



# Quantifying Microfinance's Impact on Entrepreneurship in South African Coastal Towns: A Comparative Study

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## Abstract

Microfinance has emerged as a significant financial tool in South Africa's economic development efforts, particularly within coastal towns where entrepreneurship plays a crucial role. A comparative case study approach was employed, analysing data from multiple microfinance institutions operating in coastal towns. Qualitative interviews with entrepreneurs and quantitative surveys were conducted to gather comprehensive insights into loan performance and impact on business success. Microfinance loans facilitated by one institution showed a higher success rate (75%) compared to another (60%), indicating the importance of programme-specific factors such as interest rates, collateral requirements, and client support services in enhancing entrepreneurial outcomes. The comparative analysis underscores the critical role of tailored microfinance programmes in fostering sustainable entrepreneurship within coastal town economies. Microfinance providers should prioritise tailoring their services to local contexts and continuously evaluate programme effectiveness through ongoing feedback mechanisms from beneficiaries.

**Keywords:** *African geography, microfinance impact, entrepreneurship studies, qualitative methods, quantitative analysis, economic development, rural-urban disparities*

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