

## Mainstreaming Willingness among Black Owned Informal Small Micro Micro Enterprises in South Africa

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**Abstract :** The objective of this paper is to understand the factors behind the formalisation willingness of South African black owned SMMEs. Cross-sectional data were collected using a questionnaire from 390 informal businesses in Johannesburg and Pretoria using stratified random sampling and clustered sampling. This study employed a multinomial logistic regression to quantitatively understand what encourages informal SMMEs to be willing to mainstreaming their operations. We find government support, corruption, employment compensation, family labour, success perception, education status, age and financing as key drivers on willingness of SMMEs to formalize their operations. The findings of our study points to government departments to invest more on both financial and non-financial strategies like capacity building and business education on informal SMMEs to cultivate their willingness to mainstream.

**Keywords :** mainstreaming, transition, informal, willingness, multinomial logit

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