

## Catalysts to early state entrepreneurial activity

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### Abstract

This paper aims to analyse the influence of necessity-driven entrepreneurial motive and opportunity driven motive on total early-stage entrepreneurial activity (TEA). Data were collected from the World Bank's archive of entrepreneurial activity for the two independent variables – necessity driven entrepreneur and income increasing entrepreneurship for nineteen years, and for the dependent variable total early state entrepreneurial activity. The paper applied the multiple regression statistics at 5% alpha level and data were analysed for two BRICS countries – South Africa and Brazil. Results show that out of the two independent variables, the income-increasing motive proved statistically significant at a p-value of 0.0001 toward enhancing the level of total early-stage entrepreneurial activity (TEA). This significant relationship only holds for Brazil, none of the independent variables proved significant for South Africa. These findings provide vital policy implications for re-planning the early-stage entrepreneurial financing policy based on training and monitoring. The paper provides an agenda for further research to study other African countries in a comparative approach to unravel more insights regarding the emergence growth and success factors for early-stage entrepreneurs in other African countries.

**Keywords:** Catalysts, state entrepreneurial activity, South Africa.

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European Journal of Economics, Law and Social Sciences ISSN 2519-1284 (print) ISSN  
2510-0429 (online)

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