), Ramalho et al. (2018), Maré (2023), and Welibach (2024) consistently identifying limited financial access as a primary vulnerability for

SMMEs. Without the capital needed to invest, adapt, or expand, these businesses are left exposed to external shocks and unable to sustain long-term operations.

However, one respondent in this study, a business owner in the baking industry, presents an outlier case that diverges from the trend observed among the majority of participants in the SMME group. What makes this case stand out is not only the successful acquisition of funds but also the manner in which this business owner engaged with the private sector to overcome the financial barriers commonly faced by small businesses in South Africa. Faced with frequent and crippling power outages, the respondent took the initiative to engage with stakeholders to seek potential solutions. By directly communicating with his bank and explaining the challenges posed by load shedding, the respondent was able to negotiate extended overdraft facilities and additional financial support. Moreover, his landlords and suppliers exhibited flexibility by extending credit terms from 30 to 60 days over a six-month period. The respondent emphasized that this support came only because he took the initiative to ask for it, stressing: "If you don't ask, you don't get." This proactive engagement was facilitated by the respondent's established trust and credibility with financial institutions, built through a strong track record and consistent profitability. Importantly, the financial institutions recognized that load shedding was an external factor and acted in their own interest by supporting a dependable client.

The respondent's experience aligns with the principles outlined in the literature on trust and lending. As Thakor and Merton (2024) highlights, trust and trustworthiness are fundamental to successful borrowing, particularly when enforcement mechanisms are absent. The respondent's proactive engagement with financial institutions mirrors Glaeser et al.'s (2000) finding that an individual's trustworthiness is often predicted by their general level of trust in others and social connectedness. By taking the initiative to communicate the challenges posed by load shedding, the baker demonstrated a high level of trust in his financial institutions and suppliers, which in turn fostered their trust in him, reflecting the reciprocal nature of trust found in the literature. Unlike the expected decrease in lenders' trust following loan delinquency, as anticipated by Thakor and Merton (2024), the respondent's established track record of profitability and transparent communication actually strengthened the relationship, allowing him to secure financial support. This not only supports the theoretical claims in the literature but also serves as a reminder of the power of proactive, open communication; something as simple as asking for help can yield surprisingly positive outcomes, making the experience all the more heart-warming.

From the theoretical point of view, the business owner's experience provides a compelling example of how RDT, Agency Theory, and Information Asymmetry interconnect to explain the dynamics of securing financial support during load shedding. RDT is relevant because it explains the fundamental need for businesses, such as a baking enterprise, to rely on external resources to sustain operations, especially during crises like load shedding. The theory highlights that businesses do not operate in isolation; they rely on external resources such as capital from banks, credit from suppliers, and favourable lease terms from landlords to remain operational. The baker's financial stability was at risk due to load shedding, a factor beyond his control, making access to external financial support crucial for survival.

However, securing such support was not automatic; he had to actively manage his dependencies by leveraging trust and demonstrating credibility to those who controlled these resources. This is where Agency Theory comes into play. Banks and suppliers act as principals, while the baker, as the borrower, is the agent. In financial transactions, banks and suppliers, acting as lenders, are concerned about whether the baker, as the borrower, will act in their best interest by repaying the loan or if there is a risk of default (Yahya, Ali, and Ghazali, 2016). The baker successfully mitigated agency concerns by demonstrating a history of profitability, transparency, and a proactive approach to problem-solving. His willingness to communicate openly about his challenges reassured his financial partners that he was a low-risk, dependable client, making them more willing to extend credit and financial support. This created a principal-agent relationship, consistent with Posey and Reichert's (2011) findings, which suggest that firms with stronger banking relationships are more likely to obtain financial support, highlighting the critical role of trust and communication in securing funding.

Similarly, for the trust and alignment to materialize, Information Asymmetry must be addressed. This theory explains the challenges that arise when one party has more or better information than the other. In the baker's case, financial institutions might not have fully understood the impact of load shedding without clear communication. Without direct visibility into the baker's business operations, they could have hesitated to offer support. However, the baker proactively reduced this information gap by engaging directly with financial institutions, clearly explaining how load shedding impacted his business, and showing his track record of financial responsibility. This transparency reassured stakeholders that the need for financial support stemmed from circumstances beyond the baker's control, rather than mismanagement.

In academic literature, scholars such as Abdulsaleh, Ahmed, and Hamid (2011), Pandula (2011), Slavec and Prodan (2012), Nguyen and Luu (2013), Zarook et al. (2013), collectively

argue that more experienced and educated owners or managers of SMMEs are often more confident in overcoming obstacles related to accessing bank loans. These individuals are also better informed about banking services and credit requirements, making them more likely to apply for loans compared to those with less experience and education. This creates two distinct groups of SMME owners. The first group needs help but lacks the confidence to seek it. The second group, like a determined baker, takes initiative. The baker not only presented proven financial records but went a step further, he communicated his situation clearly and demonstrated his ability to succeed.

This approach was crucial because, while numbers and documents matter, they cannot fully convey the deeper challenges posed by load shedding. It was his ability to make the lenders understand the reality of his situation and his resilience that made the real difference. Interestingly, this aligns with findings by Martin & Staines (2008), who identified the lack of managerial experience, skills, and personal qualities as significant factors contributing to business failure. The baker's story, however, illustrates the other side of this coin: how strong managerial competencies, clear communication, and personal resilience can serve as critical assets in overcoming these challenges.

Globally, this tendency of entrepreneurs to feel discouraged and avoid seeking funding is a recurring issue that demands serious attention. Across industries and countries as explained by Beck and Demirguc-Kunt (2006), many business owners lack the confidence to approach lenders, even when support is available. This hesitation prevents countless entrepreneurs from achieving their potential and contributes to the ongoing struggles of small businesses. However, if a single baker could secure financial support through proactive engagement, trust-building, and clear communication, then the 75 percent of SMMEs who reported no history of financial assistance may not only be facing systemic barriers but also challenges related to financial literacy, confidence, and a lack of awareness of available opportunities. The baker himself, in addition to sharing his success story, expressed concern for his peers in the small business sector who lacked similar advantages. He pointed out that businesses with less business acumen or weaker communication skills struggle to engage effectively with banks or suppliers, creating an uneven playing field. As he noted, this disparity means that many businesses, despite facing the same challenges, are unable to access the financial support they need.

This shows the importance of proactive, accessible, and inclusive support systems. Based on his observations, it is evident that non-financial support, as explored in the study's first research

objective, is essential for the remaining group of SMMEs. Programs focusing on financial literacy, business development, and similar services should be prioritized, as many of these SMMEs are discouraged, unsure of how to start asking for help, or unaware of who to contact. The key challenge, however, lies in the fact that a one-size-fits-all approach may not be effective, as different SMMEs face unique operational and financial obstacles. As such, to ensure that support for SMMEs is impactful, not only in KwaZulu-Natal but across South Africa, programs must be tailored to address the specific needs and challenges faced by each business. This approach guarantees that the support provided translates into meaningful access to finance, thereby contributing to long-term resilience.

A striking insight that emerged from this is the powerful role of managerial competencies, such as strong communication, financial literacy, and overall business acumen in shaping a small business's ability to access financial support. This introduces an important layer that was not initially captured in the conceptual framework. While previous studies, like that of Makasi (2023), have rightly pointed out the importance of having access to funding during tough economic periods, these findings suggest that simply having funds available is not enough. What truly makes a difference is whether SMME owners are equipped with the skills to access and use that support effectively. These competencies go beyond day-to-day operations; they empower entrepreneurs to present their businesses confidently, explain their financial needs clearly, and build credibility with funders. In this way, managerial skills become a bridge to opportunity, giving business owners a better chance to survive and even thrive during difficult times like load shedding. This calls for a deeper appreciation of capacity-building efforts. Equipping SMMEs with the right skills is not just about improving business performance, it is about opening doors to the very resources that can determine whether a small business makes it through or not. In recognising this, we move one step closer to a more sustainable and inclusive support system for small businesses.

Furthermore, private sector financial institutions in KwaZulu-Natal have implemented several measures to assist SMMEs in managing the financial strain caused by load shedding. Respondents shared that their institutions have developed tailored financial products, including moratoriums, grace periods, and payment holidays, designed to ease immediate cash flow challenges. One institution offers a 12-month repayment holiday, providing businesses with the breathing space needed to stabilize operations before committing to loan repayments. Another respondent highlighted their institution's commitment to flexible repayment options, offering extended loan terms of up to 84 months (7 years) to ensure that monthly instalments

remain affordable. Additionally, some institutions have lowered interest rates, with one offering a flat 2 percent rate, significantly below the commercial bank rate of 11.75 percent, making credit more accessible to struggling businesses.

These financing strategies align closely with RDT, which was explored in this study. In this case, financial institutions play a pivotal role in mitigating the financial vulnerability of SMMEs caused by power disruptions, ensuring they have access to affordable credit and manageable repayment structures. Additionally, Flexibility Theory, though not previously explored, emerges as highly relevant. This theory emphasizes the need for businesses to have adaptable financial mechanisms that allow them to adjust to environmental uncertainties. The introduction of repayment holidays and extended loan terms demonstrates how financial institutions enhance business resilience by embedding flexibility into credit agreements.

Beyond traditional financing, financial institutions are increasingly embedding energy resilience into their support strategies; an important shift in response to the ongoing power crisis affecting small businesses. One institution, for instance, has launched an innovative renewable energy programme that provides solar panels at discounted prices, helping businesses keep their doors open during load shedding. In a bid to ease financial strain, they also offer affordable access to generators and grant facilities, allowing businesses to adopt power solutions without sinking into debt. A standout feature of this initiative is the 50% discount on alternative energy products, making them much more accessible to small businesses that would otherwise be priced out. What makes this approach even more inclusive is that it is not limited to existing clients; it is marketed broadly to ensure inclusivity, allowing even non-clients to benefit from these critical interventions..

Another respondent shared a different but equally meaningful approach. While also offering discounted energy solutions, this institution places its focus on township and rural businesses, where power disruptions tend to have a more devastating effect. Unlike the first institution, they do not promote generators, citing sustainability challenges linked to fuel dependency and operational costs. Instead, their strategy centres on subsidised solar panels, inverters, and battery storage systems, designed to offer consistent relief without the burden of recurring expenses. This divergence highlights that while financial institutions share a common goal of supporting energy resilience, their approaches differ based on their target markets and cost considerations.

These findings offer a compelling counterpoint to Credit Rationing Theory, which posits that small businesses are often denied credit or offered unfavourable terms due to their perceived high risk. Traditionally, this theory suggests that lenders, operating under conditions of uncertainty, restrict access to finance for small enterprises to minimise potential losses (Craig, Jackson, and Thomson, 2007). However, the experiences shared by financial institutions in this study reveal a more progressive and responsive approach. Rather than adhering strictly to risk-averse lending practices, these institutions demonstrate a clear willingness to accommodate small businesses, particularly during periods of economic strain such as those caused by load shedding. This is evident in their provision of more flexible loan structures. Such measures reflect a deeper understanding of the unique pressures faced by small businesses and a recognition of their role in sustaining the economy. In doing so, these institutions are not just adjusting their financial models, they are actively challenging the assumptions of Credit Rationing Theory by proving that small businesses, when supported with appropriate mechanisms, can be viable and worthy of investment even in times of crisis. This shift in approach signals a more inclusive and developmental mindset in financial support systems, one that prioritises long-term resilience over short-term risk aversion.

Noted from the views shared by government respondents, is the energy funds developed through the collaboration between which is particularly marked by its flexible repayment terms. One of the key advantages of this fund is the provision of up to 15 years for repayment, which is specifically tailored to support SMMEs in KwaZulu-Natal facing the challenges of load shedding. This extended repayment period helps businesses manage the financial pressure they face while implementing energy-efficient solutions. By offering such flexibility, the government ensures that the fund is accessible to businesses, enabling them to gradually recover and invest in sustainable energy alternatives without the immediate financial burden

Conclusion: Answering a research question

In conclusion, the efforts of both the public and private sectors strongly reflect the relationship between private sector support and SMME survival, as well as government initiatives and SMME survival. While the government has introduced long-term repayment options through energy funds, the data reveals that much of the direct financial relief and flexible repayment structures have been provided by the private sector. This suggests a gap in government-driven financial support mechanisms, which, although present, may not be as widely accessible or responsive to the immediate needs of SMMEs facing load shedding challenges. A key insight emerging from these findings is the significance of long-term relationships grounded in trust,

which appears to be a critical factor influencing the private sector’s willingness to renegotiate and extend financial support to SMMEs.

As empirical studies suggest (Petersen & Rajan, 1994; Bodenhorn, 2001; Mason, 2016; Jagtiani & Lemieux, 2016; Hackner, 2023), financial institutions are more inclined to offer flexible repayment options and risk-sharing mechanisms to businesses with whom they have established trust. They emphasize that long-term relationships between banks and clients significantly influence the renegotiation of loan terms, particularly during financial crises. What is particularly interesting is that this has been seen through the experience of a bakery that benefited from an extended repayment holiday and reduced interest rates, illustrating how financial institutions recognize and support long-term clients facing economic challenges. In this context, trust becomes an essential benchmark in determining access to favourable financial arrangements, reinforcing the role of private sector support in ensuring business continuity. Ultimately, affordable financing and flexible repayment structures serve not only as short-term relief mechanisms but as strategic enablers of resilience. The private sector’s tailored financial solutions demonstrate a strong commitment to supporting SMMEs, while the government’s role in long-term financial assistance could be further strengthened to ensure a more balanced and comprehensive support system.

4.3.2.2 Specialized energy funds

Specialized energy funds are designed to provide financial support to SMMEs to help them cope with the challenges of load shedding. These funds assist businesses in adopting energy-efficient solutions, reducing their reliance on the grid, and maintaining operations during power outages. This sub-theme answers the research question by demonstrating how these funds provide crucial financial assistance to help SMMEs remain resilient and operational during periods of load shedding.

Table 1.9: Specialized energy funds for SMME resilience during load shedding

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Specialized energy funds offer financial support for energy-	2 (100%)	2 (100%)	1 (50%)	0 (0%)	5 (50%)

efficient solutions, helping SMMEs reduce disruptions caused by power outages.					
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The introduction of specialized energy funds represents a critical intervention in helping small businesses survive and thrive amid the ongoing load shedding crisis. These funds are not merely a reaction to the energy crisis but reflect a proactive, long-standing commitment by financial institutions to support SMMEs through economic challenges. The financial support provided by these funds empowers small businesses with sustainable solutions, ensuring operations continue smoothly even during power outages. The Alternative Energy Fund, with an initial allocation of R100 million as explained by one respondent in the financial institutions group, stands as a prime example of this approach, offering loans up to R5 million at a flat interest rate of 2 percent. This initiative was specifically designed to help businesses invest in renewable energy sources such as solar panels, inverters, and batteries, ensuring continued business operations despite the frequent power cuts. The fund's allocation and its provision of loans on favourable terms reflect a strategic effort to make renewable energy solutions accessible to small businesses.

This initiative directly addresses the financing challenges faced by SMEs, as highlighted by Zhang and Sun (2017), who emphasize that SMEs have long struggled to obtain necessary funds through traditional financing methods. Due to their unique characteristics, SMEs often face barriers in accessing credit, making them especially vulnerable to economic challenges such as load shedding. By providing tailored financial support, the private sector initiative helps reduce this vulnerability, although the challenge of determining which SMMEs qualify for such support remains an area yet to be fully addressed. The respondent further highlighted their organization's long-standing dedication to providing financial support during crises. He explained that the Alternative Energy Fund is part of a broader history of responding to the needs of businesses in difficult times, citing past initiatives such as the soft loans offered during the COVID-19 pandemic, as well as efforts to support businesses affected by the July unrest and the floods.

In addition to the Alternative Energy Fund, other specialized funding initiatives, such as the Furniture Manufacturing Fund and the Manufacturing Competitiveness Enhancement

Programme, demonstrate the financial institution's commitment to helping businesses across various sectors. The respondent's description of the organization's long-standing commitment to providing financial support during crises illustrates how financial institutions play a critical role in supporting SMMEs through targeted interventions during periods of economic strain. These funds are examples of how institutions serve as intermediaries, channelling resources to businesses in need and helping them navigate challenges like load shedding. The respondent's insight aligns with Financial Intermediation Theory, which emphasizes the role of financial institutions in managing risk and providing liquidity to businesses. By offering these specialized financial products, the institution not only provides capital but also mitigates the risks faced by businesses, ensuring that they have access to resources even in times of crisis. This reflects a proactive approach to financial intermediation, where the institution recognizes its role in sustaining economic stability, especially for SMMEs that are often more vulnerable to external shocks.

Despite these well-intentioned initiatives, several challenges persist, particularly concerning the adoption of alternative energy solutions. The second respondent from the same group (financial institution), pointed out that while the Alternative Energy Fund provides essential financial support, the adoption of solar energy among SMMEs remains disappointingly low. Some small businesses continue to rely on generators, viewing solar energy as a luxury rather than a practical long-term investment. This reluctance to embrace alternative energy is supported by the first respondent, who highlighted that when load shedding becomes less frequent, businesses tend to adopt a wait-and-see approach. They often believe that the problem is resolved, leading them to revert to relying solely on Eskom for electricity. Instead of pursuing sustainable, energy-efficient solutions, many businesses prefer to stick with traditional methods, which limits their growth potential and resilience.

The hesitation to adopt alternative energy solutions not only affects individual businesses, but also impacts the wider energy-efficient solutions ecosystem. When businesses are reluctant to invest in energy-efficient technologies, it leads to lower demand, which in turn reduces business for suppliers and hinders the overall growth of the sector. This lack of progress could put South Africa at risk of falling behind other developing nations that are advancing in energy efficiency adoption. As noted by Ma et al. (2017), businesses are often hesitant to invest in energy-efficient measures due to concerns like high initial costs, uncertainty about their long-term effectiveness, and dissatisfaction with the renovation procedures. These concerns create significant barriers, preventing businesses from reducing their reliance on unreliable and

expensive energy sources, which exacerbates the challenges posed by load shedding and the broader energy crisis. Cagno et al. (2017) emphasize the importance of support for small businesses from not only public institutions but also external stakeholders, including energy technology suppliers, industrial associations, and service providers. This support can come in the form of increased educational initiatives and awareness programs that generate interest in energy efficiency, encouraging businesses to adopt measures that would benefit them in the long run.

The study by Beckman (2017) also aligns with concerns raised by financial institutions about the difficulties small businesses face in accessing and implementing financial or technical support. In countries like Sweden, even though there are energy efficiency programs and financial support available, small businesses still face obstacles that prevent them from fully adopting energy-saving measures. These barriers include limited time or focus on other priorities (bounded rationality), different interests within the business (split incentives), and a lack of clear, reliable information about the benefits of energy-saving options (imperfect information). This suggests that while financial institutions may offer tailored financial products, the true challenge lies in ensuring that businesses have the knowledge and resources needed to implement these solutions effectively.

Additionally, the underutilization of these funds has a ripple effect on the entire system. In KwaZulu-Natal, businesses in rural and township areas face additional challenges. Many of these businesses, as further explained by the first the respondent, operate in shopping centres where property owners impose restrictions on installing solar panels. This creates a barrier that is beyond the control of business owners, regardless of their willingness to invest in alternative energy. The respondent suggests that policies addressing such restrictions could help alleviate this issue, offering a potential solution to support businesses in overcoming these obstacles and adopting more sustainable energy practices.

The challenges highlighted by the respondents align closely with the combined explanatory power of RDT and Agency Theory. RDT explains how external actors such as property owners hold control over critical resources, in this case, access to infrastructure for energy-efficient installations like solar panels. Even when financial support is available from the private sector, the SMMEs remain dependent on these external actors, limiting their ability to fully benefit from energy-related interventions. Agency Theory complements this by highlighting the conflicting interests between landlords (agents) and SMME owners (principals). While business owners seek to reduce operational risks through sustainable energy solutions,

landlords may resist changes that do not immediately serve their own interests. This misalignment exemplifies how internal organisational decisions are constrained by conflicting goals and asymmetries in power or information, creating a barrier to energy resilience.

These theoretical insights directly intersect with the conceptual framework, particularly the component that identifies the regulatory environment as a moderating factor influencing the effectiveness of public and private sector initiatives. While the initiatives themselves (independent variables) offer both financial and non-financial support, their practical uptake is mediated by institutional rules, property laws, and zoning regulations. The issue raised by a respondent regarding landlord-imposed restrictions, reflects a regulatory gap that limits the scope of these interventions. It emphasizes how, in the absence of enabling policies that allow tenants to implement energy solutions independently or incentivize landlords to support such measures, even well-funded initiatives may fail to deliver their intended impact.

As indicated in the table above, only 50 percent of the respondents in the industry experts group acknowledged the impact of the energy fund initiatives available to small businesses in KwaZulu-Natal. One respondent for example, shared that he was aware of the fund, particularly the call for applications for service providers offering alternative energy solutions through the IDC. While this respondent was not successful in his application, he recognized the significant potential of these fund, particularly for small businesses in the region, and expressed the view that such initiatives could have a substantial impact if utilized effectively. However, the second respondent did not acknowledge any impact from these funds, as she was not aware of any.

Unfortunately, from the SMMEs involved in the study, none of the four businesses had benefited from these energy funds. This creates a stark scale of 0/4, indicating that despite operating in diverse sectors, none of these businesses had accessed either public or private sector energy funds. While institutional respondents confirmed that other businesses outside this sample had successfully utilized these offerings, the lack of uptake among the interviewed SMMEs highlights a significant gap; whether in awareness, application processes, or eligibility barriers. These findings mirror broader patterns identified by Rajagopau et al. (2020), who observed that only 6 percent of SMEs across 12 industries accessed government funding, and just 9 percent received private funding, with approximately 90 percent of the funds going to companies older than five years. This raises concerns about the accessibility of energy-related financial support for younger firms and emphasizes a systemic issue in the distribution of such funds, which may further increase the high failure rate of emerging small businesses in KwaZulu-Natal. This gap in support not only emphasizes the difficulties faced by these

businesses, but also reflects a systemic issue in funding distribution that could exacerbate the already high failure rate among new SMEs in KZN.

Building on the financial interventions provided by the private sector, the government has also implemented several initiatives aimed at supporting SMMEs in KwaZulu-Natal in the face of ongoing load shedding. One respondent, for example, highlighted that SEDA has been instrumental in connecting businesses to resources, with many clients sharing success stories about how they benefited from these linkages. These success stories, often showcased on platforms like their Facebook page, demonstrate how SMMEs have been able to secure energy funding and other forms of support to continue operations despite the challenges posed by load shedding. The respondent also detailed the government's broader initiatives, such as the "Powering the Economy" program, which specifically targeted townships and offered funding mechanisms to assist businesses. One key funding option is the general fund, allocated up to R500 million, while the township-specific fund provided up to R200 million to assist those in areas most impacted by the energy crisis. In addition, SEDA's "Asset Assist" program was praised by another participant, who highlighted that it provides grants of up to R250,000 for SMMEs to purchase critical equipment or cover operational costs. Cooperatives, according to the respondent, are also supported through grants of up to R5 million. This initiative directly addresses the financial barriers that businesses face when seeking to maintain or expand operations during energy disruptions.

Furthermore, the collaboration between SEDA and the Industrial Development Corporation (IDC) to establish the Green Energy Efficiency Fund (GEEF) was noted as another significant step. Respondents emphasized that GEEF offers loans ranging from R1 million to R50 million, aimed at helping businesses invest in energy-efficient technologies such as solar panels and inverters. By providing access to these funds, the government is enabling businesses to reduce their dependence on the national grid, which is crucial in the face of persistent power outages. Additionally, the Township and Rural Entrepreneurship Program (TREP), which provides financial support of up to R1 million, was mentioned as another initiative aimed at businesses in rural and township areas. This initiative helps address the specific challenges faced by businesses in these regions, further contributing to the overall strategy of supporting SMMEs during load shedding.

Conclusion: Answering a research question

To address the research question, the financial support provided to SMMEs in KwaZulu-Natal by both the public and private sectors includes initiatives designed to mitigate the impact of power outages. Private sector institutions have introduced specialized funding programs like the Alternative Energy Fund, which offers low-interest loans to businesses investing in renewable energy solutions such as solar panels, generators, and inverters. Additionally, grants covering up to 50% of energy-related costs have been provided to ease the financial burden on businesses. On the public side, government agencies like SEDA have facilitated access to funding through programs like the Green Energy Efficiency Fund (GEEF) and the Township and Rural Entrepreneurship Program, which offer loans and grants to support businesses' transition to energy-efficient technologies. These combined financial initiatives aim to empower SMMEs by reducing their reliance on the national power grid, ensuring business continuity during load shedding.

Based on the insights gathered under the theme of specialized energy funds, the research question concerning the initiatives and measures implemented to support small business in KwaZulu-Natal during load shedding can be answered as follows:



Figure 12: Frequency analysis of interview data and frequently cited words

Source:

The figure above illustrates the most frequently mentioned words from the NVivo query, with "financial support" emerging as the dominant theme. This finding reinforces the earlier discussions that emphasized the critical role financial initiatives play in sustaining SMMEs during load shedding. Both the private sector's and government-led interventions were pivotal

in helping businesses remain operational. The recurring focus on financial support in participants' responses is a testament to its centrality in addressing the energy crisis faced by SMMEs in KwaZulu-Natal. This figure is a visual representation of the collective experiences and perspectives shared by participants. It validates the study's objective to investigate the financial assistance provided to SMMEs, highlighting how deeply financial support resonates within the context of the energy crisis. The fact that "financial support" stands out so prominently reflects the participants' dependency on these initiatives as a lifeline during challenging times.

NVivo played a crucial role in uncovering these patterns, turning qualitative data into a meaningful narrative. By systematically processing complex interview data, NVivo not only highlighted "financial support" as a dominant term but also allowed the emotional depth of the participants' experiences to shine through. This process brings the study closer to the voices of SMME owners and stakeholders, making their struggles, gratitude, and reliance on financial support vividly clear. Without NVivo, these insights might have remained buried, and the emotional weight of their stories could have been lost.

4.3.3 Factors Influencing both public and private Sector financing

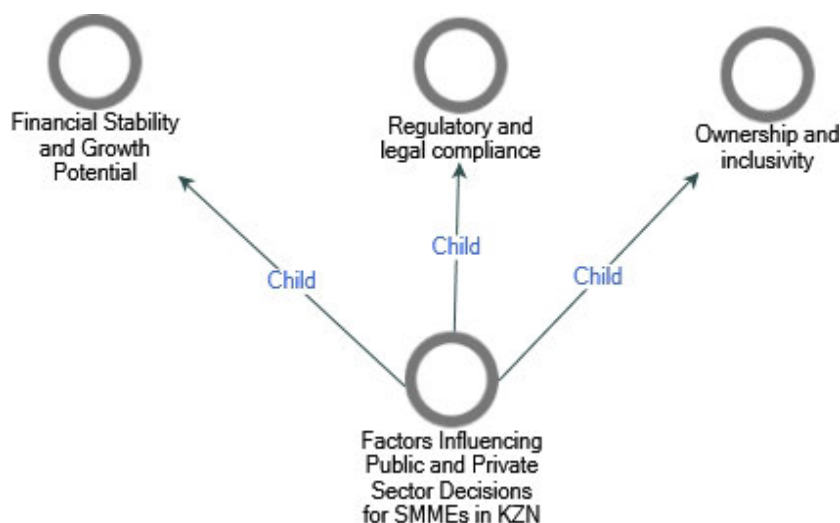


Figure 13: Theme and sub themes on factors influencing public and private financing

Source: Developed using NVivo 15

4.3.3.1 Financial stability and growth potential as key determinants for financing Decisions

Financial stability and credibility are key factors in the financing decisions made by both public and private sector institutions. SMMEs that demonstrate consistent financial performance, manage cash flow effectively, and maintain a solid credit history are seen as more reliable by investors and lenders. This becomes important when external challenges like load shedding threaten to disrupt operations. Financial stability reassures funders that a business can withstand temporary setbacks, including power outages, and still meet its financial obligations. Businesses with stronger financial records and stability are seen as less risky, thus attracting more favourable financial support. This theme is directly relevant to the research question, as it explores how SMMEs' financial stability plays a pivotal role in shaping financing decisions during periods of load shedding.

Table 1.10: Financial Stability and growth potential as key determinants for financing Decisions

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Financial institutions prioritize SMMEs with stable financial records, effective cash flow management, and strong growth potential for support.	2 (100 %)	2 (100 %)	2 (100%)	4 (100 %)	10 (100)

Both financial stability and growth potential emerged as interrelated themes in the decision-making processes of financial institutions when financing small businesses in KZN. As highlighted by the two respondents from financial institutions, and supported by the frequency table, these factors are not viewed in isolation but rather as complementary indicators of a business's ability to thrive and contribute to the economy. When it comes to securing financial support, both respondents emphasized that financial discipline and creditworthiness are

fundamental criteria for small businesses. The first respondent emphasized the importance of maintaining sound financial practices, whether applying for loans or grants, as these practices establish the foundation for creditworthiness.

The respondent explained that when a business utilizes financial assistance strictly for its intended purpose and repays loans promptly, it demonstrates commitment and financial discipline. This dedication not only signals to them that the business is serious about its growth and sustainability, but also positions it as an attractive prospect for future funders whether for grants or additional loans. Similarly, another respondent reinforced this perspective by stating that businesses must demonstrate their ability to generate income and handle debt responsibly. A strong repayment history, as the respondent noted, significantly enhances a business's creditworthiness and appeal to financial institutions. Together, these insights paint a clear picture; businesses that manage their financial obligations diligently are perceived as reliable and are more likely to secure financial support.

While financial discipline and creditworthiness are often seen as essential for securing funding, applying these strict criteria to start-ups may not always be the best approach. Start-ups, typically in their early stages, may not have a solid financial history but possess qualities like creativity, resilience, and adaptability that are crucial for growth, essential traits for growth and innovation. Therefore, focusing solely on financial records may overlook the real potential of these young businesses and thus, leads to information asymmetry, where the lender has limited insight into the true potential of the business, and the small business owner may struggle to communicate their potential effectively. This observation aligns with Kottika et al. (2020), who argue that the characteristics of business owners such as strategic orientation, problem-solving abilities, and vision can significantly influence their capacity to navigate crises and ensure long-term survival.

In the South African context, this insight is particularly relevant, as it emphasizes the need for financing decisions to account for these non-financial traits. By doing so, financial institutions could address the information gap, enabling a more inclusive approach to funding that fosters growth and innovation, even under challenging conditions such as load shedding. This approach has been validated in other developing nations, as noted in Chapter two through studies by Mester (1997) and Caner and Karan (2012). These studies demonstrate that addressing information gaps by evaluating the skills and vision of entrepreneurs has facilitated innovation and long-term growth, even in contexts with limited financial histories.

Furthermore, an important theme highlighted by both respondents was the critical importance of maintaining accurate financial records. The first respondent, for example, emphasized that a significant obstacle in the funding process is the inability of businesses to provide complete and up-to-date financial information. The lack of transparency, as further noted by the respondent, not only complicates the evaluation of creditworthiness but also delays the approval process, postponing the much-needed financial support for these businesses. These challenges are consistent with findings from prior research. Berger and Udell (1998), for instance, observed that small businesses often lack the audited financial statements required to demonstrate their financial reliability, which undermines their ability to access funding. Similarly, Caner and Karan (2012) highlighted that incomplete or poorly maintained financial records create significant barriers for lenders attempting to assess the creditworthiness of small enterprises. Kim and Yasuda (2018) further emphasizes that the absence of financial transparency among small businesses, poses a major obstacle to establishing trust and credibility with potential lenders.

Although the second respondent did not explicitly address challenges related to discrepancies in financial records, their insights aligned with the notion that transparency and accountability are vital in securing funding. Accurate financial documentation enables financial institutions to make informed and timely decisions, ensuring that businesses receive the necessary support without unnecessary delays. This reinforces the findings of these studies, emphasizing the pivotal role of reliable financial records in bridging the gap between small businesses and potential lenders. Building on these insights, an industry expert shared a similar view regarding both public and private sector decisions in supporting small businesses during challenging times. This respondent explained that, in her experience, the public sector's decision to finance businesses during crises like load shedding is strongly influenced by demonstrated impact and a proven track record. By engaging in platforms such as summits and showcasing their contributions, businesses can build the trust needed to attract financial backing. This aligns with information gap, which explains how governments face challenges due to insufficient information about businesses. By showcasing their track record and contributions through platforms like summits, SMMEs reduce this information gap, providing governments with the clarity needed to make informed decisions about allocating support.

What truly stands out is how these perspectives are reflected in a real-life example from one of the SMME owner. This respondent emphasized that maintaining transparency and a proven track record were crucial in securing financial support. By fostering open communication and

consistently demonstrating profitability, he was able to establish trust with financial institutions. Even in the face of challenges such as load shedding, financial institutions recognized his business's resilience and financial credibility. This real-world example highlights how the principles discussed by financial institutions and industry experts are effectively applied in practice, further reinforcing the significance of transparency and a strong track record in securing financial support.

In the context of Agency Theory, the SMME owner is the principal seeking financial support, while the financial institution is the agent making decisions about whether to provide funding. One of the key issues in this relationship is ensuring that the interests of both parties align. The SMME owner works to overcome this challenge by demonstrating transparency and a proven track record of profitability, which directly addresses concerns financial institutions may have about the risk of lending. The owner's efforts to show resilience, even during challenges like load shedding, help assure the financial institution that the business is a low-risk investment, thus fostering trust and minimizing the perceived risk of lending. In this case, the SMME owner takes proactive steps to mitigate the risk of a potential conflict of interest and to assure the agent that the terms of their agreement will be fulfilled.

The second respondents from the financial institution also discussed the importance of business growth potential in their decision-making process. He emphasized that as the funding institution, they are more inclined to support businesses that can demonstrate the ability to grow and thrive, regardless of the challenges they may face. As the respondent further noted, a business's potential for expansion is viewed as an indicator of its ability to create long-term value, making it more attractive for future funding. The first respondent also agreed with this focus on growth, noting that their institution categorizes businesses into different segments based on their turnover and growth potential. This segmentation, dividing businesses into small, growth, and premium segments, allows for tailored financial support that aligns with a business's stage of development. Businesses in the growth segment, for example, are seen as having the capacity to scale and generate sustained impact, making them more suitable for funding.

Building on the previous discussion of criteria used by financial institutions to assess SMMEs, it is important to now consider the perspectives shared by government agencies, which offer a distinct approach to supporting small businesses. While financial institutions emphasize financial discipline, creditworthiness, and past performance, government agencies tend to

focus on growth potential and the overall developmental needs of SMMEs, particularly those at the start-up or early growth stages.

From the government agencies' viewpoint, the process begins by assessing whether a business is still in its idea stage or already operational. For businesses at the idea stage, government agencies often recommend training and briefing sessions to help entrepreneurs understand the business environment and the resources available through agencies like SEDA. This focus on capacity-building sets government support apart from financial institutions, which generally require businesses to have a proven track record before considering them for loans or grants. The government's initiative of recommending training at the idea stage directly aligns with the findings of Aragón-Sánchez, Barba-Aragón, and Sanz-Valle (2003), who emphasized the critical role of early-stage training in driving business performance. The government's focus on providing foundational training through agencies like SEDA supports businesses in developing essential skills from the outset.

When evaluating the financial status of a business, government agencies also require bank statements to assess cash flow, much like financial institutions. However, the government places a stronger emphasis on detailed documentation, including business plans, financial projections, and relevant IDs. This enables agencies to assess not only the business's current financial situation but also its viability and long-term potential. In this way, government agencies are focused not just on the business's current stability, but also on its future growth and its potential to make a positive impact on the broader economy. This forward-thinking approach contrasts with the more transactional criteria used by financial institutions, which tend to prioritize immediate financial returns and creditworthiness.

A significant difference between government agencies and financial institutions is the level of support offered. While financial institutions expect businesses to already be financially stable, government agencies offer a more nurturing role, especially for businesses in their early stages. Government agencies often provide training, guidance, and tools to help businesses build the necessary financial discipline and management skills, equipping them for future growth. This comprehensive support system is crucial for businesses at the idea or start-up phase, where guidance and financial literacy can be as important as immediate financial support.

Conclusion: Answering a research question

The decision-making processes of the public and private sectors in financing SMMEs during load shedding are shaped by a combination of financial stability and growth potential, which

emerge as key determinants. Financial stability is essential for both sectors, where private sector institutions prioritize businesses with strong credit histories, financial discipline, and a proven ability to manage debt, emphasizing the importance of transparency in financial records. This ensures that businesses are viewed as low-risk investments. On the other hand, growth potential becomes more prominent in the public sector’s decision-making, which focuses on supporting businesses with long-term viability, especially those in their early stages. Government agencies often supplement this with capacity-building initiatives, providing foundational training and financial guidance, particularly for businesses struggling with early-stage financial management.

4.3.3.2 Regulatory and legal compliance

Compliance with regulatory and legal standards is an important consideration in financial decision-making for SMMEs seeking support. Financial institutions and government agencies often require businesses to adhere to tax laws, industry regulations, and other legal obligations before granting access to funding. This theme highlights how regulatory compliance is a prerequisite for receiving financial assistance, as it ensures that businesses are legitimate and operating within the law. During load shedding, financiers are more likely to invest in SMMEs that demonstrate adherence to these standards, as it reduces the risk associated with financing. This theme answers the research question by illustrating how regulatory compliance can impact financing decisions, enabling businesses to access the financial support necessary for resilience.

Table 1.11: Regulatory and compliance as a determinant for public and private sector financing

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Compliance with legal and tax requirements serves as a mandatory factor for securing financial support	2 (100%)	2 (100%)	2 (100%)	4 (100%)	10 (100%)

The discussion surrounding the importance of legal and tax compliance in securing financial support for small businesses reveals a clear consensus across different groups of participants as can be seen in the above table. Compliance with relevant legal and tax regulations is seen as a foundational requirement for any business seeking funding. Both respondents from the financial institutions emphasize that businesses must adhere to these legal standards before they can be considered for support. They stressed that businesses must be registered with the appropriate regulatory bodies, such as the Companies and Intellectual Property Commission (CIPC), and have been operational for at least two years. This is particularly clear about the broad scope of legal compliance, which includes being in good standing with the South African Revenue Service (SARS) and having the necessary business licenses and zoning approvals. This means that the financial institutions assume that businesses should already have a solid understanding of tax compliance and other regulatory requirements to qualify for funding. This is because of their focus on the practical aspect of ensuring businesses are compliant.

However, the literature presents a contrasting perspective, highlighting a significant knowledge gap among SMEs in developing countries, where many businesses lack a deeper understanding of tax regulations. This gap, as noted by Newman et al. (2018), can hinder their ability to meet compliance requirements, which in turn limits their access to funding. The study advocates for educational interventions to bridge this knowledge gap, emphasizing the importance of equipping SMEs with the tools and understanding needed to fulfil their tax obligations. This reveals a critical difference in approach: the practical expectation of readiness versus the need for foundational education.

An important example shared by one of the respondents from a financial institution illustrates the potential consequences of non-compliance. A business in KwaZulu-Natal was initially unable to access a R5 million loan due to non-compliance with tax and zoning regulations. However, the institution worked with the business to help it meet the required legal standards, ultimately enabling the disbursement of the loan. This proactive approach shows that while non-compliance can delay funding, financial institutions are committed to supporting businesses in achieving compliance, which in turn allows them to access the necessary financial resources. The example shared by this respondent highlights a key theme related to both Agency Theory and Resource Dependency Theory, illustrating the consequences of non-compliance and the role of financial institutions in facilitating access to resources through support and guidance.

From the perspective of Information Asymmetry Theory, the business held crucial details about its compliance status such as its tax and zoning regulations but failed to fully disclose this

information upfront. This created an imbalance between the financial institution and the business, with the institution unable to make an informed decision due to the lack of transparency. Although the business initially withheld key details regarding its compliance status, the institution did not merely reject the loan application based on the incomplete information. Instead, the institution took the initiative to work closely with the business, helping it meet the necessary legal and regulatory requirements. This proactive engagement allowed the institution to gain a clearer, more accurate understanding of the business's financial standing and compliance, ultimately bridging the information gap. As a result, the business was able to present itself in a more transparent light, which facilitated the loan approval process. This example illustrates how, even in the face of information asymmetry, a proactive approach by the financial institutions can help uncover critical information, reducing the knowledge gap and allowing both parties to reach a more informed and mutually beneficial decision.

Another respondents from financial institutions closed the discussion with an interesting insight, emphasizing that being compliant and in good standing with SARS is not just a formality, but a mandatory step toward accessing private financial support. This respondent stressed that supporting non-compliant businesses would undermine the principles of accountability and resource allocation, as businesses failing to meet their tax obligations pose a risk to the financial integrity of the system. The respondent's emphasis on tax compliance as a non-negotiable requirement for funding aligns directly with Agency Theory. In this context, financial institutions act as the principals, and businesses are the agents. The theory assumes that businesses should act in the best interest of their principals by demonstrating transparency, responsibility, and trustworthiness. By ensuring tax compliance, businesses signal their reliability, maintaining the trust essential in the principal-agent relationship.

Non-compliance, on the other hand, violates this trust and places businesses at risk of being seen as unreliable agents. The financial institution's refusal to support non-compliant businesses helps maintain the integrity of this relationship, preventing moral hazard, where businesses might neglect their obligations, knowing they could still receive support. This careful approach ensures that resources are allocated to businesses that meet basic legal standards, preserving the principal-agent relationship by reducing unnecessary risks and ensuring proper use of financial support.

A key takeaway from these funding institutions is the importance of timing, transparency, and tailored support in the funding process. The reality is that business environments and institutional capacities are constantly shifting; application volumes fluctuate, funding priorities

evolve, and institutional pressures vary. What worked in one case may not be guaranteed in another. In the scenario shared by the first respondent, the financial institution had the bandwidth and willingness to work closely with a non-compliant business to bring it up to standard. However, this grace is not always assured. Under different circumstances, perhaps with higher application volumes or more pressing priorities, the opportunity for such patient, hands-on support might not exist, and the business could have missed out entirely. This emphasizes a critical responsibility for small business owners: being transparent from the outset. Full disclosure of compliance status and challenges enables funding institutions to make timely, informed decisions and, where possible, offer tailored support. Transparency sets the stage for early intervention, increasing the chances of securing support before opportunities pass. At the same time, this case highlights an important lesson for financial institutions. Not all entrepreneurs, particularly those running early-stage businesses are fully prepared from the beginning. Recognizing this, and providing structured guidance to help such businesses meet requirements, can transform potential rejections into success stories. The institution's role in helping a non-compliant business become eligible for a R5 million loan is testament to the value of a developmental approach. When funders go beyond gatekeeping to become partners in compliance and growth, they not only close information gaps but also build more resilient and inclusive business ecosystems.

Building on this discussion, both government agencies and industry experts consistently emphasize the importance of legal compliance and registration as foundational requirements for SMMEs seeking financial support. Government agencies, as highlighted earlier, prioritize businesses that are registered with CIPC and compliant with the SARS. These regulatory steps ensure that businesses operate within the legal framework and are accountable for their financial obligations. This focus on compliance is mirrored by insights from industry experts, who view these requirements as a sign of a business's commitment to sustainable and responsible practices. One expert, for example, pointed out that when helping SMMEs through coaching and mentorship, the first step is always to ensure that the business is registered and in good standing. This emphasis on registration emphasizes the broader understanding that legal compliance not only reduces risk for lenders but also enhances the credibility of the business in the eyes of potential funders.

While the government stresses the importance of legal compliance as a prerequisite for accessing financial support, the literature calls for a more hands-on approach in helping small businesses navigate these legal requirements. For instance, the study by Cant (2020) argues

that small businesses often lack the necessary knowledge to comply with legal processes, which can be a barrier to their growth and ability to access support. This gap in assistance is particularly evident in informal sectors, where businesses may not fully understand the complexities of tax obligations, zoning laws, or registration procedures (Cant, 2020). The proactive approach taken by a financial institution, as noted by one of the respondents in this study, resonates with this call from the literature. The institution's effort to guide a non-compliant business through the process of becoming compliant reflects the kind of support advocated by Cant (2020), a supportive framework that helps businesses meet the necessary legal requirements. A key lesson drawn from this proactive approach is the importance of not only requiring compliance, but also actively assisting businesses in achieving it. Given that public funds are derived from taxpayers, it is ethically sound and fiscally responsible to prioritize support for businesses that demonstrate accountability and commitment to compliance. Nonetheless, this should not preclude the government from playing a developmental role, particularly in helping newer or less-resourced businesses meet the necessary requirements. Striking this balance ensures that public resources are allocated both responsibly and inclusively, ultimately strengthening the small business ecosystem in a manner that is sustainable and equitable.

Conclusion: Answering a research question

The decision-making processes of both the public and private sectors in financing SMMEs in KwaZulu-Natal during periods of load shedding are heavily influenced by the regulatory and legal compliance of businesses. Both sectors prioritize businesses that are legally registered, compliant with the South African Revenue Service, and in good standing with regulatory bodies like the Companies and Intellectual Property Commission. These compliance measures are essential for gaining trust and reducing financial risk. Financial institutions, for example, require that businesses meet these legal standards before accessing funding, emphasizing the importance of operational legitimacy. However, despite this priority on compliance, both sectors also recognize the need to support businesses that may face challenges in meeting these legal requirements. This is particularly important during load shedding, as businesses may struggle with consistent operations. The proactive support provided by financial institutions, which helps businesses achieve compliance, demonstrates a commitment to fostering a sustainable and responsible business environment.

4.3.3.4 Ownership and inclusivity

The theme of ownership and inclusivity focuses on how the ownership structure of SMMEs influences financial decisions. Public and private sector financiers are increasingly prioritizing inclusive business models, particularly those that promote ownership by marginalized groups such as women, youth, and previously disadvantaged communities. Financial institutions may offer specialized financing options, incentives, or favourable terms for SMMEs that align with these inclusive business practices. This theme addresses the research question by examining how businesses with diverse ownership structures are favoured for funding, as such initiatives align with broader social and economic development goals. In the context of load shedding, inclusivity and ownership can enhance an SMME's access to financial support by demonstrating a commitment to sustainability and equity.

Table 1.12: Ownership inclusivity

View/Statement	Financial Institutions	Government Agencies	Industry Experts	SMME Owners	Total Frequency
Public and private sector funders prioritize South African-owned SMMEs with inclusive ownership structures	1 (50 %)	2 (100 %)	2 (100 %)	4 (100 %)	9 (90 %)

The theme of ownership and inclusivity is an essential consideration for financial institutions when making funding decisions for SMMEs. Both respondents highlighted that businesses must be registered and owned by South African citizens to qualify for funding. This criterion aligns with the broader goal of fostering local economic growth and ensuring that financial resources are invested within South African communities.

One respondent from the financial institution emphasized that supporting locally-owned businesses is fundamental to the institution's mission. This ensures that the funding remains within the country, reinforcing the institution's commitment to building a sustainable local economy. The inclusion of businesses such as close corporations and cooperatives in their

funding pool further supports the goal of empowering diverse forms of local enterprises, not just large corporations. Another respondent from the financial institution supported this statement, underlining the importance of local ownership as a priority in their funding decisions. The respondent emphasized that their institution prioritizes funding for businesses that are not only locally registered but also locally owned. This approach highlights the belief that funds should serve South African communities, and businesses that are deeply rooted in the country are better positioned to address its unique challenges and opportunities.

The findings by Chiromo and Nani (2019) on locally-owned SMMEs in Rustenburg, align closely with the emphasis on ownership and inclusivity highlighted by financial institutions. Just as the study recognizes the significant contribution of locally-owned SMMEs, particularly in sectors like mining, manufacturing, construction, and agriculture, to poverty reduction, financial institutions similarly prioritize businesses that are owned by South African citizens. This is not just about meeting regulatory criteria, but about fostering local economic growth and investing in businesses that have a direct impact on South African communities (Nani, 2019). By requiring businesses to be owned by South African citizens, financial institutions are ensuring that the financial resources they provide are directed toward those businesses that contribute to national economic development and poverty alleviation, just as the Rustenburg study suggest.

When it comes to inclusivity, government agencies have taken a leading role by targeting designated groups within their funding initiatives. Both government respondents emphasized that businesses owned or managed by women, youth, or persons with disabilities have increased chances of receiving support, as many funding programs specifically target these groups. As long as the businesses meet other required criteria, inclusivity becomes a significant factor in their eligibility for financial assistance. One respondent from government, for example, highlighted that, in their evaluation process, they specifically look at whether the business is owned or managed by women, youth, or persons with disabilities. This focus ensures that the funding is directed toward groups historically underrepresented in the business world. Another respondent from government supported these sentiments, noting the importance of inclusivity in their funding decisions. This respondent further added that funding is aimed at businesses that are aligned with the government's broader goals of social and economic inclusivity.

From the voices of the participants from both government and financial institutions, it is evident that both inclusivity and economic sustainability play significant roles in their decision-making

processes. Financial institutions recognize the challenges faced by small businesses, particularly those owned by black entrepreneurs, women, youth, and people with disabilities. As highlighted by the first respondent from a financial institution, their support is driven by a commitment to empowering businesses that may struggle to access funding due to factors such as a lack of collateral or clear credit records. The second respondent from the government support this focus but provides more detailed criteria for funding. The respondent emphasized the necessity for operational involvement by black people at the managerial and board levels. This ensures that businesses are not only locally registered but also locally owned, with a minimum of 50.1 percent black ownership or interest required for funding consideration. This approach supports the goal of fostering economic empowerment within black communities, ensuring that businesses are representative of and accountable to their local contexts.

The study by Ebewo, Schultz, and Mmako (2025) on women's entrepreneurship in South Africa closely aligns with the insights from both government and financial institutions, particularly in terms of inclusivity and the role of supportive structures in fostering economic empowerment. Just as financial institutions emphasize the importance of local ownership and inclusion of underrepresented groups, the study emphasizes that women entrepreneurs are crucial for economic growth and poverty alleviation in South Africa. The government's focus on supporting women, youth, and disabled entrepreneurs directly resonates with the findings from Ebewo and Mmako (2025), which highlight the need for mentorship, education, and government intervention to empower women entrepreneurs.

Furthermore, the study identifies financial exclusion as one of the major barrier's women face, which aligns with the recognition by financial institutions that businesses owned by historically marginalized groups often face difficulties accessing funding due to factors like lack of collateral or credit history. The study also recommends aligning institutional support across regulatory, normative, and cultural dimensions, which complements the strategies employed by both sectors. Government agencies, for instance, focus on inclusive criteria (like funding programs for women, youth, and people with disabilities), while financial institutions consider these broader factors to ensure equitable access to funds. Thus, this literature adds depth to the research question by showing that both sectors are not only concerned with the immediate financial viability of businesses but also consider the broader social, regulatory, and cultural factors that influence funding decisions.

Conclusion: Answering a research question

The theme of ownership and inclusivity demonstrates how both the public and private sectors consider these elements as beneficial in their financing decisions for small businesses in KZN during load shedding. While the primary focus of both sectors is on the financial viability and resilience of businesses, being locally owned and inclusive; particularly with businesses owned or managed by women, youth, and people with disabilities, enhances eligibility for support. These factors are not the primary drivers but serve as additional benefits that align with broader goals of fostering local economic growth and social empowerment. Thus, this theme contributes to answering the secondary research objective by showing how inclusivity and ownership structures are advantageous in securing financial support during challenging times like load shedding.

4.4 Chapter summary

Chapter four present and discusses the findings regarding support for SMMEs in KwaZulu-Natal during load shedding. Non-financial support, including information and knowledge sharing, was effective in raising awareness, especially in underserved areas, though the timing of the information was a concern. Capacity building and skills training were positively received, though more attention was needed to address specific business needs. Stakeholder engagement and collaboration efforts proved to be a strong method for connecting businesses with essential networks. Financial support was offered through affordable financing and specialized energy funds. Key criteria for accessing support included financial stability, growth potential, regulatory compliance, and inclusive ownership, with a priority given to businesses meeting these standards, particularly those with inclusive ownership.

CHAPTER 5: SUMMARY, CONCLUSION, RECOMMENDATIONS, AND LIMITATIONS

In Chapter four, the findings from interviews with four distinct groups of participants were presented and discussed, all aimed at answering the research questions of this study:

- What specific initiatives and measures have been implemented to support SMMEs in KwaZulu-Natal during periods of load shedding?
- What financial assistance has been provided by both the public and private sectors to help SMMEs cope with power outages?
- What factors influence the decision-making processes of both the public and private sectors in financing SMMEs during periods of load shedding?

This chapter focuses on the key findings presented in Chapter four and provides a deeper interpretation of their implications. It also presents actionable recommendations for key stakeholders, including policymakers, SMME owners, and future researchers. By doing so, this chapter aims to contribute to the broader understanding of SMME resilience in KwaZulu-Natal, specifically in relation to navigating the challenges of load shedding. The conclusions and recommendations are aimed at enhancing the support mechanisms for SMMEs, making them more effective, accessible, and aligned with the needs of businesses during crises.

5.1 Summary of key findings

1. What specific initiatives and measures implemented to support SMMEs in KwaZulu-Natal during load shedding, particularly focusing on non-financial forms of support from both government and the private sector?

This study explored the non-financial initiatives implemented by both government and private sector to support small businesses in KZN during periods of load shedding. Drawing on insights from SMME owners, financial institutions, government officials, and industry experts, the findings reveal a landscape of support that is active yet uneven, promising in intent but limited in execution. While numerous initiatives exist; ranging from information dissemination, capacity building and skills development to stakeholder engagement and collaboration, their effectiveness often depends on how well they are tailored to the lived realities of small business owners.

Firstly, the research identifies that information sharing and networking platforms are among the most frequently cited support strategies. Across all participant groups, the importance of timely, accessible information was emphasized as a fundamental enabler of resilience. The research revealed that information intended to guide SMMEs through load shedding-related challenges is often delayed, fragmented, or inaccessible to those in rural and township areas. The study thus challenges the assumption that information availability automatically translates into resilience; rather, it illustrates that the relevance, timeliness, and reach of communication are what ultimately determine its utility.

Secondly, the study found that while capacity-building initiatives such as financial literacy programs, mentorship, and business development workshops are widely available, their effectiveness varies significantly. Some SMME owners felt that these interventions lacked contextual relevance, often being too general to address the specific operational challenges caused by load shedding. While Resource Dependency Theory (RDT) suggests that capacity-building should reduce reliance on external resources, the findings indicate that this only holds true when training is tailored to real, sector-specific needs. This supports existing literature that criticizes many support programs in South Africa for offering one-size-fits-all solutions. On the positive side, some SMMEs did report that the training helped them better navigate power disruptions, highlighting that when effectively designed and implemented, such interventions can indeed strengthen resilience.

Thirdly, The study found that effective support for SMMEs during load shedding depends not only on formal structures like government departments, financial institutions, and business chambers, but also on informal networks such as peer-to-peer support among business owners, particularly in townships and rural areas. While formal stakeholders introduced structured interventions, such as Public-Private Partnerships (PPPs) and funding programs, these did not always reach the businesses that needed them the most. In some cases, SMMEs relied more on informal support from fellow business owners to get through power disruptions. This shows that the collaboration between formal and informal stakeholders is not just helpful, it is necessary. According to our conceptual framework, we expected that strong stakeholder engagement would create a supportive environment (regulatory or otherwise) that helps SMMEs access the help they need to survive. However, the findings reveal that this can only happen if formal stakeholders also recognise and include the informal actors already working on the ground. This supports what Principal-Agent Theory suggests: formal agents may design policies, but those policies only succeed if they are shaped by and responsive to the people

affected by them. In short, support is most effective when formal planning meets real-world, local experience..

2. What financial assistance has been provided by both the public and private sectors to support SMMEs in KwaZulu-Natal in coping with power outages?

The financial assistance extended to SMMEs in KwaZulu-Natal to help them cope with load shedding has been significant, though its effectiveness varies across sectors. While some support measures have been crucial in enabling businesses to maintain their operations, there are still notable gaps that affect equal access and long-term sustainability.

Private sector financial institutions have provided flexible loan terms, extended repayment periods, and low-interest loans, enabling some business owners to maintain operations despite power disruptions. The findings revealed that one in three SMME owners benefited from these flexible financial products, with one example being a bakery owner who proactively engaged with financial institutions and suppliers to secure credit extensions and support. While this proactive engagement proved successful for some, access remains uneven, with smaller businesses struggling to meet eligibility criteria or lacking the knowledge and confidence to seek help. Additionally, affordable generators offered by the private sector have provided relief for some businesses, but the ongoing costs and maintenance required to sustain these resources can be a significant burden, particularly for smaller enterprises.

The private sector, through the Alternative Energy Fund, has made available loans of up to R5 million at a favourable 2 percent interest rate, enabling businesses to invest in renewable energy solutions such as solar panels, inverters, and batteries. This initiative highlights the private sector's effort to make sustainable energy solutions more accessible. In parallel, the government has implemented the Green Energy Efficiency Fund (GEEF), offering loans ranging from R1 million to R50 million at competitive terms to help businesses adopt energy-efficient technologies. These initiatives from both sectors reflect a concerted effort to ensure that SMMEs can continue operations despite the power disruptions, fostering long-term resilience in the face of ongoing energy challenges.

Though both government and private sector have extended financial support to SMMEs in KZN, however, within the sample of this study, none of the four SMMEs interviewed benefited from these energy funds, suggesting either a lack of awareness, interest, or perhaps challenges in meeting the criteria. This indicates that, at least in this particular context, the uptake of these funds is low among the businesses surveyed. It is important to note that this does not necessarily

reflect the broader trend across all SMMEs but highlights a gap in access within this specific sample.

3. What factors influence the decision-making processes of both the public and private sectors in financing SMMEs in KZN during periods of load shedding?

The study found that financial stability, regulatory and legal compliance, and inclusive ownership are key determinants influencing whether SMMEs in KwaZulu-Natal receive support from the public and private sectors during load shedding. Financial institutions, in particular, are more willing to provide funding to businesses with strong financial records and clear growth potential, as these businesses are seen as capable of using the funds wisely and repaying them. However, regulatory and legal compliance stood out as a non-negotiable from both the public and private sectors. For the public sector, this is particularly important because funding comes from taxpayers, and there is an expectation that businesses receiving this support must operate within legal frameworks and contribute back to the economy. Additionally, to align with national development priorities, the government tends to prioritize South African-owned businesses, particularly those with inclusive ownership structures, such as those involving women, people with disabilities, and other historically marginalized groups.

5.2 Conclusion

This study has explored the initiatives aimed at supporting SMMEs in KwaZulu-Natal during periods of load shedding, with a focus on both non-financial and financial support mechanisms. Interviews with representatives from financial institutions, government agencies, industry experts, and SMME owners revealed some key findings. Some SMME owners expressed that the initiatives, particularly in terms of information sharing, networking, capacity building, and stakeholder engagement, were somewhat helpful but did not always address the immediate operational challenges they face, particularly in rural areas. From the financial support perspective, both the private and public sectors have made significant efforts in offering flexible financing options, grace periods, discounted products, and affordable energy solutions. The private sector, in particular, has been proactive in providing these resources, while the government has contributed mainly through energy-specific funds. These efforts have overlapped, but it is clear that the financial support offered, though helpful, is still rooted in the trust and long-term relationships that SMMEs have with their financiers. This foundational trust plays a critical role in ensuring the sustainability of the support. The long-term relationships between SMME owners and their financiers, whether public or private, are

essential in securing ongoing assistance. The theories of Resource Dependency, Information Asymmetry, and Agency Theory offer valuable insights into these dynamics. RDT emphasizes the interdependence between SMMEs and external entities, such as financiers, underlining the importance of strong connections. Information Asymmetry Theory suggests that transparent communication and access to relevant information are critical for informed decision-making. Agency Theory explores how the alignment of interests between SMMEs and financiers fosters a cooperative relationship, benefiting both parties in the long term. When bringing these theoretical frameworks together, the study highlights that the effectiveness of support mechanisms is not just about financial resources or policies, but also about the relational dynamics of trust and cooperation. While some of the initiatives may not fully meet the immediate needs of SMMEs, they offer a foundation upon which stronger, more responsive support structures can be built.

5.3 Recommendations

5.3.1 Driving SMME growth through sustainable energy solutions

The COVID-19 pandemic highlighted the power of collaboration between the government and the private sector, which worked together to support businesses and safeguard the economy, particularly through the rapid adoption of online systems. This shift to digital platforms demonstrates the potential for quick adaptation and innovation when both sectors collaborate effectively. The lesson learned from this experience can be applied to addressing South Africa's ongoing power disruption, particularly for small businesses. When load shedding subsides, people often revert to relying on the traditional power grid, neglecting the importance of sustainable energy solutions. To avoid this cycle, financial resources could be redirected, ongoing awareness raised, and training for SMMEs provided, alongside the introduction of supportive policies that would help businesses transition to more sustainable energy sources. While other African nations are already advancing in energy efficiency and renewable energy, South Africa remains behind, with most focus still on traditional energy sources. By embracing the same collaborative approach that helped the country transition to online systems during the pandemic, South Africa could close this gap.

5.3.2 Simplifying Support Programs and Promoting Sustainable Practices

To increase the uptake of available financial support programs, the government and private sector must simplify the eligibility criteria and streamline the application processes. This

includes offering more lenient requirements and ensuring that information about available funding is widely disseminated, particularly in rural areas. Additionally, to bridge the gap between the availability of financial support and its uptake, targeted training programs should be implemented to enhance financial literacy among SMMEs. These programs should focus on helping SMMEs understand how to apply for financial support, manage their finances effectively, and adopt energy-efficient solutions.

5.3.3 Tailored financial products for SMMEs

Many SMMEs have become discouraged with the financial support system due to previous rejections or difficulties in meeting strict eligibility criteria. To address this, financial institutions and support organizations should adjust their lending criteria to better align with the realities of small businesses, particularly newly established ones. While traditional creditworthiness assessments often rely on past financial performance and collateral, these do not always reflect the potential of young businesses with skilled, capable owners/managers but lacking critical resources. By broadening the criteria to include factors such as business vision, owner capabilities, institutions can help bridge the information gap that often leads to unjust rejections.

Additionally, better communication from both the government and private sector about these changes will help SMMEs understand the new opportunities and adjust accordingly. This shift in lending practices has proven effective in many African countries, helping businesses access the resources they need to grow. By facilitating access to financial support for businesses with strong potential, we can reduce the high SMME failure rates and encourage their survival, which in turn fosters job creation and contributes to the broader economy.

5.3.4 Regulatory environment to encourage energy efficiency

There is a critical need for policies and regulations that encourage the adoption of renewable energy solutions and energy efficiency among SMMEs. The government should consider introducing tax incentives, subsidies, and low-interest loans specifically designed to support SMMEs in adopting energy-efficient technologies. This would reduce the financial burden on small businesses and incentivize the shift towards sustainable energy use.

5.3.5 Simplify regulations for energy solutions

Regulatory frameworks for the adoption of alternative energy solutions should be simplified to make them more accessible to small businesses. This includes reducing bureaucratic hurdles

and offering technical support to assist SMMEs in implementing renewable energy systems. These policies should ensure that SMMEs can easily integrate renewable energy into their operations without being overwhelmed by compliance requirements.

5.3.6 Ongoing monitoring and adaptation of support programs

To ensure that support mechanisms remain relevant, continuous monitoring and evaluation of financial and energy-related support programs should be implemented. This will allow for adjustments based on the evolving challenges faced by SMMEs, particularly in light of the ongoing energy crisis.

5.3.7 Transforming information into action: A Call for Comprehensive Support to SMMEs Amid Load Shedding.

It has been proven that information alone does not translate into real impact, as it is often untimely, lacks practical application, and fails to drive immediate solutions for SMMEs facing the crisis of load shedding. The failure of current information-sharing initiatives to translate into tangible support for SMMEs during load shedding emphasizes the urgent need for a policy shift from passive dissemination to strategic intervention. A radical shift is needed: information must be weaponized, not just shared. This means embedding information-sharing within a structured support ecosystem, where real-time intelligence is coupled with immediate access to funding pool, technical assistance, and infrastructure solutions. Policies should mandate the creation of rapid-response business resilience hubs, where SMMEs receive not just knowledge, but customized guidance, financial linkages, and access to alternative energy solutions.

5.4 Suggestions for future research

While this study provides valuable insights into the support mechanisms for SMMEs during load shedding in KwaZulu-Natal, it is important to acknowledge its limitations. The study was conducted in only two cities within the province, Durban and Pietermaritzburg, meaning that the findings cannot be generalized to the entire country of South Africa. Although respondents were from various SMME sectors, the small sample size restricts the ability to make broader conclusions. The study primarily focused on understanding the support initiatives available and examining if the experiences of SMME participants from different sectors align with the efforts made by the government and private sector. Consequently, the findings offer a snapshot of the

ongoing support rather than a comprehensive comparison of what has been achieved across a larger geographical and demographic scope.

Given the limitations of this study, future research should aim to expand the geographical scope by including a broader range of cities across South Africa to enhance the generalizability of findings. Additionally, future studies could involve larger sample sizes to allow for more comprehensive comparisons between the experiences of SMMEs from different sectors and the actions taken by government and private sector entities. Further research could also explore the effectiveness of specific support mechanisms in driving long-term business resilience, particularly focusing on the adoption of energy-efficient solutions, financial literacy, and the role of policy in shaping the success of SMMEs during periods of load shedding and other economic challenges.

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APPENDIX A

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL

For research with human participants

Information Sheet and Consent to Participate in Research

Date:

Greetings,

My name is Philani Nxele, and I am a researcher from the School of Accounting, Economics, and Finance at the University of KwaZulu-Natal (UKZN). I am conducting a research study as part of my academic work at the UKZN. The focus of this study is to explore the initiatives and support mechanisms provided to small, medium, and micro enterprises (SMMEs) in KwaZulu-Natal during the ongoing challenge of load shedding.

Given your experience and knowledge, I would like to invite you to participate in this important study, which aims to better understand how both the public and private sectors have supported SMMEs in coping with load shedding, with a particular focus on identifying the types of support that have been most effective.

Study Purpose and Importance:

The goal of this study is to comprehensively examine the various initiatives, both financial and non-financial, that have been implemented to help SMMEs navigate the challenges posed by load shedding. By participating in this study, your insights will directly contribute to a better understanding of how existing support structures can be improved and how policies can be tailored to enhance the resilience and sustainability of small businesses in the region.

Participation Details:

The study will involve a series of semi-structured interviews with a carefully selected group of participants, including government officials, financial institutions, SMME owners, and industry experts. These interviews are expected to last approximately one hour and will be

conducted at various locations in KwaZulu-Natal, such as the Durban Chamber of Commerce, eThekweni Municipality Offices, and Pietermaritzburg Chamber of Business.

Confidentiality and Ethical Considerations:

I would like to assure you that all information shared during the interview will be handled with the utmost confidentiality. The findings from this study will be reported in aggregate form, ensuring that individual participants cannot be identified. Participation is entirely voluntary, and you have the right to withdraw from the study at any time without any penalty. This research has been approved by the UKZN Humanities and Social Sciences Research Ethics Committee to ensure that it meets ethical standards.

Potential Impact:

While there are no direct benefits to participants, your involvement will contribute to a deeper understanding of how SMMEs can be better supported during periods of load shedding. Your input will inform strategies aimed at strengthening the business environment and ensuring that SMMEs in KwaZulu-Natal are better equipped to overcome these challenges.

Contact Information:

Should you have any questions or require further clarification about the study, please feel free to contact me directly at [REDACTED]. Alternatively, you may contact the UKZN Ethics Committee at 27 31 260 4557 for any additional inquiries.

Thank you for considering participation in this important research. Your expertise and experiences are invaluable to the success of this study, and I look forward to the opportunity to collaborate with you.

Sincerely,

Philani Nxele

Researcher, University of KwaZulu-Natal (UKZN)

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Participation in this research is entirely voluntary, and participants may withdraw at any point without penalty or loss of benefits. If you choose to withdraw, the procedure involves informing the researcher of your decision, and your data will be excluded from the study analysis. The researcher may terminate your participation in the study if you fail to adhere to the research protocol or if there are concerns regarding your safety or well-being.

There are no costs associated with participating in this study. Participants will not receive any incentives or reimbursements for their involvement.

Steps will be taken to protect the confidentiality of personal and clinical information. All data collected will be anonymized and stored securely on password-protected devices accessible only to the research team. Only aggregated findings will be reported, ensuring that individual participants cannot be identified. Data and stored samples will be retained for a period of one year following the completion of the study, after which they will be securely disposed of in accordance with data protection regulations.

CONSENT

I, _____, have been informed about the study entitled “Initiatives to support small, medium, and micro enterprises (SMMEs) to survive load shedding in KwaZulu-Natal, South Africa” by Philani Nxele.

I understand the purpose and procedures of the study.

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary, and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me because of study-related procedures.

If I have any further questions/concerns or queries related to the study, I understand that I may contact the researcher at 0 [REDACTED] or at 217067670@stu.ukzn.ac.za.

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers, then I may contact the UKZN Humanities & Social Sciences Research Ethics Administration.

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

Signature of Participant

Date

Signature of Witness

Date

(Where applicable)

Signature of Translator

Date

(Where applicable)

APPENDIX B

Semi-structured Interview/ Focus Group Questions



Initiatives to support small, medium, and micro enterprises (SMMEs) to survive load shedding in KwaZulu-Natal, South Africa.	
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Masters Research Project

Researcher: Mr. Philani Kwenzakwakhe Nxele (+27) [REDACTED]

Email: 217067670@stu.ukzn.ac.za

Supervisor:

Professor Paul: (031) 260 7871

Email: muzindutsip@ukzn.ac.za

Co-Supervisor:

Dr. Jean Damascene Mvunabandi: (+27) [REDACTED]

E-mail: mvunabandij@ukzn.ac.za

Note to the Participant:

- *We will really appreciate it if you can please share your experiences and insights as honestly as possible. Your input will be invaluable in helping us understand the challenges faced by SMMEs during load shedding and the support they receive.*
- *Please remember that your participation is entirely voluntary, and you may withdraw from the interview at any time.*
- *If at any point during the interview you feel uncomfortable or prefer not to answer a question, you are under no obligation to do so. Additionally, if you wish to end the interview prematurely, you may simply inform me, and we will conclude the session. Your comfort and participation are of utmost importance to us.*

Thank you for taking the time to participate in this Interview.

DECLARARTION FOR CONSENT

I..... (Full Names of participant)

representing..... (Name of Organization) hereby confirm that I have read and understand the contents of this letter and the nature of the research project has been clearly defined prior to participating in this research project. contents of this document and the nature of the research project. I consent to participate in the research project.

Furthermore, I hereby grant / do not grant permission for a voice recorder to be used to record the interview. I understand that I am at liberty to withdraw from the project at any time, should I so desire

Participants Signature.....

Date.....

RESPONDENT I.D

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Select the option that is most applicable to you

Section A: Demographics

1. Are you from the KwaZulu-Natal Province or do you work in the KwaZulu-Natal Province?

Yes	
No	

(If the answer is No, kindly note that this interview pertains specifically to individuals within KwaZulu-Natal, and we appreciate your time. The interview will not proceed further.)

2. Age

Below 18	18 – 25	26 – 33	34 – 41	Above 41

3. Gender



Male	
Female	

4. Location

Options	Select
Durban	<input type="radio"/>
PMB	<input type="radio"/>

5. Occupation/Role

Icon	Options	Tick Box
	Industry Expert	<input type="checkbox"/>
	SMME Owner	<input type="checkbox"/>

Icon	Options	Tick Box
	Funding Institution Representative	<input type="checkbox"/>
	Government Representative	<input type="checkbox"/>

6. Industry/Field

Food industry	Manufacturing	Financial Services	Consulting	Other (Please specify)




7. Educational level

Below 18	18 – 25	26 – 33	34 – 41	Above 41

8. Years of experience

Below 18	18 – 25	26 – 33	34 – 41	Above 41

9. Years of operation

Years of operation/experience	Please tick
 3 – 5 years	
 5 – 10 years	
 10 – 15 years	

██████████ 15 – 20 years	
██████████ 20 – 25 years	
██████████ 25 – 30 years	

SECTION B: QUESTIONS

QRQ1-Government representative

QRQ1.1 What specific initiatives has the government implemented to support SMMEs during load shedding, and how have these initiatives helped address the challenges businesses face in such circumstances?

QRQ1.1.1 How does the government ensure that the financial support reaches SMMEs most in need? Are there particular eligibility criteria or conditions attached to the financial aid?

QRQ1.2 What financial support, such as grants, loans, or subsidies, has been made available to SMMEs during load shedding, and how have these financial measures impacted businesses' ability to survive or adapt?

QRQ1.2.1 How does the government ensure that the financial support reaches SMMEs most in need?

QRQ1.2.2: How does the government measure the success of support provided to SMMEs during load shedding, and what methods are used to gather feedback on these initiatives?

QRQ1.3 What key considerations typically guide the decision-making process for supporting SMMEs in KwaZulu-Natal during challenging periods like load shedding?

QRQ 2: Financial Institution’s representative

QRQ2.1: What non-financial support has your institution provided to SMMEs to help them cope with load shedding? Could you share some examples?

QRQ2.2 Could you explain the various financial support options that your institution has made available to SMMEs during periods of load shedding?

QRQ2.2.1 How are these products designed to address the financial challenges faced by SMMEs during power disruptions?

QRQ2.2.2 Can you highlight any challenges or limitations your institution encounters in delivering this support?

QRQ2.3. What criteria does your institution use to determine which SMMEs are eligible for financial support during load shedding??

QRQ3 SMME Owner

QRQ3.1: As a small business owner, how would you evaluate the government's support for SMMEs during load shedding? What aspects have been effective, and where do you think improvements are needed

QRQ3.1.1 Can you give specific examples of government programs or initiatives that have helped your business manage during load shedding?

QRQ3.2 What types of financial support have you received from the government or private sector during load shedding, and how did this help your business cope with the challenges?

QRQ3.2.1 Have you faced any specific challenges or barriers when trying to access financial support during load shedding? Please explain what these challenges were and how they impacted your business.

QRQ3.3 From your experience, what factors do you think influence the decisions of both the government and private sector to provide support to businesses like yours during challenges such as load shedding?

QRQ4 Industry expert

QRQ4.1 How have your knowledge-sharing initiatives directly contributed to supporting SMMEs during load shedding, and how have small businesses benefited from your guidance in navigating these challenges?

QRQ4.2 What strategies or recommendations have you offered to SMMEs in securing financial support during load shedding and how have these approaches addressed their specific financial challenges?

QRQ4.3 From your experience, what financial and non-financial support mechanisms have both the government and private sector implemented to assist SMMEs in KwaZulu-Natal during load shedding?

QRQ4.3.1: Can you share specific examples where financial and non-financial support from both the government and private sector has played a key role in strengthening the resilience of SMMEs during load shedding?

QR4.4 what factors most influence the decisions of the government and private sector to provide support to SMMEs during challenging times like load shedding? What do you think motivates them to extend this assistance?

QRQ4.5: What would you recommend to improve the support SMMEs receive from both the government and private sector during load shedding? Are there specific areas where you believe current support systems could be enhanced?

Following the questions posed, we invite each participant to share any additional insights, observations, or recommendations they believe are pertinent to the challenges faced by SMMEs during periods of load shedding. This open-ended section allows participants to contribute further insights, highlight noteworthy experiences, or propose recommendations that can enhance the support and resilience of SMMEs in the face of such challenges. Your unique

perspectives are valued, and any additional information you would like to share will contribute to a more comprehensive understanding of the complexities involved.

Challenges Faced by SMMEs during Load Shedding:

Government Support Effectiveness:

Private Sector Financial Support Impact:

Recommendations for Enhanced Support:

Long-Term Resilience Strategies for SMMEs:

THE END

APPENDIX C

Final Thesis, Philani Nxele.docx

ORIGINALITY REPORT

8% SIMILARITY INDEX	4% INTERNET SOURCES	2% PUBLICATIONS	5% STUDENT PAPERS
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PRIMARY SOURCES

1	Submitted to University of KwaZulu-Natal Student Paper	3%
2	Samuel Chukwujindu Nwokolo, Anthony Umunakwe Obiwulu, Paul C. Okonkwo. "Africa's Propensity for a Net Zero Energy Transition", CRC Press, 2024 Publication	<1%
3	wrap.warwick.ac.uk Internet Source	<1%
4	Submitted to University of Stellenbosch, South Africa Student Paper	<1%
5	docplayer.net Internet Source	<1%
6	Joseph Crawford, Zi-Ying Anna Cui, David Kewley. "Government finance, loans, and guarantees for small and medium enterprises (SMEs) (2000–2021): A systematic review", Journal of Small Business Management, 2023 Publication	<1%
7	scholarship.law.columbia.edu Internet Source	<1%
8	commerce.nwu.ac.za Internet Source	<1%
9	file.scirp.org Internet Source	<1%

APPENDIX D



03 July 2024

Philani Kwenzakwakhe Nxele (217067670)
School of Acc Economics & Fin
Westville Campus

Dear PK Nxele,

Protocol reference number: HSSREC/00006815/2024

Project title: Initiatives to support small, medium and micro enterprises to survive load shedding in KwaZulu-Natal, South Africa.

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 08 April 2024 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted FULL APPROVAL.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

Incidents of adverse events and serious adverse events (AEs and SAEs) should be reported in writing to HSSREC, the study sponsors, and any regulatory authority (where appropriate), within 7 working days of the occurrence for local sites and 14 days for all other South African sites.

This approval is valid until 03 July 2025.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)
/dd

Humanities and Social Sciences Research Ethics Committee

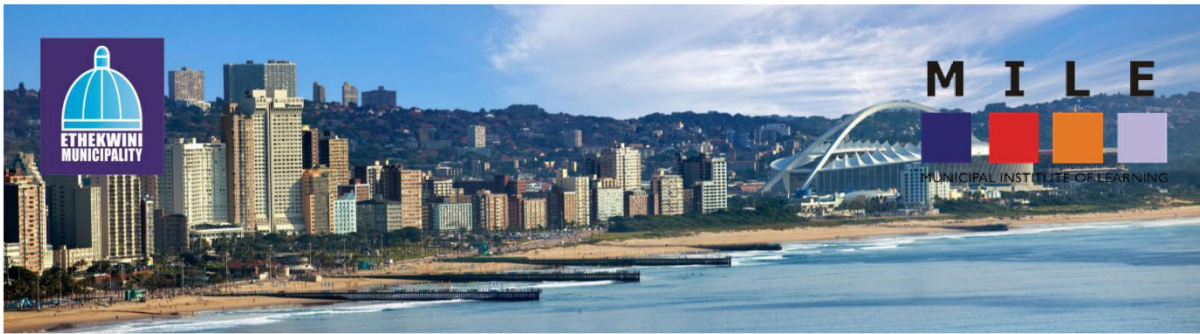
Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

INSPIRING GREATNESS

APPENDIX E



POD 7, GROUND FLOOR, INTUTHUKO JUNCTION, 750 MARY THIPHE STREET, UMKHUMBANE, CATO MANOR, DURBAN 4001
TEL: 031 322 4513, FAX: 031 261 3405, FAX TO EMAIL: 086 265 7160, EMAIL: MILE@DURBAN.GOV.ZA, WEBSITE: WWW.MILE.ORG.ZA

For attention:
Chair of Research Ethics Committee
University of KwaZulu-Natal
School of Accounting, Economics and Finance
Westville Campus
Durban
4001

23 July 2024

RE: LETTER OF SUPPORT TO P.K NXELE STUDENT NO: 217067670 - GRANTING PERMISSION TO USE ETHEKWINI MUNICIPALITY AS A STUDY SITE

The eThekwini Business Support, Markets & Durban Tourism (BSMDT) Unit and Municipal Institute of Learning (MILE) in eThekwini Municipality, have considered a request from **Philani Kwenzakwakhe Nxele** (Mr) to use eThekwini Municipality as a research study site for the purposes of undertaking a research study entitled: " **Initiatives to support Small, Medium, and Micro Enterprises (SMMEs) survive load shedding of KwaZulu-Natal, South Africa** - leading to the awarding of a **Master of Commerce (Finance)** degree.

We wish to inform you of the acceptance of his request and hereby assure him of our utmost cooperation towards achieving his academic goals; the outcome which we believe may help this municipality improve its evidence-base on SMMEs. The student is reminded of the considerations for ethical and responsible research and all current health regulations when conducting this research. The student must take all necessary measures to ensure his personal safety during the research period as eThekwini Municipality indemnifies itself from any incidental claims that may arise. **In return, we stipulate as mandatory that the student contacts [REDACTED] to present the preliminary results and recommendations of this study to the related unit/s.**

Wishing the student all the best in his studies.

.....
Mr. Thulani Nzama
Head: BSMDT
eThekwini Municipality

.....
Dr. Collin Pillay
Program Manager: MILE
eThekwini Municipality

.....
I, Philani Kwenzakwakhe Nxele.....hereby accept as mandatory that I will comply fully as per the conditions stipulated above.

Signed: [REDACTED] Date: 23 July 2024