



INSTITUTE FOR SOCIAL DEVELOPMENT  
**FACULTY OF ECONOMIC AND MANAGEMENT  
SCIENCES**

**Examining social entrepreneurship as a solution to addressing and reducing youth  
unemployment among disadvantaged youth in Cape Town**

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A mini-thesis submitted in partial fulfilment of the requirements for the degree of Master in  
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## Abstract

Youth unemployment is a global problem but is particularly acute in South Africa, with the unemployment rate for youth aged 15 to 24 years currently exceeding 70%. Traditional ways of creating employment are failing to deliver sufficient jobs. Many countries have been able to create youth employment opportunities through entrepreneurship and to solve societal problems caused by unemployment through social entrepreneurship. Yet the total early-stage entrepreneurial activity (TEA), the rate of youth initiation or ownership of entrepreneurial ventures, is low in South Africa compared to its global and African counterparts. This study explores social entrepreneurship as a means of addressing and reducing youth unemployment among disadvantaged young people in Cape Town.

Between May and November 2021, a series of semi-structured interviews, observations and focus group discussions were conducted with a sample of 16 aspiring entrepreneurs, social entrepreneurs and representatives of three organisations involved in social entrepreneurship. The theoretical framework used to analyse the rich data obtained from the respondents relied mainly on the theories of social innovation (SI) and people-centred development (PCD) and was supported by an extensive review of the literature on youth entrepreneurship. The results of this qualitative study appear to confirm that social entrepreneurship can be a viable solution to addressing and reducing youth unemployment in disadvantaged communities in Cape Town and South Africa. However, communities are under-resourced and require considerably more assistance from the government, donors, corporate and other stakeholders to access more resources, training, investment and job opportunities that will stimulate large-scale development of social entrepreneurship among the youth.

### Keywords:

Youth unemployment, NEET, social entrepreneurship, entrepreneurship, Global Entrepreneurship Monitor (GEM), aspiring entrepreneurs, disadvantaged youth

## Declaration

I, Nicola Malgas, declare that this mini-thesis entitled *Examining social entrepreneurship as a solution to addressing and reducing youth unemployment among disadvantaged youth in Cape Town* is my own work and has not been previously submitted for any degree or examination at any university. All sources quoted have been indicated and duly acknowledged through referencing.

Signed by Nicola Malgas .....

Date: .....

As a research supervisor, I agree to the submission of this dissertation for examination.

Professor Amiena Bayat.....

Date: .....



## Dedication

I dedicate this work to my uncle, Aaron John Malgas, who passed on due to COVID-19 on 1 August 2021. I dedicate this dissertation to you because while working to complete it, the Lord called you home. You would have been so proud of me, knowing all the long years I've put into my undergraduate years, honours and now completing my master's dissertation. I picture how proud you will be of me the day my master's degree is conferred. I miss you dearly. The Malgas family lost pure gold. Rest in Heavenly peace, my uncle. Until we meet again.



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## Abbreviations and Acronyms

BEE	Black Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
CBOs	Community-Based Organisations
CDE	Centre for Development and Enterprise
CEED	Centre for Entrepreneurship, Education and Development
CEO	Chief Executive Officer
CV	Curriculum Vitae
EDP	Economic Development Partnership (of Nigeria)
EESE	Entrepreneurship Education for Secondary Education
ETIB	Employment Tax Incentives Bill
EE	Entrepreneurship Education
EET	Entrepreneurship Education and Training
ET	Entrepreneurship Training
GEM	Global Entrepreneurship Monitor
GDP	Gross Domestic Product
ICT	Information and Communications Technology
ILO	International Labour Organisation
KAB	Know About Business
MSR	Men on the Side of the Road
NGOs	Non-Governmental Organisations
NPO	Non-Profit Organisation
PAR	Participatory Action Research
PCD	People-Centred Development
RLabs	Reconstructed Living Labs
SASSA	South Africa Social Security Agency
SE	Social Entrepreneur
Stats SA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical and Vocational Education and Training
YES	Youth Employment Services

# Chapter 1: Introduction and Background

## 1.1 Introduction

Youth and adult unemployment were high for the black population groups during the apartheid era. The latest statistics provided by Statistics South Africa show that unemployment is still a significant problem. During the second quarter of 2021, the unemployment rate (expanded definition) for the South African adult population was 44% and the narrow rate was 34,4%. The unemployment rate was 29,1% for the Western Cape province and 29,8% for the City of Cape Town (Stats SA, 2021). The national rate of youth unemployment (expanded definition) for the 15—24 years age group was 74,8% and 52,3% for the 25—34 group (Stats SA, 2021).

Several attempts have been made by the government and policymakers to tackle unemployment in the post-apartheid period. These policies and interventions included the Reconstruction and Development Programme (RDP); Growth, Employment and Redistribution (GEAR); Accelerated and Shared Growth Initiative of South Africa (ASGISA); the Joint Initiative for Priority Skills Acquisition (JIPSA); and the New Growth Path (Dagume & Gyekye, 2016). A further attempt to reduce youth unemployment was the introduction of the Expanded Public Works Programme (EPWP), a government project to provide youth with skills and experience through short-term employment (Bhorat, 2020). The EPWP aimed to integrate unemployed individuals into the labour market through the government partially covering employers' costs of employing young people (Levinsohn et al., 2014). Yet the unemployment rate, and particularly the youth unemployment rate, remains high. Are these policies and interventions feasible in the South African context? Alternatively, have they failed due to issues with implementation and coordination or are the causes deeper? Along with the broader problem, the COVID-19 pandemic brought additional demand and supply-side challenges that not only impacted the health sector but the broader economy as well, and caused periods of recessions across the globe. During such economic recessions, the youth, the vulnerable and the disadvantaged segments of society tend to suffer the most as unemployment deepens poverty.

Entrepreneurship has been used in many countries as an innovative approach to address the socio-economic burden of unemployment. However, according to the Global Entrepreneurship Monitor (GEM) report, the prevalence of entrepreneurship is relatively low in South Africa compared to its global and African counterparts (Bowmaker-Falconer & Herrington, 2020). This thesis explores social entrepreneurship as a means of reducing youth unemployment among disadvantaged youth. The focus is on social entrepreneurship as opposed to

entrepreneurship since youth unemployment is a social issue that requires social solutions and social entrepreneurship involves the collaboration of different practices that can effectively solve social problems (Visser, 2011).

## **1.2 Background and Contextualisation**

The transition to democracy in 1994 came with key challenges of large-scale unemployment that were a result of structural distortions in the apartheid economy (Banerjee et al., 2008, cited in Ismail & Kollamparambil, 2005). At the time that South Africa transitioned to democracy, subsistence agriculture had almost entirely collapsed, and unemployment had become a key driver of poverty and inequality (Natrass, 2014). Despite subsequent improved growth and some job creation in the 2000s, unemployment remained a persistent feature of the South African economic landscape. According to Natrass, “the reasons for South Africa’s comparatively high unemployment rate are that there is no significant subsistence agricultural production or peasant sector and very little informal employment” (2014: 91). Borat and Oosthuizen, (2008: 51) citing multiple sources, state that South Africa’s economy was and still is unable to create a meaningful number of jobs during a time of sustained, albeit low, economic growth.

The magnitude of unemployment in South Africa, especially youth unemployment, demands a multiplicity of solutions to tackle the crisis. According to the Centre for Development and Enterprise, not only should jobs be accessible to young unemployed people, many of whom are disadvantaged by a lack of work experience and qualifications for many of the jobs currently being created, but “South Africa needs to create jobs for the workforce we have, not the one we wish we had” (CDE, 2017: 12).

### **Efforts to curb youth unemployment through entrepreneurship/ social entrepreneurship**

During his State of the Nation of Address on 13 February 2020, President Cyril Ramaphosa announced a strategy to increase the employability of three million young people in at least five provinces. The strategy emphasised creating more work opportunities and supporting young people to access these opportunities (BusinessTech, 2021). The Presidential Youth Employment Intervention was built on the understanding that youth unemployment could be addressed through innovative thinking and strong partnerships across society. Its ultimate objective is to find models of skills development or labour market policies that work and to scale these models rapidly to reach as many young people as possible.

Incorporating national strategies for bolstering entrepreneurship among women and youth, the Presidential Youth Employment Intervention will be implemented over five years to reduce youth unemployment through the following priority actions:

- creating pathways for young people into the economy;
- improving youth entrepreneurship support;
- expanding the Youth Employment Service Programme with one percent of the national budget to be reallocated to youth employment initiatives;
- Fundamentally shorter and more specific skills training that is needed in the labour market;
- New and innovative ways to create entrepreneurship self-employment.

(BusinessTech, 2021)

Reference was also made to initial plans of the National Youth Development Agency and the Department of Small Business Development to provide grant funding and business support to 1 000 young entrepreneurs in 100 days as part of a more ambitious strategy of assisting 100 000 young entrepreneurs over the following three years to access business skills training, funding and markets (Bowmaker-Falconer & Herrington, 2020). Some nongovernmental organisations (NGOs) are already active in these areas. According to Dieltiens (2015), the advantages of NGOs over both market-based and government employment initiatives are that their activities are often smaller in scale than government initiatives and not driven to meet large targets. Moreover, NGOs have the flexibility to experiment with new ideas without the burden of bureaucratic procedures. Donor funding enables NGOs to be free from pursuing market or profit-driven objectives. As a result, NGOs can provide a broad range of services to unemployed youth.

Social entrepreneurship in South Africa has been rising in recent years and is increasingly recognised as impactful by the populace (Sengupta, Sahay & Croce, 2017). However, there are issues constraining the growth of the social entrepreneurship ecosystem in South Africa, such as the deficits in national budgets, decreasing donor funding, a dearth of leadership, uncontrolled immigration, insufficient basic infrastructure and the struggle to transition from apartheid to democracy (Karanda & Toledano, 2012, cited in Sengupta et al., 2017: 19). A further caution is that the institutional environment in South Africa is sometimes unfavourable to social entrepreneurs because of fluctuating political and economic stability (Urban, 2013).

### **1.3 Brief Overview of Study Area**

The area of focus of this study is youth unemployment in Extension 13 in Belhar, a small suburb in the Cape Flats area of the City of Cape Town metropolitan municipality (SDI&GIS, 2013). Unemployment is high in Extension 13, especially among the youth. Most residents are dependent on income derived from South Africa Social Security Agency (SASSA) grants or related social security grants issued by the government. Due to their urgent need for employment creation and income, young people may be willing to consider self-employment after failing to find formal employment.

### **1.4 Problem Statement**

Unemployment is a universal problem that is more extreme in some economies, including South Africa (Nonyana & Njuho, 2018). Any labour market characterised by high unemployment, where people remain unemployed for longer periods, will experience a deteriorating quality of human potential and capital (Ciucu & Matel, cited in Nonyana & Njuho, 2018). A weak job-creating capacity has led to chronically high unemployment and significant under-employment in South Africa that have been critical contributory factors to the country's persistent poverty and inequality (Herrington, Kew & Mwanga, 2017: 6).

Kingdon and Knight (2004) posit that unemployment is potentially a matter of serious concern for its negative effects on economic welfare, production, the erosion of human capital, social exclusion, crime and social instability. Young people unable to find jobs or employment opportunities are isolated and alienated from the wider society. Unemployment in any form is a drag on an economy and society (S4YE, 2015: 2). It undercuts productivity, spending and investment, stunting national growth. It contributes to inequality and spurs social tension. Joblessness and inactivity and the failure to tap into the economic aspirations and resources of young people carry even higher prices. The inability to find gainful employment limits young people's income and skill development. Initial low-paying jobs and delayed entry into the workforce limit lifetime earning potential.

Goal 8 of the Sustainable Development Goals (SDG) establishes and advocates developing policies that encourage entrepreneurship and job creation, among others, to achieve full and productive employment and decent work (UN, 2015). Specifically, Clause 8.3 requires the promotion of development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of small, micro and medium-sized enterprises, including through access to financial

services (UN, 2015: 19). Clause 8.6 requires governments to substantially reduce the proportion of youth not in employment, education or training (UN, 2015: 19).

Cloete (2015) asserts that not being actively involved in employment, education and training (NEET) puts youth at risk of long-term structural unemployment, poverty and homelessness. Time spent unemployed results in deterioration of human life as basic human needs are not met. Furthermore, extended unemployment encourages mental illness, criminal behaviour or suicidal thoughts.

According to Herrington et al. (2017), high unemployment and low levels of entrepreneurship are inextricably linked. South Africa's levels of entrepreneurship can be considered low because unemployment rates are so high. Entrepreneurship among the youth is very low in South Africa. Fatoko and Chindoga (2011) assert that the weak participation of youth in entrepreneurial activity becomes very important in light of the high rate of youth unemployment in South Africa. Van Broembsen et al. (2005, cited in Fatoko & Chindoga, 2011) assert that entrepreneurship can be one of the solutions to the high rate of youth unemployment in South Africa. Research by the Global Entrepreneurship Monitor (GEM) has shown that South Africa lags in promoting early-stage entrepreneurial activity (TEA) compared to the rest of the developing world. Findings for the 2019—2020 GEM report show that South Africa ranked 49th out of 54 economies on GEM'S National Entrepreneurship Context Index in 2019, only ahead of Croatia, Guatemala, Paraguay, Puerto Rico and Iran (Bowmaker-Falconer & Herrington, 2020). Turton and Herrington (2012: 1) caution that South Africa's entrepreneurial activity will continue to lag behind that of other developing countries and drop further unless entrepreneurship is taught in all schools up to Grade 12.

Furthermore, the underlying conditions that severely disadvantage so many young people should be addressed to effect the large-scale turnaround in entrepreneurship levels that is required to make a significant impact on the country's deeply entrenched unemployment crisis (CDE, 2017: 19). South Africa needs to become more entrepreneurial to have any chance of significantly reducing youth unemployment levels. The CDE (2017) has suggested creating a more conducive, business-friendly regulatory environment by reducing the many regulations and government inefficiencies that hold back growth in South Africa. This would raise entrepreneurship levels, increase the number of new businesses and improve the growth of existing businesses. Killan (2017, cited in CDE, 2017) suggests that, with the right kind of

support, young people who cannot find jobs will be able to start up their own innovative enterprises.

## **1.5 Research Questions and Research Objectives**

### **Research Questions**

Given the above, the research questions explored in this dissertation are:

1. How will social entrepreneurship address and reduce youth unemployment among disadvantaged youth in Belhar, Cape Town?
2. What are the benefits of social entrepreneurship toward addressing and reducing youth unemployment in South Africa?

### **Research Objectives**

- Explore what available platforms are provided by social entrepreneurs to ensure that employment opportunities and entrepreneurial opportunities are made available, and are accessible and affordable to disadvantaged youth.
- Determine the benefits of social entrepreneurship toward employment creation.
- Examine potential solutions offered by aspiring entrepreneurs to address the unemployment dilemma in their community.
- Develop key discussions around the possibility of integrating entrepreneurial education and training at secondary schools.

## **1.6 Significance and Rationale of the Study**

Littlewood and Holt (2018) and Urban (2013) assert that social entrepreneurship is under-researched in the South African context. This study will contribute to the body of research on the subject.

This thesis aims to provide potential solutions or suggestions to increase entrepreneurial activity in South Africa, informed by conversations with aspiring entrepreneurs, existing social entrepreneurs and non-profit organisations (NPOs).

The study will improve awareness of the practice and benefits of social entrepreneurship, especially the impact social entrepreneurship has when carried out in communities where unemployment rates are high and self-employment is the only work option available to a large proportion of young people.

The study aims to encourage ongoing dialogue between existing social entrepreneurs, NPOs and aspiring entrepreneurs beyond the timespan of the study.

The conversations and discussions that were held during semi-structured interviews and focus group discussions not only aid the academic space but may assist policymakers and the government to better understand the challenges of developing entrepreneurship among disadvantaged young people such as those involved in this study.

### **1.7 Chapter outline**

**Chapter 1** is the introduction and background of the study. The chapter also describes the research objectives, the problem statement and the significance and rationale of the study.

**Chapter 2** reviews existing literature related to social entrepreneurship and youth unemployment among disadvantaged youth, the integration of entrepreneurial education and training, and additional recommendations for employment creation among the youth.

The theoretical framework is presented in **Chapter 3**, focusing on the Social Innovation and People-Centred Development theories. These theoretical frameworks serve as a support structure to existing findings and new empirical primary findings.

**Chapter 4** details the research design, methodology and ethical approach employed in this study.

**Chapter 5** presents the empirical findings of the study. The chapter examines the potential and benefits of social entrepreneurship as a solution to youth unemployment. This includes a discussion of the integration of entrepreneurial education and training at secondary schools and the potential of establishing partnerships between aspiring entrepreneurs, social entrepreneurs, NGOs/NPOs and secondary schools as stakeholders to work collaboratively toward tackling youth unemployment.

**Chapter 6** summarises the empirical findings of the study and makes recommendations and concluding remarks based on the research conducted.



## **Chapter 2: Literature Review**

### **2.1 Introduction**

This chapter briefly discusses some of the main reasons for youth unemployment, from the global context to the local context. Within South Africa, the selected reasons investigated were economic structures, the legacy of apartheid, the lack of skills and education system failures and mismatches. The context of social entrepreneurship and entrepreneurship in South Africa was examined as well as the extant literature on efforts toward and evidence of the practice of entrepreneurship and how social entrepreneurship is being used to address and reduce youth unemployment in selected countries. The literature review indicates a need to address youth unemployment through proactively implementing entrepreneurship education and further identifies recommended actions to address youth unemployment.

### **2.2 Key Concepts and definitions**

#### **2.2.1 Differentiating between social entrepreneurship and entrepreneurship**

##### **Social entrepreneurship**

The most prevalent use of the term social entrepreneurship focuses on the role of the risk-taking individual who, against all odds, creates social change (Light, 2006). Social entrepreneurship can occur in many different sectors, whether in government, non-profits, businesses or other formations of society. Bewayo and Portes (2016) assert that there is a growing interest in social entrepreneurship due to its focus on tackling challenging social problems. However, there doesn't appear to be a common definition of the concept.

Harding (2007) mentioned that social entrepreneurship has a greater appeal particularly among young people, women, ethnic minorities, and the labour market inactive. Additionally, Harding (2007) states that social entrepreneurship amongst the abovementioned groups comprises as the main source of revenue especially in those instances where government and formal employment fail to assist and address social problems. Thompson, Alvy and Lees (2000: 331) assert that social entrepreneurs envision adding value for the underprivileged sections of the community. Seelos, Ganly and Mair (2005) more formally define social entrepreneurship as the economic activity of creating new models for the provision of products and services to serve the basic human needs of the poorest social strata that remain unsatisfied by the current economic or social institutions. Mair and Lanuza (2006: 37) view social entrepreneurship broadly as the process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs. The authors further argue

that the main difference between social entrepreneurship and entrepreneurship in the business sector lies in the relative priority given to social wealth creation versus economic wealth creation. In business entrepreneurship, social wealth is a by-product of the economic value created while the main focus in social entrepreneurship is social value creation.

### **Entrepreneurship**

In its classical definition, entrepreneurship is the recognition of any opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. Concepts such as 'innovation' and 'risk-taking', in particular, are usually associated with entrepreneurship (Facs, 2003, cited in ILO, 2017: 7). Schumpeter (1934) and Timmons and Spinelli (2004, cited in Bewayo & Portes, 2016: 41) asserted that entrepreneurship involves acting on opportunities, acquiring resources and building an organisation that creates something of value.

### **Unemployment**

In South Africa, statisticians use two ways of viewing unemployment: the 'strict definition' of unemployment and the 'expanded definition' of unemployment.

#### **Strict Definition**

Unemployed people are those aged 15—64 years who were not employed in the reference week, were actively looking for work and were available for work, i.e. would have been able to start work if work was available.

#### **Expanded Definition**

Unemployed people are those aged 15—64 years who were not employed in the reference week, were available to work but did not look for work (Stats SA, 2021: 12).

### **Economically Active Population**

Also known as the *labour force* or *labour supply*, the economically active population includes all people aged 15—64 years who are employed and unemployed but excludes economically inactive people (i.e. people unable to work, full-time students and learners, people who have retired and full-time homemakers). The *labour market* is the labour force plus all economically inactive people. The *unemployment rate* is the proportion of the labour force (note, not the labour market) that is unemployed (Moody's Analytics, n.d.).

### **Youth**

The concept of youth differs across countries. For example, Azeng and Yogo (2013) define

youth unemployment as individuals aged 15—24 years who have not worked but are available to work. In South Africa, persons in the 14—35 years age group are considered youth (as defined by the South African National Youth Development Agency Act, Act 54 of 2008 and the National Youth Policy, 2000). However, in terms of labour statistics, youth unemployment in South Africa broadly refers to the proportion of the labour force aged 15—34 years who are without work but are willing and available to work, with the more globally recognised 15—24 year group regarded as a subset.

### **2.3 Reasons behind the high rates of youth unemployment in the world**

In Europe, youth unemployment extends beyond the macroeconomic conditions of a country but occurs in the transition from education to work (Refrigeri & Aleandri, 2013). Caliendo and Schmidl (2016) refer to a school-to-work transition where learners tend to ‘shop around’ for better employment opportunities rather than settling. Firms also seek the best workers for the job and delay filling vacancies instead of employing the first available work-seeker that comes along. This reflects frictional unemployment whereby a mismatch occurs between employers and unemployed youth. However, not all labour markets in Europe lag in terms of school-to-work transitions. Dietrich and Moller (2016) assert that Germany and the United Kingdom are the exceptions in transitioning from education to work. In Asia, the primary cause of high youth unemployment is not the lack of available jobs with employable competencies and skills but qualification deficits and insufficient efforts dedicated to soft skills that are unequally distributed across ASEAN countries (ILO, 2015).

At the global level, youth unemployment is estimated to be about three times higher than the rate among adults (Baah-Boateng, 2016). Baah-Boateng (2016: 414) mentions that the burgeoning youth population in Africa makes the problem more acute. Africa’s population is very young, with more than half aged below 25 years and an estimated half a million 15-year-olds expected to join the labour market annually in the 2015—2035 period (World Bank, 2014, cited in Baah-Boateng, 2016: 414). Okojie (2003) argues that youth unemployment is an important dimension of the widespread unemployment facing African countries. “With stagnant economies and low economic growth rates in most countries, demand for labour has been low or declining, resulting in high levels of unemployment” (Okojie, 2003: 6). Okojie (2003) asserts that, due to Africa’s fast-growing population, the proportion of young people is growing faster than the rate of growth of the total population. As a result, the size of the working-age population is increasing faster than the rate at which new jobs can be created in the majority of African countries.

According to findings in the African Development Report (ADBG, 2016), countries with high youth unemployment also tend to have high adult unemployment with the former exceeding the latter. “This discrepancy is, in part, to be expected because youth do not have the social capital, networks, and experience to compete with adults in the labour market” (ADBG, 2016: 121). The report cautions that these structural barriers warrant ‘youth-specific’ employment policies but also suggested that there is a growing divergence between youth and adult unemployment, suggesting that job creation is not able to keep up with youth-population growth and the attendant positive net labour force inflows.

## **2.4 Reasons behind youth unemployment in South Africa**

### **2.4.1 Economic structure and the legacy of Apartheid**

South Africa's unemployment rate is one of the highest in the world (Ranchhod, 2019). Gwija, Eresia-Eke and Iwu (2014) mention that South Africa remains a scarce job environment where unemployment is rife despite government-pioneered interventions. There are many complex causes of unemployment in South Africa. During the apartheid period, state policy created an oversupply of cheap black labour by preventing black people from acquiring skills or getting high-status jobs. While South Africa experienced a long period of economic growth from the mid-1990s, the global recession after 2008 led to a period of jobless growth wherein the “net rate at which people entered the labour market exceeded the rate of job creation” (Ranchhod, 2019). As the number of employed people grew, so did the number of unemployed people.

The critical challenge of large-scale unemployment facing South Africa resulted from structural distortions in the economy (Ismail & Kollamparambil, 2015). Stoddard (2019) concurs, stating that the problem of structural rigidities stands in the way of any meaningful growth and employment. Structural problems include poor government policies and rigid (although well-meaning) labour laws that deter foreign investment, the economy not growing quickly enough to create jobs that absorb new entrants into the labour market, and a flawed basic education system that does not produce the learners with a sufficient foundation that industry requires in STEM subjects (see 2.4.2). These distortions are exacerbated by socio-economic conditions that are the legacy of apartheid relating to poverty, health indicators, the lack of economic infrastructure and investment in historically black neighbourhoods and rural areas, and lack of access to finance and the banking system.

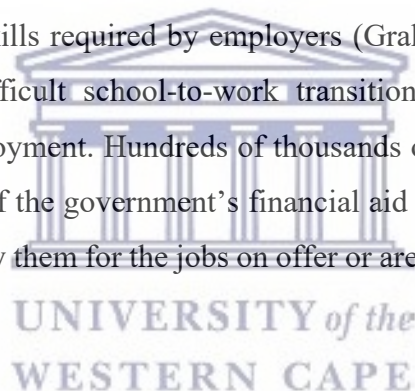
Altbeker and Bernstein (So-Vet Project, 2017) conclude that youth unemployment is the country’s most pressing socio-economic crisis, affecting millions of young people. Noting the

failure of the democratic government to adopt policies that would produce the growth or employment needed, the authors state: “There have been numerous targeted initiatives to address the challenge, but they have only limited impact on the vast numbers of young people without work” (So-Vet Project, 2017: 3).

#### **2.4.2 Skills mismatch and education system failure**

The skills mismatch affects young people everywhere but particularly in low-income countries, where the skills mismatch is compounded by a lack of access to technology and the internet. The skills mismatch affects the job satisfaction and wages of workers and the productivity of firms. In contrast, a mismatch of qualifications merely prevents countries from realising the full potential of their labour force.

In South Africa, millions of youth are out of school and ready to work but lack the skills that businesses need (So-Vet Project, 2017). The basic education system has poor educational outcomes at all levels and does not adequately prepare school-leavers for absorption into the labour market. Young people from low socio-economic backgrounds particularly lack critical basic numeracy and literacy skills required by employers (Graham et al., 2018). As a result, many youth experience a difficult school-to-work transition, with prolonged periods of unemployment and underemployment. Hundreds of thousands of youth can access university education with the assistance of the government’s financial aid scheme, NSFAS, but many of their degrees either over-qualify them for the jobs on offer or are not qualifications required by companies.



#### **2.5 Entrepreneurship as a solution to youth unemployment**

Within the framework of potential efforts and strategies to boost employment and create jobs for young people, entrepreneurship is increasingly viewed as a valuable additional strategy as it provides an innovative approach to integrating youth into today’s changing labour markets. As stated by the ILO, “Entrepreneurship and self-employment can also be a source of new jobs and economic dynamism in developed countries and can improve youth livelihood and economic independence in developing countries” (ILO, 2017: 3).

Haftendorn and Salzano (2004) highlighted the Centre for Entrepreneurship, Education and Development (CEED) programme in Canada. The CEED aims to integrate unemployed youth into the labour market. The CEED is an innovation centre that assists governments, organisations and communities to help people achieve their potential through entrepreneurship. Its mission is to nurture entrepreneurship in young people by undertaking, creating,

coordinating and acting as a catalyst in the areas of entrepreneurship education, research and programme design, and community entrepreneurship. It includes a range of services ranging from technical assistance to curriculum development for all levels of education.

Awogbenhle and Iwuamadi (2010) report that entrepreneurship is increasingly promoted in Nigeria. The Entrepreneurship Development Programme (EDP) provides Nigerian youths with insights into entrepreneurship and enterprise and helps them to consider the realistic options of starting a small business or undertaking self-employment. Promoting youth entrepreneurship is seen as important to:

- Creating employment opportunities for self-employed youth as well as the other young people they employ.
- Bringing alienated and marginalised youths back into the economic mainstream and giving them a sense of meaning and belonging.
- Helping to address some of the socio-psychological problems and delinquency that arise from joblessness.
- Helping youths to develop new skills and experiences that can be applied to other challenges in life.
- Promoting innovation and resilience in youth.
- Promoting the revitalisation of the local communities by providing valuable goods and services.
- Capitalising on the fact that young entrepreneurs may be exceptionally responsive to new economic opportunities and trends.

(Awogbenhle & Iwuamadi, 2010).

As a short-term approach to the unemployment crisis, the EDP caters for out-of-school youth and the ever-increasing number of jobless graduates. The EDP seeks to move youth entrepreneurship into the mainstream of the economy with growth-oriented and sustainable businesses. As an active learning entrepreneurship institution, the EDP is designed to introduce new entrepreneurs to the essential elements of starting and managing a new business. The EDP creates training tools focused on ways to improve the performance and productivity of companies to encourage aspiring entrepreneurs to explore turning their business ideas into profitable ventures.

According to the World Economic Forum Global Risk Report of 2014 (Olunloyo, 2014), South Africa has the third-highest unemployment rate in the world for persons aged 15—24 years, and more than 50% of South African youth are unemployed. Orford et al. (2004, cited in Olunloyo, 2014) found that South Africa ranks in the lowest quartile of all the developing countries with only five out of every 100 adults being entrepreneurs. While many studies focus on entrepreneurship in South Africa, most do not address entrepreneurship education at the school level, either in terms of current availability or the value of introducing entrepreneurship education in public schools as an extracurricular activity.

The South African economy has not generated enough employment opportunities to absorb an increasing annual number of school leavers (Mahadea, Ramroop, & Zewohir, 2011:66). Furthermore, Mahadea et al. (2011) state that the youth constitute the major percentage of the South African population, yet a high proportion of the youth are unemployed or underemployed. Therefore, there is a need to foster entrepreneurship.

## **2.6 Social Entrepreneurship as a solution to youth unemployment**

Entrepreneurship would aid economic growth, competitiveness, independence, self-esteem and job creation in the community and economy. Entrepreneurship can promote innovation and generate employment because successful entrepreneurs create jobs, reduce unemployment and increase economic development (Olunloyo, 2014). Voronkova et al. (2019) argue that social entrepreneurship can be used to bring forth self-realisation. For example, social entrepreneurship education can help unemployed women achieve self-realisation by creating a positive image of an entrepreneur and providing educational support to social entrepreneurs. The aim is for unemployed women to achieve self-realisation through dedicating themselves to full participation in community life, using the power and resources available to them to improve their lives.

The significance of social entrepreneurship in today's socio-economic and political conditions is that society requires a conscious and responsible approach to solving social problems and developing a sense of civic responsibility for vulnerable social groups and communities (Voronkova et al., 2019). Entrepreneurship is one of the most important social institutions that can assist government agencies in solving social problems through the development of urban and regional infrastructure (Voronkova et al., 2019: 1049). Moreover, it allows agencies to work with socially vulnerable and low-income population groups.

Entrepreneurial activity is seen as necessary for economic development through job creation,

innovation and its effect on welfare (Herrington et al., 2009, cited in Lombard & Strydom, 2011). According to Herrington et al. (2009, cited in Lombard & Strydom, 2011), the GEM South Africa Reports clearly show poverty's multifaceted challenges for entrepreneurship and social entrepreneurship. Where there is a low level of early-stage entrepreneurial and social entrepreneurial activity, the creation of jobs is deficient, which impacts the economic development and social welfare of communities. Dees (2007) noted that social and business entrepreneurs have the capacity to uncover or create new opportunities. This is achieved through a process of exploration, innovation, experimentation as well as resource mobilisation. Social entrepreneurs can tailor their efforts to different communities or markets in ways that would be difficult for government programmes to achieve. Moreover, independent social entrepreneurs have access to private resources, such as volunteers, gifts of money, time, in-kind donations, social investment, or earned income from their business ventures (Dees 2007: 26).

Therefore, social entrepreneurs have an essential role to play that can complement the government's efforts as social partners. Social entrepreneurship can create opportunities for employment and income generation, especially among the youth. They provide opportunities for an inclusive model of economic development through which vulnerable people can become empowered to have a voice in their development and live in human dignity (Lombard & Strydom, 2011).

The social entrepreneurship ecosystem in Tunisia in the wake of the Jasmine Revolution witnessed strong growth in both the for-profit and not-for-profit spheres (World Bank, 2017: 6). This is attributed to five factors:

- A growing social entrepreneurship movement worldwide;
- The emergence of several businesses solely focused on social entrepreneurs;
- A wave of international competitions with an emphasis on social impact;
- A growing number of NGOs that were competing for dwindling donor funding needing to adopt sustainable revenue-generating models (registered NGOs increased from 9 000 in 2010 to 15 000 in 2014, according to PISM, 2014, cited in World Bank, 2017);
- The private sector that was once tightly regulated by the government experienced more freedom to operate as traditional barriers to entry eased, with the private sector becoming more interested in social impact to restore public trust and improve its image.



The World Bank (2017: 6) noted that these factors contributed to a socio-economic environment more amenable to social entrepreneurship in Tunisia. While NGOs are adopting entrepreneurial values like self-reliance and financial independence, companies are increasingly taking social purpose into account in their core business decisions. This convergence could be a significant driver of inclusion into economic activity for disadvantaged populations like youth and women, through participation in ways that social equity and environmental sustainability issues are accurately factored into economic processes (such as doing business), in economic policymaking and financial policy. Social entrepreneurship can generate a triple bottom line for Tunisia: achieving social and environmental benefits by employing an entrepreneurial approach.

Egypt faces an emerging youth crisis with approximately 60 percent of the population being below the age of 30 and more youth unemployed every year (Kaur, 2010). Youth unemployment in Egypt requires selective yet high-impact interventions at the macro, community and household levels (Kaur, 2010: 1). The situation is worse for youth groups at the lower end of the socio-economic ladder, including poor rural youth who are marginalised by barriers to participation and educational attainment in technical vocational education and training (TVET). In response to these challenges, Japan and the World Bank partnered with Egypt's Ministry of State for Family and Population in a new project. Adopting a holistic approach to tackling youth unemployment, the joint project will provide marginalised youth with an integrated package of financial and non-financial services. These services include access to credit, loans and links to job readiness, placement and new opportunities.

The four major project activities are:

- Building capacity and partnerships. This includes building the capacity of selected NGOs, to identify, reach out to and rehabilitate the targeted youth, and building effective partnerships between NGOs, community-based organisations (CBOs) and employers (private sector) in the industrial zones and businesses in the target governorates to facilitate the access of marginalised youth to relevant training and employment opportunities.
- Piloting a one-stop-shop concept to deliver an integrated package of job readiness, job placement and business incubation support services. This will include setting up the core assessment, counselling, case management, rehabilitation services and referral networks for youth to access a variety of services through one entry point.

- Establishing a job creation and placement fund. The fund primarily constitutes a multiple grants programme to facilitate targeted youth access to job readiness and job placement opportunities and start-up loans to encourage job creation.
- Setting up a monitoring and evaluation system. The project will help youth groups to utilise business start-up grants to develop and expand small and micro-enterprises for sustainable job growth. Business incubation support is integral to guiding the start-ups throughout the business cycle process and making self-employment attractive to young people (Kaur, 2010: 2). Such support will help youth groups, the poor and non-poor, urban and rural, the illiterate and women, to turn livelihood activities into small businesses, creating job opportunities for themselves and other unemployed young job-seekers (Kaur, 2010: 2—3).

In their study, Ipangui and Dassah (2019) investigated the impact of social entrepreneurship on community development in the Cape Town metropolitan area that has had several social entrepreneur pioneers. Jafta (2013, cited in Ipangui & Dassah, 2019) referenced the case of the Cape Town Carnival creating an arts and culture platform to address existing community challenges by providing participants with meaningful, diverse training opportunities in design and costume manufacture. Another initiative, Greenpop, aims to create employment opportunities through its approach to deforestation, providing work opportunities to participants but also ways to engage directly on positive change to the environment.

Dieltiens (2015) assessed interventions by South African non-profit organisations (NPOs) that aim to open up employment opportunities to young new entrants to the labour market. Exploring the extent to which these interventions attain the potential of active labour market strategies that go beyond simple job matching, Dieltiens's (2015: 5) findings suggest that there are not enough jobs. However, an entrepreneurial approach to this our assessment would be to devise innovative solutions that create work.

Visser (2011) assessed the role, relevance and extent of social entrepreneurship in South Africa as a developing economy through four case studies of social entrepreneurship, their focus impacts and their influence on the communities they serve. One, Men on the Side of the Road (MSR), is of particular interest (although not exclusively focused on youth) and is highlighted briefly here. In 2001, while working at the Catholic Welfare Development Unit (CWDU) in Cape Town, Charles Maisle became acutely aware of social issues that influence the lives of many people. Maisle learned that police were arresting men for loitering at street corners, when

they were trying to seek work from passing motorists. After realising that the men were effectively being punished for being jobless, he founded MSR in 2003. MSR is a membership-based non-profit organisation that seeks to increase the ability of people with skills to earn a sustainable income. MSR promotes both short and long-term employment possibilities. For example, a member of MSR can be hired for a day to perform minor work such as clipping an overgrown hedge, cleaning out a cluttered garage or attending to painting. MSR operates from seven branches across South Africa and has a membership above 20 000. Klatz (2011, cited in Visser, 2011: 241) says MSR's biggest challenge is not to enlist more members but to raise the level of awareness of social entrepreneurship among South Africans.

Its nationwide network assesses members' skills, implements training where possible and provides mentored work opportunities in focused teams, with the ultimate goal of helping its members to find and maintain long-term, gainful and sustainable employment. MSR provides a unified voice for promoting its members' skills in the marketplace through its communication and interaction with contractors, employers, the government, the public and the media (Visser, 2011: 240). To date, MSR has helped tens of thousands of people find work and it has facilitated the skills training of thousands of members. MSR has brought dignity and pride to the destitute and its endeavours also have a positive effect on members' families and dependents (Visser, 2011: 241).

## **2.7 Promoting Entrepreneurship Education and Training (EET)**

Entrepreneurship education and training (EET) is one subset of the larger portfolio of entrepreneurial promotion programmes (Robb, Valerio & Parton, 2014). These programmes seek to develop the attitudes, knowledge and skills associated with the practice of entrepreneurship. They are based on research indicating that some entrepreneurial behaviours can be taught and learned, starting in people's youth, and culminating in their young adult years or when they are potential or practising entrepreneurs (Hegarty, 2006; Souitaris, Zerbinati & Al-Laham 2007; Walter & Donse, 2009, cited in Robb et al., 2014: 7).

EET programmes can be classified under two related but distinct categories: entrepreneurship education (EE) programmes and entrepreneurship training (ET) programmes. Broadly speaking, both aim to stimulate entrepreneurship but they are distinguished from one another by their variety of programme objectives or outcomes. While differing from programme to programme, EE programmes tend to focus on building knowledge and skills about, or for,

entrepreneurship. ET programmes, by contrast, tend to focus on building knowledge and skills, explicitly in preparation for starting or operating an enterprise (Robb et al., 2014: 13—14).

## **2.8 Promoting Entrepreneurship Education and Training at Secondary School**

Entrepreneurship education for secondary education (ESEE) students refers to the building of capabilities, skills and mind-sets about entrepreneurship and is aimed at expanding the potential pool of future entrepreneurs (Robb et al., 2014). In Kenya, ESEE is part of the curriculum in all educational streams and levels, including TVET, although it is offered as an optional subject. ESEE has also been integrated with teacher education programmes at certificate and diploma levels, especially those programmes focused on commerce and certificate programmes for social and community development. While not compulsory within general secondary education, ESEE is offered within the TVET system as a vocational subject aimed at imparting knowledge about economics and the business sector, and designed to be useful to students planning a career in business or business studies in higher education (Robb et al., 2014: 32—33).

ESEE programmes are largely implemented in Kenya following the Know About Business (KAB) approach, a branded methodology developed and internationally disseminated by the ILO to build business awareness among students. KAB is structured as a pre-start programme, based largely on hands-on experiential learning (using role-playing games and simulations, for example).

ESEE is also driven by the ministry of education in Mozambique but is a more recent development there. During the 2000s, in partnership with the United Nations Industrial Development Organisation (UNIDO) and as part of the Program to Reform Technical and Vocational Education and Training (PIREP), Mozambique launched two major ESEE efforts as part of a broader strategy to combat youth unemployment (Robb et al., 2014: 33). The first effort was a set of curricular reforms aimed at developing life and entrepreneurship skills among students and teachers at the lower and upper secondary levels. In 2007, with financial and technical support from UNIDO, an entrepreneurship curriculum focused on promoting entrepreneurial awareness was implemented in 255 schools involving around 240 000 students and 1 521 teachers across the country. This is by far the largest EE programme implemented in the country.

The development of entrepreneurial skills and attitudes is an important starting point for early exposure to entrepreneurial cultures and concepts (ILO, 2017). In Roma neighbourhoods in

Europe, for instance, introducing EE in schools has the potential to promote traits such as resourcefulness, confidence and resilience that will be of value whether or not young people start a business later. The green economy offers important potential for job growth, improved job quality and the social inclusion of vulnerable communities such as the Roma because of its combined focus on advancing economic environmental and social well-being (ILO, 2017). The benefits of targeting young Roma through training in green skills and preferential access to productive resources, while engaging them through active labour market policies (ALMPs) that emphasise green industries, will give them a stake in the global green transformation and may assist them to reduce or overcome marginalisation (ILO, 2017: 104). EE provides practical information regarding the skills and characteristics needed to recognise entrepreneurial opportunities, respond to challenges and launch a business (ILO, 2017). Young women and men also gain an understanding of the roles they can play as socially and environmentally responsible actors in the green economy: “Entrepreneurship education has a high potential for Roma youth as it develops skills and confidence by drawing and building on individual talents and creativity, it contributes to developing resilience in the face of labour market discrimination and enables Roma youth to help their families and communities overcome their marginalised communities” (ILO, 2017: 105).

Isaacs et al. (2007) believe that EE will fulfil a primary role at the school level in preparing youth for future EET. Implementing EE will lead to more entrepreneurs who will make a significant contribution to job creation and poverty alleviation by contributing to economic growth. EE is a worthwhile approach to reducing unemployment in South Africa (Kaseeram & Mahedea, 2018), as integrating entrepreneurship at a basic educational level can provide more scope for job creation, minimisation of business failures and inclusion of more skilled people in the formal economy.

## **2.9 Limiting factors for the promotion of entrepreneurship and social entrepreneurship**

“South Africa’s economy generates over R4 trillion in GDP each year and on any given day, 15 million people are employed, over six million of them aged between 15—34” (So-Vet Project, 2017)...If the economy is [only] large enough to be capable of creating 200 000 jobs in a quarter, there is little hope that even a relatively large project will make a measurable difference” (So-Vet Project, 2017: 5). No plausible single project or programme will, therefore, dramatically reduce the number of NEETs in the short term. Even taken together, assuming such programmes deliver on their promises, the initiatives proposed by the government and

others will not make a substantial dent in youth unemployment, simply because of the scale of the problem.

In terms of educative constraints on entrepreneurship, Haftendorn and Salzano (2003, cited in ILO, 2017) cite a general lack of introduction and adoption of enterprise education in many countries, particularly in developing countries and transition economies, where enterprise education does not exist or has not been sufficiently adopted. When not applied holistically, it often does not include in-school and out-of-school youth. Furthermore, it is not applied to all educational levels. Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance.

Furthermore, concerning educational constraints to entrepreneurship, there is a lack of teachers trained or educated to teach entrepreneurial skills to young people and teachers often have limited experience and understanding of small businesses and self-employment. As a result, there is a lack of career information and business possibilities since the school environment does not sufficiently introduce youth to the concepts of entrepreneurship and self-employment as career options. Tools, resources and information material supporting youth entrepreneurship are not readily available at most secondary schools.

There is also a lack of cooperation between educational institutions and the business community. School-industry partnerships, a combination of classroom learning and structured on-the-job experience, do not exist or are poorly developed. Moreover, there is a lack of ICT infrastructure capabilities due to financial constraints. Schools often cannot afford to provide access to appropriate ICT infrastructure, including software, hardware, internet access and multimedia applications. Adequate ICT infrastructure and young people's ICT capabilities are crucial for many new entrepreneurial opportunities.

According to the ILO (2017), another critical challenge or limitation is a weak entrepreneurial culture in countries that have shifted from a planned to a market economy. Entrepreneurship is still relatively new and entrepreneurial culture is not yet fully developed. Many young people are wary of starting an enterprise. To promote an entrepreneurial culture among young people, it is crucial to know more about young people's attitudes, awareness and aspirations toward entrepreneurship and business. Appropriate research and testing are necessary before targeting them with particular interventions and initiatives to raise their entrepreneurial profile.

Bowmaker-Falconer and Herrington (2020) argued that primary and secondary education institutions should align their curricula with new capabilities to ensure that their learners

succeed in a rapidly changing world. Since the role of government is to shape economic development, it needs to create an economic policy environment currently missing in South Africa, that would support entrepreneurial activity, entrepreneurial success and entrepreneurial sustainability (2020: 26). Such a policy should not just focus on growing entrepreneurial activity among businesses and SMMEs but should include aligning the education system and curricula to improve the probability of policy positively impacting entrepreneurial activity.

## **2.10 Promotion of entrepreneurial culture**

Successful role models such as youth or adult entrepreneurs are the best ambassadors for promoting entrepreneurship among young people. Role models projecting an image of independence, success and achievement can motivate young people to consider and explore entrepreneurship and self-employment. If young people know a successful entrepreneur, they are more likely to become interested in starting a business. Moreover, when supported by media campaigns, credible role models can influence young people's environment and influence parents and relatives to adopt a positive attitude to entrepreneurship and encourage their children to engage in the field. It is established that role models are most effective when reflecting the image of the group whose behaviour is to be influenced (e.g. young women are more likely to identify with a female role model).

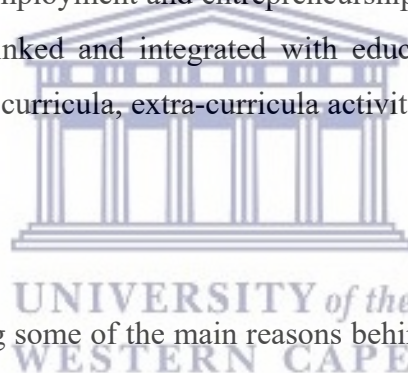
Enterprise-focused education has an important impact on young men and women. A critical aim of enterprise education is the promotion of entrepreneurship as a viable career path. Learning about business development, administration and management as well as learning the necessary skills, attributes and behaviours creates positive attitudes towards entrepreneurship and significantly impacts a young person's decision to become an entrepreneur.

Modern government programmes aiming to foster an entrepreneurial culture among young individuals should try to focus more on a coherent combination and coordination of EE initiatives and other measures to raise the profile of entrepreneurship in society.

Inyang and Enuoh (2009) state that entrepreneurship is not an easy vocation and several critical success factors must be put in place to enable the entrepreneur to achieve a measure of success. “Most current entrepreneurial literature tends to unequivocally argue that most entrepreneurial failures or small-scale business failures are due essentially to inadequate financial resources and financial agencies to enhance entrepreneurial development” (Inyang & Enuoh, 2009: 63). Inyang and Enuoh’s (2009: 65) main argument is that business or entrepreneurial failures are readily attributed to the inadequacy of financial resources. This calls for a paradigm shift in

rethinking about entrepreneurial failures by focusing on entrepreneurial competencies as the missing links to successful entrepreneurship.

Davis (2002) mentioned that, to foster an entrepreneurial culture, the goal should be the removal of barriers, particularly those created by governments, or to restrict the barriers that block or discourage people's aspirations to becoming entrepreneurs. "The role of government is key in determining the operating environment. Many governments promote entrepreneurship yet they fail to provide an enabling environment for entrepreneurs. Most governments still need to reduce the barriers to starting and staying in business or creating and sustaining a non-profit venture. Far too many governments still overregulate the business and social sectors" (Davis, 2002: 12). Moreover, Davis (2002) noted that the key challenge in cultivating an entrepreneurial culture globally is figuring out the best ways to unleash the potential of all people to innovate, create, catalyse, be resourceful, solve problems and take advantage of opportunities while being ethical. The author mentioned that education and employment policies should be developed in an integrated manner as they have direct implications and impact each other. "Youth unemployment and entrepreneurship policies are likely to be more effective if they are closely linked and integrated with educational policies including the structure and content of school curricula, extra-curricula activities and after-school programs" (Davis, 2002: 19).



## **2.11 Chapter Summary**

The literature started with exploring some of the main reasons behind youth unemployment internationally then it looked at the reasons within the local context of South Africa. In South Africa, it was argued that the economy's structure, legacy of apartheid, skills mismatch, and education system failure are significant reasons behind youth unemployment rates being consistently high. The review then proposes potential responses to youth unemployment through entrepreneurship as a social solution to a social problem, social entrepreneurship as a solution to addressing and reducing youth unemployment and promoting entrepreneurship at an educational level and entrepreneurial education. The limitations were then discussed to show the gaps and shortcomings of social entrepreneurship and entrepreneurship as intermediaries to address and reduce youth unemployment. Towards concluding the review, a brief set of recommendations, under the heading promotion of an entrepreneurial culture, were provided as possible attempts and solutions toward employment creation among young people and entrepreneurship progression among young people especially those originating from disadvantaged and marginalised socio-economic backgrounds.



## **Chapter 3: Theoretical Framework**

### **3.1 Introduction**

A theoretical framework is a structure that can hold or support a theory of a research study (Abend, 2008, cited in Duncan, 2020). This study initially considered three theoretical frameworks: social innovation (SI), unemployment in the theory of innovations and people-centred development (PCD) theory. However, there was insufficient literature on unemployment in the theory of innovations to integrate it into this research study. Thus, SI was selected as the primary theory to support the study as it speaks to the theory and practice of social entrepreneurship. PCD was relied on as a complementary theory because it responds to disadvantaged and marginalised segments of society; in this case, the aspiring entrepreneurs who participated in this study. Each of these theories is discussed below in terms of their nature, characteristics, concepts and limitations as related to the study.

### **3.2 Social Innovation (SI)**

#### **3.2.1 Nature and characteristics of social innovation**

The term social entrepreneurship became more popular in the non-profit sector from the second half of the 1980s (Tanimoto, 2008: 9) as NPOs adapted to the changing market and had to incorporate new business management techniques and skills. Phillips et al. (2014) assert that growing disillusionment with for-profit business models drew attention to social entrepreneurship and social innovation to ease social issues. The concept of social entrepreneurship became a buzzword later, backed by governments' inability to solve social problems despite the economic boom in the late 1990s (Prahlad, 2006, cited in Kumar & Gupta, 2013: 9). By the end of the 20th century, social entrepreneurs had become part of the sphere of development playing a significant role in the social, political and economic contexts for poor and marginalised groups. The heightened interest in social entrepreneurship and social innovation over the past years (Christensen et al., 2006; Dees, 1998; Leadbeater, 1997, Nicholls, 2006; Shaw & Carter, 2007) may be attributed to the perceived weaknesses and failures of the dominant for-profit enterprise model. The nascency of research into social entrepreneurship and SI highlights the need to develop a shared understanding not only of the term 'social innovation' but also its links with social entrepreneurship. The prolonged recession and the pressure on the public purse have resulted in a smaller public sector and the desire for some of the activities previously supported by the state to be supported through social entrepreneurship and innovation (Phillips et al., 2014: 4).

Anderson et al. (2014) suggest that social innovators, like social entrepreneurs, create social change that can address the causes of the issues they are tackling. Fundamentally, the most important factor for defining social entrepreneurs and SIs is the adoption of a social mission to create and sustain social value. That is, value for society that identifies problems, needs and solutions. The following factors must be considered to effect SI:

- SIs are practices that take place in the realm of social-society;
- Their organisation and intentions, effects and outcomes that have integrity in the realm of social innovation will have an emancipatory commitment;
- They will seek to change and transform society for the better.

Social entrepreneurs, who can be called change agents, seek out opportunities to improve society and create new social values (Tanimoto, 2012). “They consider social innovation as their fundamental resources, new and better ways of serving their social mission” (Dees et al., 2001, cited in Tanimota, 2012: 270). Social entrepreneurs promote innovation that matches their social business and philanthropic activities to create social value. For SI to succeed, everyone involved plays a role that matters ‘in the between’ of relationships – people, organisations, communities and parts of systems.

### **3.2.2 Concepts in social innovation in relation to the study context**

#### **a) Disruptive Innovation**

Disruptive innovation is a term coined by Clayton Christensen. Disruptive innovation describes a process by which a product or service takes root initially in simple applications at the bottom of the market and then relentlessly moves up market, eventually displacing established competitors (Christensen et al. 2006). Disruptive innovation for social change is ‘catalytic innovation’ which is required to expand support for organisations that are approaching social-sector problems in fundamentally new ways and creating scalable, sustainable and systems-changing solutions (Christens et al., 2016, cited in Tanimota, 2012). Disruptive innovation presents new possibilities for under-resourced people whose needs have not been met in areas with insufficient social services, to access opportunities, e.g. low-cost micro-lending systems or education.

#### **b) Networks and Innovation**

In their review, Phillips et al. (2014) cite several studies that examined different aspects of how networks assist entrepreneurial innovation. According to Lettice and Parekh (2010: 50) “innovators struggle to identify which conventional networks to align with, as social innovations often span boundaries and do not neatly fit into a single category”. According to

Sharir and Lerner (2006) key success factors for effective networks requires that the entrepreneur starts out depending on the resources of the network to which it belongs. Thereafter, the entrepreneur is then able to proactively create networks and has to invest time and effort in constructing it. Besser and Miller's study of community business networks (2010, cited in Phillips et al., 2014:17) "...highlights the importance of trust between actors in fostering relationships and promoting the exchange of resources, which are often scarce due to competition for funding, volunteers and professional support". Moore and Westley (2011: 7) stated that "network relationships which are characterized by strong bonds and high levels of trust and reciprocity are crucial for concentrated levels of exchange of information and for considering the risks associated with innovation". Citing Edwards-Schachter, Matti and Alcantara (2012), Phillips et al. (2014: 17) state that they "view participation and collaboration among different actors from different sectors as a crucial aspect of social innovation. Therefore, with respect to social innovation, the locus of innovation is not within the social entrepreneur or social enterprise, but within the social system that both inhabit. Consequently, social innovations arise as a result of interactions between different actors operating within the same social system and are developed through collective learning."

In addition, Edwards-Schachter et al. (2012, cited in Phillips et al., 2014) assert that social innovation is not undertaken in isolation by lone entrepreneurs, but is an interactive process shaped by the collective sharing of knowledge between a wide range of organisations and institutions that influence developments in certain areas to meet a social need or to promote social development. Interactions not only promote the generation of new knowledge but also help social enterprises acquire and develop capabilities. As an organisation's capabilities help to determine its innovative activities, the authors suggest that the system within which the organisation operates must play an intrinsic role in defining these activities.

Networks have a significant role to play in supporting social innovation, yet there is insufficient evidence available to inform governments on how they can influence, support and facilitate appropriate networks. Therefore, research into social innovation networks requires appropriate support mechanisms if they are to be successful. According to Phillips et al. (2014: 25), "Moore and Westley (2011) suggest, despite their importance in supporting social innovation, appropriate networks do not seem to currently exist". "By the same token, Mulgan et al. (2007) identifies [sic] the lack of networks as a significant barrier to social entrepreneurship and a reason for the failure of many social innovations" (Phillips et al., 2014: 26).

### **3.2.3 The creation of social innovation**

In many cases, social innovation is created not only with users and customers but in collaboration with various stakeholders (Tanimoto, 2012: 172). “The key point is to understand the process of how entrepreneurs get a motivation to start the business, make a relationship with a variety of stakeholders and create social innovation to provide possibilities for social change. When a social entrepreneur recognises a social environmental problem and starts a new social business targeting it, she or he thereby creates a socially innovative scheme or products to achieve the goal” (Tanimoto, 2012: 272). “In the process of creating the social innovation, which stakeholders do provide ideas and resources to the entrepreneur and make collaborations with each other?” (Tanimoto, 2012: 272).

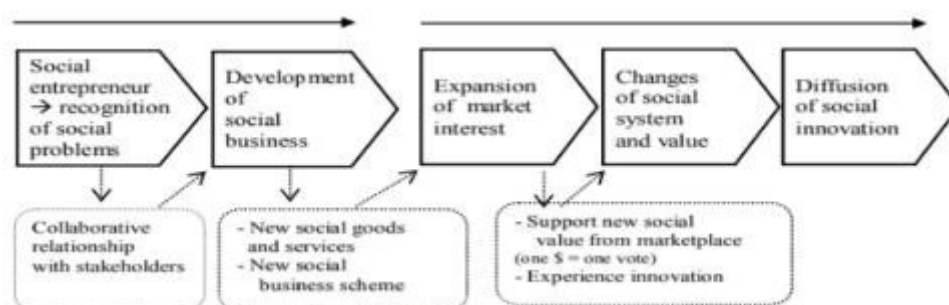


Figure 1: The process of social innovation

Source: Tanimoto, 2012: 279.

The above figure illustrates how social innovation can be created. This is useful to make sense of the process employed by most social entrepreneurs and social enterprises. First, the social entrepreneur recognises social problems. Oftentimes, with the help of additional stakeholders, through collaboration, these social entrepreneurs and stakeholders develop social businesses or social products which result in the promotion of new social goods and services and new social business schemes. This in turn leads to the expansion of market interest which is essential to support new social value from the marketplace and to experience innovation. Furthermore, this results in changes in social systems and values. In the end, diffusion of social innovation is achieved.

### 3.3 Social Innovation Cluster as the broader framework for the study and future research

The social innovation cluster is used as supplementary information to the Social Innovation theory since the social innovation cluster is still a relatively new concept and limited works have been published. There has been some literature published by Kanji Tanimoto on the social innovation cluster. This study will briefly explore the characteristics of the social innovation cluster, according to Tanimoto, and how it supports this research study.

### 3.3.1 Social Innovation Cluster

Tanimoto (2008) argues that social innovation clusters are a framework for analysing entrepreneurship by focusing on the relationship with the stakeholders in the community and not only on individuals. A social innovation cluster is defined as “an organisational accumulation that includes social enterprises, support organisations, funding agencies, universities and research institutions” (Tanimoto, 2008: 13). New social businesses are created by building on cooperative and competitive relationships in a social innovation cluster that provide innovative social solutions and values for social issues (Tanimoto, 2008: 13). Figure 2 below depicts the inter-relations between the entities of a social innovation cluster.

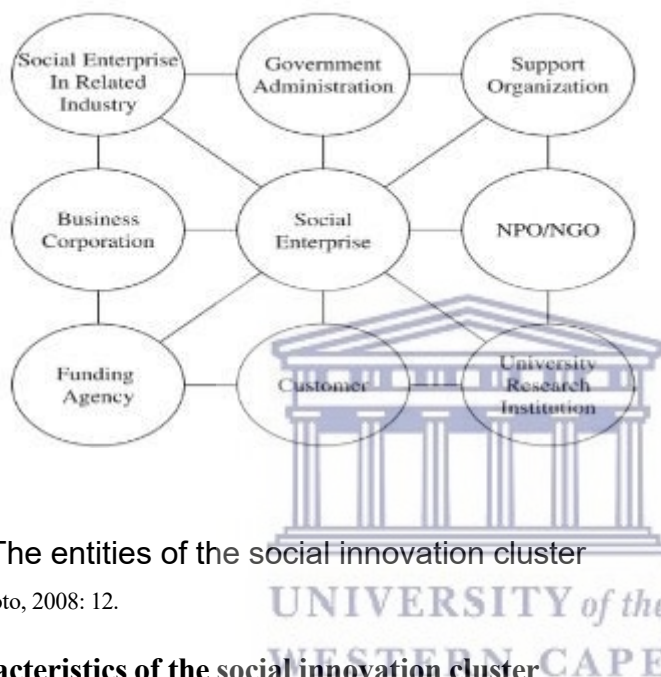


Figure 2: The entities of the social innovation cluster

Source: Tanimoto, 2008: 12.

### 3.3.2 Characteristics of the social innovation cluster

A social innovation cluster is formed in a specific geographical area, but it is an open space that many people can access from the outside. “For the purpose of realising its social mission through the conduct of business, it is crucial for social enterprises to be accepted by the stakeholders in the area. Formation of a social innovation cluster also raises social awareness and develops the maturity of a community that accepts the social enterprise” (Tanimoto, 2008: 13). Because it is not easy for a government to promote a social innovation cluster through an economic policy, Tanimoto (2008) proposes implementing small progressive steps that encourage people in the community to show an interest, support and become involved in social enterprise. It is possible to develop a social infrastructure while building on the experiences, trust and involvement of community members. This would require a more conducive, business-friendly regulatory environment, one where government inefficiencies do not hold back or limit

a country's economic growth. Social entrepreneurs can complement the government's efforts at social partnership. Engaging the selected SI and PCD theories, encouraging networks and disruptive innovation, building capacity, encouraging participation and building effective partnerships between NGOs, social entrepreneurs, government services and targeted youth would ensure that community beneficiaries and disadvantaged youth get the proper enterprise support and assistance.

Developing countries tend to have additional constraints, such as the lack of adoption of enterprise education, the lack of ICT infrastructure capabilities, and schools and communities with limited resources. While the social innovation cluster could potentially increase awareness of social innovation and social entrepreneurship, social entrepreneurship is still relatively under-practised in the context of South Africa where the culture of entrepreneurship is not yet fully developed because of red tape and restrictions. Davis (2009) advocates the removal of barriers, particularly those created by governments that restrict, block or discourage people's aspirations to become entrepreneurs: "Youth unemployment and entrepreneurship policies are likely to be more effective if they are closely linked and integrated with educational policies, including the structure and content of school curricula, extra-curricula activities, and after school programs."

### **3.4 People-Centred Development**

#### **3.4.1 Nature and Characteristics of PCD**

The People-Centred Development (PCD) theory of Korten (1990: 76) defines development as "a process by which the members of society increase their personal and institutional capacities to mobilise and manage resources to produce sustainable and justly distributed improvements in their quality of life, consistent with their own aspirations." The PCD approach responds to ways in which youth unemployment can be reduced since it provides flexibility and agency to take control of life. Mandioma (2016: 17, citing Swanepoel & De Beer, 2011), concurs that the main essence of the PCD theory is that beneficiaries of development have the potential to "shape their own life in cooperation and reciprocity with others, rather than being passively shaped or pushed around". This implies that youth development initiatives should be driven by youth.

Mulu (2011: 28, citing Theron & Ceasar, 2008) states that "participatory development advocates that beneficiary communities should not just be involved but that they should be able to design, shape and eventually own development projects". Mulu (2011: 29, following

Dinbabo, 2003) adds: “The rationale for participatory development is that it does not only involve beneficiary groups in development projects but develops and strengthens the capabilities of beneficiary groups in development initiatives which is ‘...empowering and leads to self-transformation and self-reliance thereby ensuring sustainability’”. Mulu (2011: 29) argues that the participatory development theory encourages “the mobilisation of local resources and capacity building at the grassroots” rather than through “centrally mandated development programmes of large agencies with centralised hierarchies and inflexible bureaucratic structures”.

### **3.4.2 Concepts in People-Centred Development in relation to the study context**

#### **Capacity-building**

Within PCD, “Capacity-building is the prism through which marginalised and vulnerable individuals and communities acquire skills that they can apply to empower themselves and promote self-reliant development at the grassroots level” (Mulu, 2011: 33). Mulu (2011) says that this process enables people to find appropriate vehicles to overcome the constraints and barriers they experience to break negative cycles present in the communities. For instance, disadvantaged youth are enabled to overcome the barriers of youth employment through practising self-employment and/or entrepreneurship. Eade (1997) asserted that the basis of development was people organising themselves to act on strengthened values and priorities. Furthermore, capacity-building should not “be viewed in isolation from the wider social, economic, and political” environments of governments, the private sector, CBOs, NGOs, communities, and the household and personal levels (Eade, 1997: 23).

#### **Participation and Participatory Development**

“Participation has been variously described as a means and an end, as essential within agencies as it is in the field and as an educational and empowering process necessary to correct power imbalances between rich and poor” (Jennings, 2000: 1). “Differences in definitions and methods aside, there is some common agreement concerning what constitutes authentic participation. Participation refers to involvement by local populations in the creation, content and conduct of a programme or policy designed to change their lives. Participation requires recognition and use of local capacities and avoids the imposition of priorities from the outside. It increases the odds that a programme will be on target, and that results will more likely be sustainable. Ultimately, participatory development is driven by a belief in the importance of entrusting citizens with the responsibility to shape their own future” (Jennings, 2000: 2—3).

Robert Chambers developed a theory of participatory development from an initially simple notion of participatory research wherein, instead of the researcher studying the subject from the top down, the researcher allowed local knowledge to inform and guide the research. Williams (2004: 560) asserted that Chambers developed his notion of participatory development to the extent that “his agenda promises a significant move away from hierarchical ‘top-down’ development projects and institutions towards more fluid and open power structures that will be prompted by a series of personal, professional, and institutional changes”. The early work of Chambers “emphasised including those previously marginalised within development activities, challenging the various biases of development projects that make the poor ‘invisible’ (Williams, 2004: 560). While his later [1997] work aimed to challenge the powerful directly by ‘putting the first last’, Williams regarded this as somewhat naïve given the power relations in society (Williams, 2004: 560). Nevertheless, Chambers’ general point, that both the researcher and the agency of development should be led by the subject/beneficiary, is relevant to both the study of social entrepreneurship and the design of entrepreneurship initiatives targeting youth unemployment.

### **3.5 Contextualising social innovation and PCD in the study context**

The relevance of the concepts of disruptive innovation, networks, capacity-building and participation drawn from the frameworks of Social Innovation and People-Centred Development theories are briefly discussed below in terms of the study context.

#### **3.5.1 Social Innovation and Disruptive Innovation**

Disruptive innovation is relevant to the study in several ways. The study considers how innovation presents a new possibility to under-resourced people whose needs have not been met in areas with insufficient social services. The area of study, Extension 13 in Belhar, often lacks resources, agencies or investors willing to work with youth and opportunities and programmes are often out of reach. Thus, disruptive innovation may fill the gap through reaching out to the disenfranchised and under-resourced in this community. One of the organisations used in this study, RLabs, frequently employs disruptive innovation as a strategy to tackle youth unemployment and community development. Harambee Youth Employment Accelerator has also provided innovative ways to tackle youth unemployment and other problems of marginalised youths.

In relation to networks and innovation, key actors bring along activities and influence. They have a large pool of networks and interactions with other stakeholders. Moreover, building on



and encouraging participation and collaboration is essential for networking and innovation within the entrepreneurial and social entrepreneurial spaces. Networks have a significant role to play in supporting social innovation. To encourage the importance of networks and innovation, this study engaged existing social entrepreneurs alongside NPOs, since they have a broad platform and base to assist aspiring entrepreneurs but also the capacity to share information, opportunities and resources with aspiring entrepreneurs and disadvantaged youth. Furthermore, social innovation clusters can build on networks and innovations in social entrepreneurship since they include a broader range of stakeholders.

### **3.5.2 People-Centred Development**

Participatory development assists disadvantaged youth aspiring to become entrepreneurs to take initiative and develop projects and to partner with social entrepreneurs and NPOs. In alignment with the PCD, beneficiaries of development – in the case of this study, the aspiring entrepreneurs – have the potential to shape their own life in cooperation and reciprocity with others. Aspiring entrepreneurs (in this study) have described instances where they were not only aiming to shape their own life but to open up the way for others within their community.

### **3.6 Limitations of the abovementioned theories**

The author of this study notes that neither the theory of social innovation nor participatory development is unproblematic. In the case of social innovation, for example, Pue, Vandergeest and Breznitz (2016) mentioned that research thus far has failed to provide a robust and coherent framework theory of social innovation on which policy and practice can be based. “The inability to clearly define social innovation has proven to be a core obstacle in the study of social innovation, as conceptual clarity is integral to the establishment of a progressive research agenda” (Pue et al., 2016: 7). Hochgerner (2012, cited in Anderson, Curtis & Wittig, 2014) mentioned that, despite the growing popularity of the topic, there is still widespread uncertainty regarding what social innovations are, how they come into being, and what can be expected of them. With regard to participatory development, Pijnenburg and Nhantumbo (2002, cited in Mulu, 2011: 30) state that, contrary to the view that it is accepted in theory, participatory development is problematic in practice because it is perceived differently by diverse organisations and individuals, resulting in a variety of practices and interventions. Participation also means different things to different people, ranging from a ‘tokenistic’ display to transformative participation in which “people find ways to make a decision and take action, without outsider involvement and on their own terms” (Lewis, 2001, cited in Mulu, 2011: 30).

Kapoor (2005, cited in Mulu, 2011) even goes so far as to dismiss participatory development as the “new tyranny” in development practice, while Mohan and Stokke (2000, cited in Mulu, 2011: 31) argue that participation can be an instrument of oppression when people are not given the power to make decisions. Notwithstanding the merits of these arguments, none of the criticisms was considered to outweigh the value of using the two theories to guide this study.

### **3.7 Chapter Summary**

This chapter looked at the two theoretical approaches in relation to the research study namely; Social Innovation and PCD. The reason behind integrating more than one theory was to make sense of the study in relation to different theoretical assumptions. For instance, social innovation was used as a potential framework for this study since social innovation has the capacity and ability to create social value. Social value is the primary motivation of social entrepreneurs and social enterprises. PCD was employed to capture communal and a bottom-up approach toward addressing and reducing youth unemployment by allowing disadvantaged youth to come up with potential solutions and recommendations toward addressing and solving the youth unemployment dilemma within their community and surrounding areas.



## Chapter 4: Research Methodology

### 4.1 Introduction

This chapter provided an overview of the research methodology and study design used in this study. This study employed the purely qualitative approach of participatory action research (PAR). The qualitative methods used in this study consisted of semi-structured interviews, observations and focus group discussions. The researcher employed non-probability sampling such as purposive sampling and the snowball technique. The data collected was analysed using thematic analysis and constant comparison analysis to develop emerging codes and themes to prepare and report research findings. The researcher used triangulation to complement the different sources. Consideration was given to research validity, reliability, credibility, reflexivity and ethical issues relevant to the research conducted.

### 4.2 Research Setting and Context

Belhar is a small suburb in the Cape Flats area of the City of Cape Town metropole in the Western Cape. The specific study area was Extension 13, a section of Belhar known for its high levels of unemployment, gangsterism, teenage pregnancy and substance abuse. Many families are food insecure and malnutrition in young children is a particular health concern.

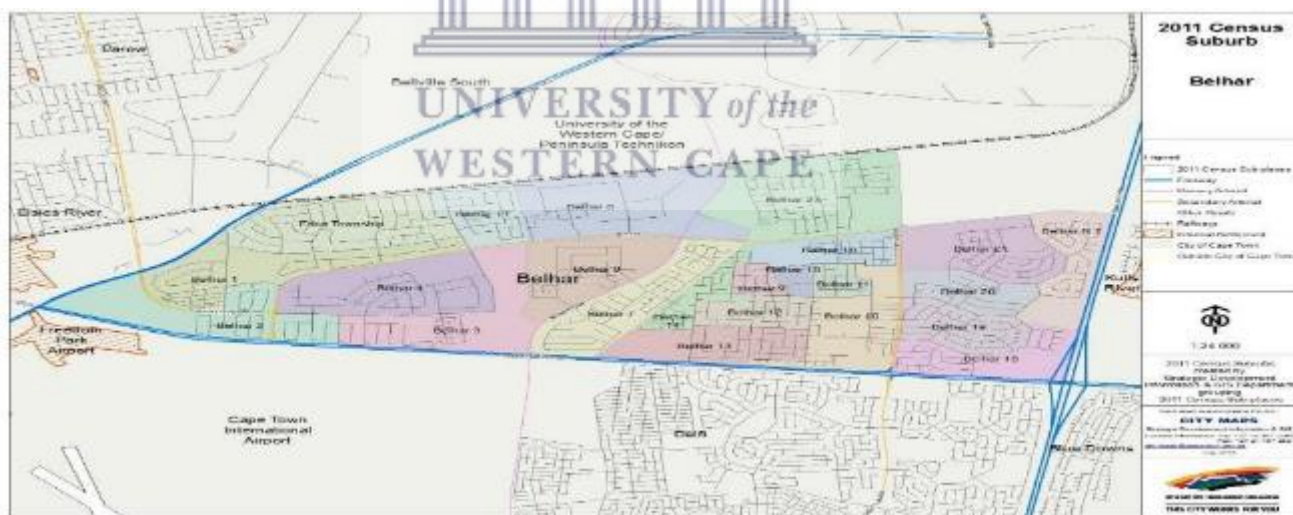


Figure 3: Map of Belhar, supplied by the SDI&GIS (2013).

Source: Stats SA, 2011 Census.

### 4.3 Research Methodology

The research methodology is the general approach the researcher takes when undertaking research work (Leedy & Ormrod, 2019). Within the social science disciplines, research

methodologies can either be quantitative or qualitative. Mishra and Alok (2017: 3) mention that in “natural science and social sciences, quantitative research is based on the aspect of quantity or extent”. Quantitative research involves systematic experimental analysis of observable phenomena via statistical, mathematical or computational techniques in numerical form (Mishra & Alok, 2017). Since quantitative research would not achieve the study objectives, the researcher employed a qualitative methodology for this study. A qualitative study is one that usually relies on an inductive reasoning process to interpret and structure the meanings that can be derived from data (Thorne, 2000: 68). Furthermore, a “qualitative methodology encourages natural partnership between qualitative methods and community research which has resulted in the exciting and longstanding history of work that has explored community needs and strengths in order to ultimately influence community action across a wide range of settings and issues” (Brodsky et al., 2016: 13). The qualitative methodology was, therefore, considered particularly apt for this community-based study.

#### **4.4 Qualitative Approach**

Qualitative approaches to research are used “to study a wide array of topics” to explore, describe or explain the social phenomenon, unpack the meanings of people, ascribe activities and build “thick descriptions” of people in naturalistic settings (Geertz, 1973, cited in Leavy, 2014: 2).

##### **4.4.1 Participatory Action Research (PAR)**

Walter (2009) noted that the term ‘action research’ was coined in 1946 by Kurt Lewin to describe a spiral action of research aimed at problem-solving through community involvement. According to Robson (1993, cited in Walter, 2009), Lewin saw participatory action research as an important tool for bringing about democracy in post-war countries. Lewin felt that the best way to move people forward was to engage them in their own enquiries about their own lives (Walter, 2009). Within the PAR paradigm, the researcher serves as a resource to the typically disadvantaged groups being studied, providing an opportunity for them to act effectively in their interest. The disadvantaged subjects define the remedies desired and take the lead in designing the research that will help them realise their aims. The notion of democratic action is central to how the research is conducted and those being studied are equal participants in the research work done.

Babbie (2010) asserts that participants in the social situation ideally become empowered to frame research relevant to their needs, as they define their needs. At the same time, the

researcher brings special skills and insights that participants, as non-researchers, lack. Furthermore, Walter (2009: 2) mentioned that equal and open collaboration between the researcher and the research community is central to PAR. “When the researcher and community of interest work together in a collaborative and participatory way, expertise and insights develop that would not otherwise be possible. In turn, these insights and access to broader expertise provide for more workable and innovative problem solutions” (Walter, 2009: 5—6).

PAR is suited to the research study simply because it invites discussion with disadvantaged youths about possible solutions to change their realities and the realities of those in their surrounding community. Since aspiring entrepreneurs may suggest potential solutions that increase engagement between existing social entrepreneurs and aspiring entrepreneurs, aspiring entrepreneurs were given an explicit platform during this research study to propose solutions and suggestions. It is important to note that although research participants, namely the aspiring entrepreneurs, influenced and inspired key topics and discussions they have not been directly involved in the design or conceptualization of the research.

## **4.5 Study Design**

### **4.5.1 Participation selection**

Sampling is advantageous when the population is either too big or less accessible. Sampling can either take the form of probability or non-probability sampling. Etikan, Musa and Alkassim (2016) mention that the non-probability sampling technique can be useful when the researcher has limited resources, time and workforce. Therefore, participation selection considered whether the participants would be accessible for the duration of the study and potential time constraints that could occur during the study.

### **Sampling Schemes for Aspiring Entrepreneurs**

The researcher used the non-random sampling technique to select aspiring entrepreneurs. Snowball sampling and purposive sampling were specifically used to gather research participants. Snowball sampling was employed since the whole population was not easily accessible. Burns and Grove (1993, cited in Naderifar, Goli & Ghaljaie, 2017: 2) noted that snowball sampling is a convenience sampling method applied when it is difficult to access subjects with the target characteristics. Participants and key informants are asked to suggest other potentially willing participants who could participate in the research based on similar or shared characteristics and experiences (Parker, Scott & Geddes, 2019: 3). The new participants may then recommend other contacts who fit the research criteria and so on. This researcher

first met two participants and an additional participant selected using purposive sampling, who later referred three additional participants for the study through the snowball technique.

### **Sampling Schemes for Social Entrepreneurs and NPOs**

The social entrepreneurs and NPOs were selected through purposive sampling, as non-probability sampling proves useful when the researcher has some idea of who should have the knowledge and experience to participate in the study. The researcher decides what information needs to be known and sets out to find people who can provide it (Bernard, 2002, cited in Etikan, 2016: 2). This style of sampling allows for identifying and selecting the information-rich cases for the most efficient utilisation of available resources. In this study, the researcher felt confident that the participants selected to the study would contribute since they were well-informed regarding entrepreneurship. Their experience and availability, coupled with their willingness to participate, aligned with the research objectives of this study.

### **Method of Approach**

The researcher approached two aspiring entrepreneurs who later suggested three additional participants. A sixth aspiring entrepreneur was consulted through WhatsApp. After sharing information sheets and the background to the study, the aspiring entrepreneurs were required to sign the consent forms. Social entrepreneurs were selected using three social networking sites, namely LinkedIn, Facebook and Instagram, and contacted via email. Information sheets and consent forms were emailed to social entrepreneurs who agreed to participate. NPOs were approached via email. The researcher explained the research objectives and invited the NPOs to participate, after which those in agreement were emailed the information sheets and consent forms.

### **Sample Sizes of Research Participants**

- Six aspiring entrepreneurs, who are youth from Extension 13, were included.
- While eight social entrepreneurs were approached for this study, only five agreed to participate.
- All three NPOs approached agreed to participate in the study. A total of five representatives of these NPOs were interviewed.
- The researcher also reached out to the Bertha Centre for Social Innovation and Entrepreneurship but it declined to participate in the study.

The research participants are discussed in greater detail below.

### **Aspiring Entrepreneurs**

Six aspiring entrepreneurs were used for this study; five were used for the semi-structured interview. While the focus group targeted all six individuals, only three were present during the focus group discussion. Although two were willing to share their names, the researcher has presented them all anonymously (also identified in Chapter 5 as P1, P2, P3, etc.).

**Participant 1:** P1 was 21 years old. In the previous year or two, he sold biltong, toilet paper, alcohol and cheese for an income. He aspires to become a social entrepreneur since he is dedicated and passionate about making a difference within his community. During his free time, he plays soccer and coaches younger boys in the community.

**Participant 2:** Also 21 years old, the aspirant entrepreneur has been actively involved with social media marketing where he has been organising social events since his high school years.

**Participant 3:** P3 is 30 years old, the oldest of the six. She has moved between low-paying jobs and is currently working at the train station. She receives a SASSA grant every month. She also derives an income selling hot chips, boerewors rolls and sometimes chicken wraps on weekends.

**Participant 4:** 20-year-old P4 started an informal carwash business with a friend but work has been inconsistent due to COVID-19 lockdown regulations and winter weather.

**Participant 5:** The youngest participant at 18 years old, P5 derives an income from hairdressing services provided at clients' homes. The customers are expected to provide their own hairdressing equipment and materials, such as hairdryers, shampoo, conditioner and flat irons. She will wash, blow-dry and/ or flat iron the hair, for which she accepts anything from R30 to around R100.

**Participant 6:** P6 is 21 years old and makes a living as a deejay at social events and special functions.

### **Social Entrepreneurs**

Although the social entrepreneurs consented to their names being used to identify them, the researcher considered this unnecessary, as their identities are not material to the discussion. Therefore, the five social entrepreneurs described below have alternatively been identified as SE1, SE2, SE3, SE4 and SE5.

### **SE1: CEO, Lefika Foundation and Innovation Hub Africa<sup>1</sup>**

Innovation Hub Africa is situated in Philippi Village, Philippi. It targets disadvantaged youth and high school learners, training them in soft skills and computer skills needed in the workplace. The Lefika Foundation is a social enterprise (registered non-profit company) that consults on social innovation specialising in education and community development.

### **SE2: CEO and founder, FemConnect**

FemConnect is a women's health start-up founded in 2019 that assists women to access oral contraceptives online and facilitates donations of women's hygiene products for distribution in poor areas through community organisations.

### **SE3: Founder, Estee Lauren Consulting**

This entrepreneur facilitates drama workshops at disadvantaged schools in historically coloured areas.

### **SE4: Group Director at African Reach Group, Non-Executive Board Member at Bizweni Centre for Children with Disabilities**

SE4 promotes employment, innovation and entrepreneurship. His company, African Reach Group, attempts to create sustainable employment in various sectors, including advertising and marketing, staff recruitment, commercial cleaning, hygiene services and non-banking financial services.

### **SE5: Lotus Street Foundation and Lotus Boutique**

The Director of Lotus Street Foundation and owner of Lotus Boutique organises outreach programmes and social development in the Elsie's River community and runs a thrift store providing access to affordable women's clothing.

### **Non-profit Organisations**

The researcher interviewed five experts on social entrepreneurship for the study, who work in three NPOs actively promoting entrepreneurship in Extension 13 or similar communities. The NPOs have consented to their names and organisation details.

- Tashmia Ismail-Saville, former CEO at YES;

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<sup>1</sup> Innovation Hub Africa was later rebranded 'iHub Africa'.



- Rob Urquhart, Knowledge Executive and Impact Manager at Harambee Youth Employment Accelerator;
- Kyla Sparks, an employee at Harambee Youth Employment Accelerator;
- Jodi Biggs, an administrator at RLabs;
- Craig DuMont, Chief Operating Officer at RLabs.

### **Youth Employment Services (YES)**

YES leverages BBBEE<sup>2</sup> incentives to persuade companies to provide youths with work opportunities. It encourages companies to create one-year work experiences for youth that contribute to improving their BBBEE scorecard rating. The experience helps youth to improve their employability. YES also trains youth to improve their chances of finding employment by developing a curriculum vitae and reference letter, learning how to network and how to find suitable vacancies.

### **Harambee Youth Employment Accelerator**

An NPO and social enterprise that works with government, businesses, civil society and individuals in a partnership model to find solutions to youth unemployment that can be scaled up for national impact.

### **RLabs**

RLabs is an award-winning South African non-profit company established in 2009 in Cape Town. “The main aim of RLabs is to create environments and systems where people are impacted, empowered and transformed through HOPE, Innovation, Technology, Training and Economic Opportunities” (RLabs, undated b). RLabs education and training programmes provide access to entrepreneurship training in research, ideation, design, prototyping, sandboxing, innovation and technology. The RLabs model, which includes small business support and mentorship, has been applied in 23 countries globally (RLabs, undated a). A subdivision, RLabs Growth Leadership Academy (GLA), supports social entrepreneurship in Cape Town through a six-week incubator programme (RLabs, undated b).

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<sup>2</sup> Broad-Based Black Economic Empowerment (BBBEE) is the government’s strategy to ensure economic transformation by procuring its services and goods from black-owned companies and companies that meet the requirements of a BBBEE scorecard system. Companies can improve their scorecards in various ways, including through shareholding and management by black persons, and funding enterprise and skills development of black people.

#### **4.6 Setting of Data Collection**

Semi-structured interviews and focus group discussions took place in person with five aspiring entrepreneurs while a sixth aspiring entrepreneur agreed to ‘meet’ using WhatsApp calls. Semi-structured interviews with social entrepreneurs took place via the Zoom platform. Semi-structured interviews with Harambee Youth Employment Accelerator were done through telephonic interviews, a Zoom semi-structured interview was conducted with YES while RLabs ‘met’ in a Google Meet semi-structured interview. Focus group discussions with social entrepreneurs and NPOs took place via Zoom.

#### **4.7 Data Collection Tools**

The researcher prepared interview and focus group discussion guides to structure the data collection and ensure alignment to the research (see the semi-structured interview guide, Appendix 1 and 3 and a focus group discussion guide, Appendix 2 and 4). Participants’ responses were recorded on computer through the Zoom and Google Apps. Aspiring entrepreneurs’ in-person responses were similarly recorded, using the researcher’s laptop. These recordings were supported by voice notes as well as the researcher’s field notes. The researcher noted certain keywords and non-verbal communications such as emotions, gestures and body movements of research participants. Notes were carefully taken to capture the more personal questions and answers in responses to the broader research questions.

#### **4.8 Methods of Data Collection**

##### **4.8.1 Documentary review and secondary data**

The secondary data was already available and was downloaded between March 2021 and November 2021. The researcher drew extensively on existing literature reviews and online labour-related publications of organisations such as Stats SA, World Bank, United Nations and ILO as well as data published in news media relating to youth unemployment and social entrepreneurship.

##### **4.8.2 Observations**

The purpose of observations is to ground the researcher while conducting the fieldwork in the area of interest. According to Ciesielska, Boström and Öhlander (2018: 36), the researcher adapts to the context and interaction and tries not to influence the cause of events and to exert minimal influence on the environment. The observations were both direct and indirect. As a participant-observer directly exposed to and present in the environment, the researcher could

observe and study the environment as well as the participants in relation to their environment without exerting undue influence.

#### **4.8.3 Semi-structured interviews**

The semi-structured interview provides for some engagement to a “degree of predetermined order but still ensures flexibility in the way issues are addressed by the informant” (Longhurst, 2003: 105). Concerning semi-structured interviews “the researcher has a list of questions of fairly specific topics to be covered, often referred to as an interview guide but the interview has a great deal of leeway in how to reply” (Bryman, 2004, cited in Hofisi, Hofisi & Mago, 2014: 62). Data was collected from primary respondents, consisting of five social entrepreneurs and six aspiring entrepreneurs, in interviews between April 2021 and October 2021. The interview format allowed the researcher to gather participants’ perceptions of entrepreneurship as a solution to addressing and reducing youth unemployment. At a later stage, the research was expanded to include five additional participants representing three NPOs that are addressing youth unemployment and/or adopt a core focus on entrepreneurship and social entrepreneurship<sup>3</sup>.

#### **4.8.4 Focus group discussions**

After the semi-structured interviews, the researcher selected a few participants to join two focus group discussions that took place during the October—November 2021 period. Recruiting participants for a focus group discussion is a challenge, particularly if the informants belong to low-income or minority ethnic groups (Rabiee, 2004: 656). Lack of confidence and low self-esteem often prevent these individuals from participating in a group discussion. A focus group discussion could therefore be seen as a vehicle to empower participants from these communities. Fortunately, most of these aspiring entrepreneurs knew each other or had mutual acquaintances and contributed confidently to the discussions without fear of judgment.

#### **4.9 Data Analysis and Presentation**

Qualitative data analysis means making sense of relevant data gathered from sources such as interviews, on-site observations and documents and then responsibly representing what the data revealed (Caudle, 2004). One of the most important steps in the research process is data analysis (Leech & Onwuegbuzie, 2007). “Analysis means organising and interrogating data in ways that allow researchers to see patterns, identify themes, discover relationships, develop

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<sup>3</sup> One represented YES, and Harambee Youth Employment Accelerator and RLabs had two representatives each.

explanations, make interpretations, mount critiques or generate theories” (Hatch, 2002, cited in Leech & Onwuegbuzie, 2007: 564). The researcher used transcription and organisation of the data and then developed codes and themes to analyse the transcripts and present the data.

#### **4.9.1 Transcription of interviews and focus group discussions**

Transcription involves close observation of data through repeated careful listening and/or watching and this is an important first step in data analysis (Bailey, 2008). The researcher transcribed all the recorded interviews and focus group discussions conducted. The researcher relied on field notes and recordings during the in-person discussions and online interviews, which were later transcribed.

#### **4.9.2 Organisation of transcripts**

After transcription, it is necessary to organise the data into easily retrievable sections. Lacey and Luff (2009) suggest that one may wish to break up field notes into sections identified by date or by context. After the interviews and focus group discussions were recorded, the researcher accordingly proceeded to organise the printed transcripts by their interview dates and the platforms used. For instance, all Zoom meetings, Google meetings and telephonic interviews were placed in one file while all in-person transcripts were held in a separate file. The researcher ensured the accuracy of the data by repeatedly listening to recorded sessions, rewriting and reprinting transcripts where necessary and also comparing transcriptions with the field notes for extra assurance. The researcher first transcribed the raw data using verbatim transcription, including conversational non-word sounds, which were thereafter deleted to increase readability. Without altering the meaning, the researcher also edited colloquial words and local usages used by the research participants that might have confused a non-South African reader.

#### **4.9.3 Developing codes and themes**

The next step required developing codes and themes for the organised transcripts. The researcher used inductive coding, deductive coding and *in vivo* coding. Inductive coding was used since most of the coding was derived from the data. Deductive coding was used in instances where the researcher started with a few codes but developed other codes during the analysis stage. For most of the analysis, the researcher used *in vivo* coding to code data based on the participants’ own words rather than the researcher’s interpretation of the data.

Constant comparison analysis and thematic analysis were employed. Constant comparison analysis can be undertaken deductively, inductively or abductively. The researcher used

inductive constant comparison analysis since the codes emerged from the data. The first requirement was to read through different sets of transcriptions to highlight important codes that the researcher thought would be necessary to develop into themes for the presentation of the findings. Evans (2018) states that thematic analysis is the process of identifying patterns and themes within the data that begin at the stage of the data collection and continue throughout the process of transcribing, reading and rereading, analysing and interpreting the data. After the coding process, the researcher developed the findings into themes. These themes informed the various headings, sub-headings and interpretations used to present the findings.

#### **4.9.4 Writing up and presentation of the findings**

The researcher structured the thesis according to the themes and interpretations generated during the data analysis stage. In a time-consuming process, the researcher had to work toward presenting the findings in a logical and structured manner.

#### **4.10 Triangulation**

Thurmond (2001) asserts that triangulation is the combination of two or more data sources. As a qualitative research strategy, triangulation allows one to test validity through the convergence of information from different sources (Cope, 2014). Thus, to obtain validity, the researcher compared existing literature about similar studies conducted with the primary data obtained through the focus group discussions and semi-structured interviews. This was done to check whether the data contradicted or corroborated across the different research instruments used. The contradictions and differences within the data collected should encourage and guide further analysis and investigation by the researcher.

#### **4.11 Limitations**

Language Usage: Using primary data techniques and instruments was not without limitations. Five of the six aspiring entrepreneurs were native Afrikaans speakers, of whom three were interviewed in Afrikaans. The researcher had to translate the Afrikaans transcripts into English. Although translation often risks misinterpreting the original intended meaning or not always fully capturing what the participants meant to share, using the preferred language of participants was of utmost importance to make the participants more comfortable and able to express themselves freely. The remaining participants, including the social entrepreneurs and NPO representatives, all opted for English as the medium for the interview sessions and focus group discussions.

Inconsistent interview schedules: A number of postponements, cancellations and external disruptions such as the COVID-19 restrictions imposed by the South African government consistently affected meeting with participants through online, telephonic or in-person interviews.

## **4.12 Research Ethics**

### **4.12.1 Validity**

Validity is concerned with the accuracy of findings. It refers to the degree to which the procedure measures what it purposes to measure. Lacey and Luff (2009) assert that “the emphasis is on the validity of the interpretation. The ability of findings to represent the truth may not be appropriate if we accept the existence and importance of multiple truths. Rather, validity will be judged by the extent to which an account seems to fairly and accurately represent the data collected...The extent to which you represented all relevant views, for example checking the 'negative' or deviant cases to test your interpretations” (Lacey & Luff, 2009: 27).

### **4.12.2 Reliability**

Lacey and Luff mention that “in terms of assessing qualitative research the emphasis is on the reliability of the methods employed. You need to demonstrate to the reader that the methods you have used are reproducible and consistent...in demonstrating the reliability of your analysis you would need to consider the following: describing the approach to and procedure for data analysis; justifying why these are appropriate within the context of your study; clearly documenting the process of generating themes, concepts or theories from the data audit trail; referring to external evidence, including previous qualitative *and* quantitative studies, to test the conclusions from your analysis as appropriate” (Lacey & Luff, 2009: 26). Reliability addresses whether the results of a study can be duplicated.

The validity and reliability of group interview data depend on how much the researcher knows about the respondents and the contexts within which they live, and the relationships between the researcher and the focus group members. Focus group discussions alone are not sufficient to meet the criteria of validity and reliability in ethnographic research. They must be accompanied by other forms of data collection and should be thought of as supplementing rather than replacing in-depth individual interviews, observations, elicitation techniques and survey methods. To meet the criteria of validity and reliability in participatory action research

and ethnomethodology qualitative approaches to research, the researcher engaged in semi-structured interviews, observation and focus group discussions.

#### **4.12.3 Credibility**

Credibility refers to the confidence one can have in the truth of the findings and can be established through various methods such as triangulation, member checking and negative case analysis (Bowen, 2005). Triangulation is a means of corroboration, which allows the researcher to be more confident in the study's conclusions (Bowen, 2005: 215). In this study, triangulation was achieved by accessing multiple sources through multiple methods — in particular, through semi-structured interviews (supplemented with data from key informants), observation and focus group discussions.

#### **4.12.4 Reflexivity**

Sandvik and McCormack (2018) refer to the qualitative researcher's ability to facilitate an engagement that promotes authenticity, self-determination and reciprocity. Moreover, researchers should practise self-reflexivity. “Self-reflexivity is the ability to observe ourselves ‘from outside’ in contact with the participants and is important for how we refine ourselves in contact with the other” (Sandvik & McCormack, 2018: 4). Sandvik and McCormack (2018) assert that reflexivity relates to the ability of a researcher to facilitate an engagement. This engagement ought to promote authenticity, self-determination and reciprocity. Pezalla, Pettigrew and Miller-Day (2012) noted that self-reflexivity can ensure that there is an increase in the transparency of findings coupled with an increase in the legitimacy and the validity of the research.

Most of the research questions in this study were framed from the perspective of the participants' values, experiences, desires, visions and aspirations while still pursuing objectively the goals that this study aimed to accomplish.

#### **4.13 Ethical Considerations**

This study was approved by the University of the Western Cape Senate, the EMS Faculty Board and the Institute for Social Development. All participants in this study were issued an information sheet along with consent forms. It was emphasised that participation in the study was completely voluntary, confidential and anonymous. Participants were informed that they could withdraw from the study at any time for any reason. All participants gave their written consent.

According to Wiles et al. (2008), information that was gained from interviewees, whether this information was deliberately or accidentally shared, that leads to the identification of an individual, should not be disclosed. “In a research context, confidentiality means not discussing information provided by an individual with others, and presenting findings in ways that ensure individuals cannot be identified (chiefly through anonymisation)” (Wiles et al, 2008: 418). Confidentiality is not only important to protect the right to privacy of participants but is also required “to build trust and rapport with study participants, and to maintain ethical standards and the integrity of the research process” (Baez, 2002 cited in Kaiser, 2009: 4). Participants in this study were assured of confidentiality and anonymity. The aspiring entrepreneurs’ and social entrepreneurs’ identities were concealed through the use of the numbered identities coded ‘P’ and ‘SE’. It should be noted that the representatives of the NPOs gave permission to share their names.

#### **4.14 Chapter Summary**

This chapter has provided a detailed account of the research methodology which first started with the research setting and context of the study. The research participants for this study was selected through purposive sampling and snowball sampling. The researcher has analysed the raw data using thematic analysis and constant comparison analysis. The chapter concluded with research ethics and the ethical considerations. The next chapter will discuss the empirical findings of the study.





## **Chapter 5: Empirical Findings**

### **5.1 Introduction**

This chapter presents the primary and secondary findings of the research. Furthermore, this chapter responds to the research questions and research objectives explained in Chapter 1. A qualitative approach was used to collect qualitative data consisting of a sample frame comprising 16 respondents. The qualitative data was obtained from the respondents through semi-structured interviews, observation and focus group discussions. The research participants' individual backgrounds were discussed in Chapter 4 of this research. A brief discussion of issues of representivity and relevance of all the research participants used in this study is presented here. Thereafter, the data and findings will be discussed in terms of various themes relevant to youth employment and entrepreneurship.

### **5.2 Aspects of Representivity and Relevance of the Research Sample**

#### **5.2.1 Gender**

More male aspiring entrepreneurs participated than female – four male participants and two female. By contrast, four of the five social entrepreneurs were female. Of the NPO representatives used in the study, in terms of gender composition, three were female and two male. Overall, there was a slight majority of female participants.

#### **5.2.2 Demographic and cultural profiles of the aspiring entrepreneurs**

Four of the six aspiring entrepreneurs that were used for the study reside in Papendorp Street, Extension 13, in the suburb of Belhar and the remaining two participants reside elsewhere in Belhar, but in close proximity to Extension 13. Most of the six aspiring entrepreneurs identified Afrikaans as their home language while one participant primarily spoke English. All six participants self-identify as 'coloured'. They ranged in age from 18 to 30 years old. The table below summarises their key demographic information.

Table 1: Key demographic information of aspiring entrepreneurs

<u>Gender</u>	<u>Age</u>	<u>Ethnicity</u>	<u>Language</u>
P1. Male	21	Coloured	Afrikaans
P2. Male	21	Coloured	Afrikaans
P3. Female	30	Coloured	Afrikaans
P4. Male	20	Coloured	English
P5. Female	18	Coloured	Afrikaans
P6. Male	21	Coloured	Afrikaans

In terms of ethnicity, location and language, the group was fairly homogenous and broadly representative of youth living in Belhar. The age range was within the South African definition of youth although one participant was significantly older than the rest of the cohort.

### 5.2.3 Social entrepreneurs and NPO representatives

All five social entrepreneurs had a history of involvement in Belhar or similar communities and had founded or led social enterprises (Figure 4) serving the Belhar community. Similarly, the three NPOs involved in the study – YES, Harambee Youth Employment Accelerator and RLabs – were active in promoting youth employment and entrepreneurship in the Belhar community and similar communities and the NPO representatives interviewed had either been youths in Belhar or grew up in similar communities.

The social entrepreneurs and NPO representatives were, by virtue of experience, background and activity, *bona fide* experts on youth employment and entrepreneurship in Extension 13, Belhar and eminently able to provide insights into the research questions and contribute to the study.



Figure 4: Enterprises driven by the sampled social entrepreneurs

### 5.3 Thematic discussion of data and findings

The remainder of this chapter discusses the data derived from the semi-structured interviews and focus group discussions, presenting the analysis within significant themes relevant to the research questions.

#### 5.3.1 Perceptions of aspiring entrepreneurs regarding Extension 13, Belhar

During the semi-structured interview sessions and focus group discussions held with the participants, the common issues in Extension 13 reported by the aspiring entrepreneurs were gangsterism, theft, jealousy among neighbours, abuse in families and alcohol-fuelled GBV, especially in adult couples. Moreover, there is a huge dependence on state social grants (SASSA) and relief funding in the community, with many individuals regularly incurring debt funded by the SASSA grants. One of the aspiring entrepreneur participants said:

Money lenders and loan sharks lend a certain amount to individuals coming to them for their services. The money lenders and loan sharks hold onto these SASSA cards and the PIN numbers. When payment is due they withdraw the borrower's money plus interest, which is usually high.

Effectively, people who borrow in this way survive on less than the grant value. Participants noted a range of problems persisting in their community, alongside unemployment exacerbated by the COVID-19 pandemic, during which many people lost their jobs and had to depend on

SASSA. COVID-19 placed additional strain on an already struggling local economy. Several participants mentioned teenage pregnancy and food insecurity among children as additional strains specifically faced by residents of Papendorp Street, Extension 13.

### **5.3.2 Education attainment and prospects of aspiring entrepreneurs**

During the focus group discussion, respondents were asked about the quality of education attainment in Extension 13. Since only six participants were interviewed, their views cannot be considered a scientifically accurate representation of education attainment in Extension 13 but have some anecdotal value. They indicated that the secondary school drop-out rate was not high and some of the drop-outs known to them had pursued other educational avenues, such as night school. They agreed, however, that enrolment into tertiary education (including technical and vocational colleges) was extremely low. Participant 3 even stated that “people don’t do that here, they don’t see tertiary education or higher education”.

The levels of educational attainment of the participating aspiring entrepreneurs are summarised below:

- Participant 1 completed matric with admission to a diploma. He worked for one year before continuing his education at Northlink TVET College. To graduate from Northlink he has to do an internship in his field but has not yet found a company willing to offer him an internship.
- Participant 2 dropped out of school in Grade 11 in 2017 but returned to night school in 2021.
- Participant 3 failed the National Senior Certificate (NSC) examination (Grade 12) in 2009. She has to return to rewrite three subjects to obtain the NSC. She indicated that she is open to attending night school to rewrite her subjects.
- Participant 4 is currently studying at the University of the Western Cape.
- Participant 5 completed primary school (Grade 7) but did not continue her schooling. She wishes to attend night school.
- Participant 6 completed secondary school (Grade 12) but has been unemployed since matriculating in 2018.

In short, the aspiring entrepreneurs were, barring one, lacking formal education or skills training and their entrepreneurship was driven by their lack of employability.

### **5.3.3 State of youth unemployment in South Africa**

The aspiring entrepreneurs were asked how they felt about the state of youth unemployment. Their initial reactions and responses were largely negative, using words like *'upset'*, *'concerning'*, *'no hope'*, *'it's really bad'*, and *'it's actually sad'*. Facial expressions and body language were telling, with one participant's response being silence followed by a shrug. However, while disappointed and frustrated, they emphasised that they hoped for an improvement in the employment of youths in South Africa, using typically entrepreneurial expressions like "opportunities are not there, it's hard to find that eventually, you need to establish it for yourself", and "if there is no work, create work".

The level of desperation is real. One participant even admitted that being challenged to find employment after school had made him consider illegal and unethical means of making a living or putting a plate of food on the table. Participant 5 mentioned a friend who has never received any feedback from job applications and has not had any employment since matriculating in 2018. The observations and experiences of all the participants support the notion that matric by itself did not lead to entry into the labour market.

### **5.3.4 Education system and labour market mismatch**

The social entrepreneurs' responses regarding youth unemployment were more geared toward a perceived mismatch between the education system and the labour market. The basic education system consists of 12 years of general education and socialisation that perpetuate the current reality of society with little or no exposure to the practical and life skills that are needed in the workplace. The focus is on progressing children through the system to exit with a school-leaving certificate or NSC rather than directing children to specific occupations. Furthermore, the schooling system assumes a norm of salaried employment and there is no development of an entrepreneurial mind-set or an understanding of how to be self-employed or start a business.

Various respondents said that it's not enough to receive a certificate if one lacks the life skills needed to apply for employment. Employment is thus entirely related to what happens post-schooling. The system does not encourage youth to be proactive. Other than exposure to social media and the internet, few youths are exposed to the technologies that the economy and industries increasingly depend on.

Young people thus have an actual skills deficit when they leave the school system. This disconnect between the education system and the labour market is a problem that the labour market can only efficiently address among those *already* employed. Companies thus tend to

push entry requirements for jobs higher than is necessary. Borat (2014, cited in Graham et al., 2016: 14) concurs that the poor quality of basic education is a significant factor that negatively influences the employability of youth.

One representative of Harambee Youth Employment Accelerator noted that while there is wide acknowledgement that youth unemployment in South Africa is a crisis, the real crisis is the fact that young people have to navigate the education system while dealing with personal and social challenges and being expected to enter a labour market that they are ill-equipped for and that does not necessarily support their needs.

### **5.3.5 Youth not in employment, education or training (NEET)**

According to Graham et al. (2016), of even greater concern than general youth unemployment is the issue of young people who are not in employment, education or training (the so-called NEET youth). This view is supported by Stats SA (2021: 13—14), which argues that “Some young people have been discouraged with the labour market and they are also not building on their skills base through education and training; they are not in employment, education, or training (NEET). The NEET rates serve as an important additional labour market indicator for young people”. According to Stats SA (2021), 32,4% of the 10,2 million young people aged 15—24 years were NEET in the first quarter of 2021. As can be expected, youth with less education are more likely to be NEET.

The aspiring entrepreneurs participating in the research study were asked what young people who are NEET could do to become more involved and active in the economy.

I'll identify an opportunity in the community then use it to my advantage to create employment or use it to educate young people. The biggest problem in Belhar is gangsterism, how does one take that problem to create an employment opportunity to fight towards it? For instance, to be able to introduce the young people to other options that gangsterism is not the way; encouraging young people to keep active through my love of football. Maybe they can take their football career further. That could be a form of considering alternative ways to stay active and perhaps turn it into an income. – P1

I would encourage young people that it does not have to be anything fancy – like night school gives you the same results. To encourage others to stay in the education system and pursue education to improve your chances of getting a job. – P2

To encourage the young people to go back to school or finish school. In my opinion, I will encourage the completion of school. For example, I finished school, but I did not pass my

matric. I have to rewrite a few subjects. Today I regret having not gone back earlier, because where would I be today if I had just gone on, I might have had a better office job today. But to encourage young people to expand on their talents and skills in exchange for an income, I would encourage youth in my community to not to make the same mistakes. – P3

I know it's an alternative but I'll just think of starting a small business which does not require much capital such as a car wash. You don't need a lot of capital to start washing a car, I don't think you will need like capital to start your car wash because you can just start whichever ways the customers would like to proceed and then discuss the amount they can pay you because you are using their products, and then later, you start buying your own products. You can develop skills. You know, in our community, there is a lot of skills that you can learn. For example, you can learn how to cut hair as a young man or woman, you can learn how to cut hair and from there once you have acquired that skill then you can become a barber, a mobile barbershop or even go from place to place to cut hair. After a while, you can even be employed in one of the hairdressers and, for a girl, I would encourage girls learning how they can do curly hair. – P4

My advice to those not getting employment or opportunities is that they should go study further. Like some young people here behind us in the road, they sell stuff, *rotis* and things like that and then they make their money. With regards to education, to encourage many dropouts or those who gave up considering night school, what can you do? You can't do anything if you are not done with school. You will never find a job, not in this place. – P5

From the above comments, there is a clear emphasis on the importance of staying in the education system and considering alternative pathways such as night school or self-employment as an alternative to being NEET. The responses highlight the importance of building on skills development and being open to selling food or small services that do not require much capital investment to start if unsuccessful in obtaining employment.

One aspiring entrepreneur said that he planned to become the distributor of a product and 'employ' others to sell as his agents. He wanted to engage those NEET to share advice and bring exposure to entrepreneurs who were self-employed or had side hustles in the community.

Participant 2 said he knew many unemployed community members. He noted that the installation of fibre-optic cables in several communities presented an opportunity for unemployed individuals in Belhar to work, although manual labour may not be considered the

ideal job. He encouraged those who were seeking employment to consider helping out in the community for a small income.

A large proportion of those in NEET often find themselves locked out of the labour market and some of these youths become discouraged during their job searches. Experiencing long periods of being locked out of the labour market may lead to chronic unemployment among young people, especially disadvantaged youth who are the most vulnerable to chronic unemployment and poverty as well as social exclusion (Graham et al., 2016).

### **5.3.6 Addressing being locked out of the labour market**

In its most basic sense, to be locked out of the labour market simply means that youths don't have the network, social capital, qualifications or the experience to be able to access any job. It could also mean they don't have the education or live in the right places to be able to access jobs.

#### **5.3.6.1 Supply and demand reasons for being locked out of the labour market**

Employers and opportunity providers control hiring in the South African labour market. They are reluctant to employ young work-seekers, especially those with no work experience, even if qualified. Inexperienced workers have not been socialised for the world of work. Their inexperience places expensive equipment and assets at risk. Their lack of knowledge of the company culture could cause conflict or disruption, and training them is a cost most employers prefer to avoid. In general, employers consider young people who have never worked an avoidable risk and prefer candidates with prior work experience.

On the supply side, even if qualified, young people can be kept out of employment for logistical reasons or lack of job-seeking skills. For example, the cost of transport to industrial and business districts to seek work may be high. Enquiring about jobs may require access to a phone, airtime, the internet and a computer. In addition, disadvantaged youth particularly lack networks in the world of work and influential contacts. Few schools or NPOs spend much time teaching youth effective ways of job hunting, what people look for, how to prepare a CV or behave in an interview.

#### **5.3.6.2 Personal and individual reasons**

In most Cape Flats communities like Belhar, there is a lack of motivation, support and structure for youth. Poverty, poor socialisation, negative role models, peer pressure, lack of amenities, badly functioning schools and poor infrastructure are among many influences highlighted in the study that impact youths' ability to enter the labour market. The motivation and guidance



youths need to make effective decisions about work and training options are often unobtainable from their adult influencers and, without support, youth easily become discouraged from seeking work.

### **5.3.6.3 Communal reasons and family support**

It is clear from the responses that many young people from disadvantaged communities like Belhar lack social capital. For example, since it is costly to search for employment, as explained above, it would be helpful to have a relative or friend with the means to provide communication or transport support. This is relatively less likely to obtain in a poorer community. Similarly, family or community networks can lead to employment if such networks include owners and managers of businesses. Again, these are less likely to be available to a youth in Extension 13. Participant 2 pointedly mentioned that many of his uncles were unemployed.

### **5.3.7 Barriers to accessibility, availability and affordability**

Accessibility, availability and affordability factors are among possible barriers faced by disadvantaged NEET youth locked out of the labour market. The discussions with the five social entrepreneurs that formed part of this study were crucial to revealing what barriers to employment opportunities existed as well as whether entrepreneurial opportunities were available, accessible and affordable to disadvantaged youth.

#### **5.3.7.1 Accessibility to employment via online applications and data**

The cost of mobile data in South Africa in January 2022 was between R65 and R85 for 1GB, on par with Australia and Germany and almost four times the cost in Nigeria, the cheapest in the world (Illidge, 2022). Many job-seekers from Belhar are not able to access online services and opportunities because of the cost of data, lack of a device or access to an internet café or other public facility. Electricity supply and affordability may also affect the charging of devices or sending job applications, updating CVs, etc.

SE1 mentioned that her organisations, Innovation Hub Africa and the Lefika Foundation, encourage young people to use their spaces since they have unlimited Wi-Fi. Other SEs also explained how other community alternatives to ensure accessibility worked. SE2 said that placing the central focus on communities encouraged platforms and links between communities and organisations that could provide assistance.

If I want to create accessibility in Khayelitsha I have to use means that are reachable to that area, which means I need to work with local organisations. I need to work with the community. I need to find out where the youth centres are, having a close partnership with

communities that you want to reach and use communication and learning from both sides.

– SE2

SE4 said that aside from identifying an organisation like RLabs, there is a need to identify individuals with potential leadership capabilities, empowering, commissioning and mandating them to go into their community and communicate important information and opportunities.

SE5's approach was to ensure that employment and entrepreneurship are more accessible through sourcing information, finding out about opportunities provided by government departments and other entities and relaying the information to the communities. Her organisation maintained links with the communities through hosting workshops and skills training.

### **5.3.7.2 Availability**

SE3 felt that not all jobs advertised were actually available and companies may advertise positions about which they had already made decisions or that had already been filled. SE5 thought this could be addressed by companies clearly stating how many positions were available. SE4 noted the demoralising impact on work-seekers when they realise the job advertised was no longer vacant or otherwise unavailable to them. Overall, the social entrepreneurs emphasised that sharing information created more awareness among youth about development programmes, mentoring and work opportunities, which enhanced their prospects of employment.

### **5.3.7.3 Affordability**

Affordability is a key barrier to accessing employment or entrepreneurial opportunities and reflects the systemic and historical inequalities of South Africa. At one level, the victims of an underperforming economy may find that there are no work opportunities due to the lack of investment in the local economy. At another level, the cost of job-seeking may be too high. African job seekers can spend up to R700 per month looking for a job (Meyer, 2021). The 2020 Siyakha Youth Trust study estimated transport costs associated with job-seeking at an average of R280 while a further R380 has been estimated for other fees such as printing and possible agent costs. These are estimates and it is important to note that these studies were conducted before the outbreak of COVID-19 after which these costs may have increased. One representative of Harambee Youth Employment Accelerator asserted that their research had established a monthly cost to job-seekers of R450 a month for transport, data and other costs. In the context of most households in disadvantaged areas having a single or no breadwinner,

or where a household derives income only from social grants, job-seeking can quickly become unaffordable.

The social entrepreneurs suggest focussing on offers of stipends or training fees to make the employment search more affordable. For example, some organisations partner with the government to provide youth training facilities subsidised by the government through internships, learnerships and the government's Expanded Public Works Programme. SE1 suggested that some stipends may be funded by businesses seeking to improve their BBBEE scorecards to access government procurement contracts. SE4 added that employers, organisations and social enterprises might offer stipends to assist young people but cautioned that this was not a solution to youth unemployment. However, if even these were not available, volunteering may be an option to improve employability.

Start with what's in your community, volunteer at schools to clean until you earn a wage, so start what you can build yourself up until something that you want becomes available.

– SE4

SE2 added that different kinds of social entrepreneurs and social development institutions should work with the government to develop solutions to the problem of South Africa's high youth unemployment.

### **5.3.8 Impact of COVID-19 on youth unemployment and entrepreneurship**

The aspiring entrepreneurs were asked how COVID-19 impacted their relationship to employment, self-employment and entrepreneurship. Participant 1 indicated that the pandemic has delayed his studies. To graduate with his diploma at Northlink College he needs to intern with a company but, due to recession and the shrinking economy, there were fewer internships available and he had been unable to secure one or find regular employment.

Look it's been almost two years now with on and off jobs, five years finished with school, a year and a half studied at college, the time is getting less for me. – P1

Participant 1 has ironically been shielded from the impact of COVID-19 as he derived extra income from selling alcohol and demand in Extension 13 had increased during the restrictions. The participant noted that COVID-19 had forced people to consider self-employment and any other means to survive.

Participant 3 indicated that fear of COVID-19 had affected physically visiting places, applying for a business start-up loan or accessing resources to assist doing business. In contrast,

Participant 2 indicated that the demands of family members were more of a barrier than COVID-19. He felt “the only time you are really in trouble is if you run out of ideas to make money”. As an example, he described how his friend started selling toilet paper when he became unemployed and expanded after he regained employment to selling other products on the side during the COVID-19 period.

### **5.3.9 Entrepreneurship as a response to youth unemployment**

Mahadea et al. (2011, cited in Gwija et al., 2014) assert that, based on the dynamic labour market in South Africa, many young people will not find jobs after completing schooling. They suggest youths should consider self-employment as an option instead of seeking wage employment that may never materialise. The idea of responding to youth unemployment by starting a side business while waiting to find full employment was mooted by all participants. Even if it earned very little, it was a better way to be occupied than turning to drugs and alcohol, as many local youths had done. Participants 3 and 4 both noted that many young people didn't have an interest in entrepreneurship or starting their own business, and just sit at home when they cannot find a job. Some become discouraged from looking for jobs altogether, yet still do not try to find income for themselves.

#### **5.3.9.1 Conceptualising social entrepreneurship**

Since the area of study was a community, it was essential to include social entrepreneurs to conceptualise and outline the meaning of social entrepreneurship and social entrepreneurs' role in employment creation. Social entrepreneurship has often been an effective means of addressing and reducing social problems, including youth unemployment.

SE1 said that some people confused non-profit, not-for-profit, for-profit and social entrepreneurship.

Entrepreneurship, it's about creating business, creating opportunities, taking risks, fulfilling gaps when you see gaps an entrepreneur would step in and seek to fulfil that gap. As social entrepreneurs, we combine impacts and also the profits side because we are not entirely non-profit, we still need to sustain our business and we also want to make profits out of this. Going the social entrepreneurship route is the way forward because you find that many NGOs have died down out of the years, many NGOs have had to close down because they've been doing a lot of social work because nobody is thinking about the people doing that work need to be paid, that business needs to be sustained- they've been doing a lot of social work, the people that does the work needs to be paid that business needs to be sustained and the people that put their time and their effort actually working.

One can't entirely say it should run as a non-profit organisation because if it's entirely dependent on funders what happens when the funder decides to stop funding charities and instead decide to fund entrepreneurs that are focusing on new energy solutions- your funder is gone, your business is gone. – SE1

“I realised that when I started in my community, I'm slowly but surely impacting one child who would then decide to do it in their own communities and then branch out to Brackenfell. Then it's a system, this little thing where you start at the core and it gets around and around and slowly but surely, you are now inspiring people. Basically, social entrepreneurship is about solving a problem. A social entrepreneur solves a problem and once again, problems don't get solved overnight, I think it's so important for the youth to have this entrepreneurial kind of thinking that is not taught and exposed at school. – SE3

According to SE4, social entrepreneurship is social at its core, not only focused on producing profit but also making a social impact. There are many social ills or social causes that can be tackled while still being profitable and self-generating funding.

Social entrepreneurship, it's the phrase that's trending now, is doing well and doing good, so you are doing well financially. Although the bottom line was profitable but you are also doing good, so it's doing well and doing good. There is a lot of investment firms now that are doing what they call impact investment and they are particularly looking for businesses to back that are doing well and doing good you know, businesses that have the potential to be very profitable but also tackle some kind of social cause. – SE4

SE5 added that being a social entrepreneur was like feeding the soul of others, not just employing someone for the sake of a wage. For instance, the thrift store she operates is more than just about selling affordable second-hand clothes – she thinks about the environment, reducing the impact on the planet's resources one garment sale at a time.

The aspiring entrepreneurs had a similar understanding when asked what they understand by social entrepreneurship, defining it as 'giving back and getting involved with the community...uplifting the community...it's about sacrifice and greater reward, not only about the money...wanting to make a change in the environment and community...to have a little but also share that little with others'. They also felt a social entrepreneur was distinguished by an orientation towards family and community rather than profits. In this orientation, the entrepreneur is driven to make money to create jobs rather than employ people to make more money.

Social entrepreneurs serve the society or the community because they recognise a problem in the community and try to solve the problem in the community through social enterprise. The aspiring entrepreneurs in the study saw social entrepreneurs as problem-solvers and change-makers who are investing within communities because of how they view their social responsibility and social obligation.

There was a high degree of consensus also among the representatives of the three NPOs: YES, Harambee Youth Employment Accelerator and RLabs. Summarised, social entrepreneurship involves businesses that:

- have a community and societal impact;
- are socially focused and mission-driven;
- consider how they use products and services; and
- operate to contribute to the holistic well-being of communities.

#### **5.3.9.2 Benefits of social entrepreneurship for employment creation**

The main aim of this study is to determine the benefits of social entrepreneurship as a means to address and reduce youth unemployment in Cape Town. According to YES, a social entrepreneur by definition creates a business for the benefit of a community, including creating job opportunities for people in that community. Social entrepreneurs can provide employment where formal jobs are scarce. They generate local solutions, usually using local knowledge and resources while providing a social service. Social entrepreneurship encourages local business development and investment by employing locals and sourcing materials and services locally. These benefits have a knock-on effect on multiple households' income generation. They also generate social capital by functioning as a model of success, inspiring other entrepreneurs and building community confidence in solving their problems.

SE4 said that, as social entrepreneurs, the goal should be to take others along, not only take opportunities but create some for other entrepreneurs to build their businesses. Given the lack of formal local investment, social entrepreneurs can also act as funders or equity partners in start-up ventures.

I'll give you this and assist you with x percent equity in the business or you pay me back when the business is totally yours. – SE4

This mind-set of sharing opportunities could yield fruitful results in tackling youth unemployment.

### **5.3.9.3 Practical case studies of social entrepreneurship**

SE3 was able to train, mentor and ultimately employ a young woman who had studied drama and offered to volunteer on Fridays when drama sessions with primary school children were held. At first, SE3 was not in a position to pay the volunteer but later was able to fund her salary from her own full-time employment. SE3's business improved as she could count on her employee to take over on Fridays when SE3 was at work. Her employee taught her drama techniques and games to use in the programme while she provided the employee with a job and business experience.

RLabs' programmes, training and community development initiatives involve a skills-based social entrepreneurship methodology. RLabs takes on a number of young people to work at their organisation, who each receive a stipend or a salary for 12 months. It therefore directly contributes to youth employment. RLabs uses this time to assist young people to discover and realise their potential through training in hard skills such as animation or website development or soft skills such as leadership and coaching. There is a strong focus on collaborative problem-solving and ploughing back by applying their learning in the community. RLabs tries to provide disruptive, innovative solutions to complex problems and the approach is entrepreneurial in design, including mobile and internet solutions, social enterprise incubation, impact investing and social franchising. This approach often produces self-employed entrepreneurs, some of whom may also employ others.

### **5.3.10 Evaluating the personal values and qualities of aspiring entrepreneurs**

All the aspiring entrepreneurs could clearly articulate their core personal values and entrepreneurial qualities. Participant 1 said his core personal values of discipline, respect and leadership would enable him to succeed. He wanted to set an example for young people by having the confidence to approach employment agencies. The aim was for employment agencies to rethink their hiring procedures and hire more people from disadvantaged areas like Extension 13.

Participant 2 said he was productive and disciplined and never allowed a day to go to waste, even sleeping less than eight hours a day so that he could do much more. Punctuality was a core value, and he believed in setting time frames for himself to get things done. He recognised that some people struggle with transport or money in his community and therefore needed help to be able to look for a job or other opportunity.

Participant 3 said her most-loved values and qualities were that she knew how to respect and treat people and got along well with most people. She considers herself a good communicator. When asked how she could use her personal values to address youth unemployment within her community, she said:

You can reach out to people, help out and give a hand where you can. Many times, looking at it looks like you can't offer them the help, but there are ways to assist. You just have to listen and yes, try your best to create a better future for them as well. I'll then set up a pamphlet or spread the word to say I'm willing to help with some little things that people need, make my services available if someone might need help with something online, to help each other basically, look out for each other, or help with a phone call. There are a lot of things that youngsters need so yes, I'll reach out. – P3

Participant 4 said his personal values and qualities were determination, consistency, adapting to environments and being visionary. He argued that you must be determined to achieve the goals you set for yourself, and to solve the problems you decided to address. A vision for the future and a business plan were crucial.

We started a car wash, me and my friend, somewhere at the beginning of the year, we started very nicely, we were very excited, we went to people's houses, and we washed their cars and everything and then winter came. We did not plan for winter, we did not have a vision for winter and we just decided okay because its winter, its cold and raining, and the rain is cleaning some people's cars, so we were not prepared to go out in the winter because we thought it's too cold and then we decided to take a break until now; so we are going to start soon again and start getting our business going again, that one thing that we did not have is consistency so if we were consistent from the beginning of the year until now I think we would have been much further than what we are now so as a successful entrepreneur. – P4

Explaining what he had learned about the role of social entrepreneurship, Participant 4 said:

You can make money by seeing a problem in your community, by trying to recognise what it is and trying to solve the problem. Once you solve the problem you create many solutions; once you start solving a problem you can see to solve other problems of others around you, so in such a way you can make money. – P4

Participant 4 anticipates the car wash business growing and enabling him to employ young unemployed people. He was confident that supporting entrepreneurs like himself could



drastically reduce the unemployment rate and especially the youth unemployment rate in South Africa.

Participant 5 cited her core personal values as her friendliness and willingness to create awareness about small businesses or those who are self-employed. As an example, she mentioned several people that she knew who were struggling but making a living through selling food. When she was asked how she would use her values and qualities to address the youth unemployment dilemma in the community, she indicated that she always tried to promote the services rendered by local entrepreneurs through word-of-mouth or her social media apps.

### **5.3.11 Social entrepreneurs and entrepreneurs as role models**

Aspiring entrepreneurs were asked to reflect on social entrepreneurs/ entrepreneurs that they know of and how they drew from them as a source of inspiration. As with any role models, knowing a social entrepreneur/ entrepreneur increased the chances of becoming one. Three of the aspiring entrepreneurs had a role model they knew personally who inspired or encouraged them to pursue their own businesses.

Participant 1 has an uncle in the community who operates businesses in the alcohol, transport and property industries. The uncle is his role model because of his success in creating employment for family members and local youth, including casual work. Furthermore, the participant says the uncle often shared that he hadn't allowed his background in poverty to keep him from succeeding. His mind-set and determination ultimately inspired the participant to follow a similar direction.

Participant 2 said his friend inspired him. A 21-year-old who sells toilet paper, biltong, cheese and ice cream, his friend splits his time between being a student, working side jobs and selling products. This motivated Participant 2 to never limit himself and take risks to sustain an income.

Participant 3 says her brother is her success story and source of inspiration as an entrepreneur. Her brother started in a low-paying job but used his small salary to fund toilet paper sales and lending services to community members in Belhar and Delft. Over time, he was promoted at work and expanded his business. He employed Participant 3 to assist with the lending business and employed his nephew to assist with sales and marketing. Participant 3 says they have a mutually beneficial business relationship. She helps to find him customers and promote his business and he takes orders from colleagues at his place of work and his friends for the hot chips, boerewors rolls and wraps she produces in her fast-food business.

### **5.3.12 Barriers experienced by aspiring entrepreneurs**

The aspiring entrepreneurs in the study were asked to reflect on barriers that they had experienced, or potentially could experience, to entrepreneurship. One participant mentioned that he would rather start with his own capital than borrowed capital, and funding was a worry to all of them. The entrepreneurs also regularly experienced fear of risks and negative feelings, such as the fear of failure or being discouraged by setbacks. While family and friends' support could be very helpful, they could also serve as a barrier to success. Family members expected successful entrepreneurs to share their material gains while socialising with friends could distract from implementing the business plan or keeping the focus on the enterprise.

Among the external barriers identified in the study are lack of government support, government neglect of infrastructure in the community and access to bank loans. Participant 3 specifically commented, in terms of the government's official Broad-Based Black Economic Empowerment (BBBEE) policy, that she felt 'coloured' people were often denied opportunities or overlooked, and that this discouraged her from looking beyond her own resources for opportunities.

Other challenges likely to be experienced by aspiring entrepreneurs were identified by the social entrepreneurs in this study, such as the red tape around legally registering a business as a company, registering as a taxpayer and complying with tax law, the complications of labour law if officially employing anyone and, in the case of food production and distribution, complying with local government and health regulations. They also expected aspiring entrepreneurs to have difficulty putting together business and marketing plans, doing market research and funding marketing costs. Even when successful, many entrepreneurs faced difficult decisions about whether to stay in the community and about expanding their businesses.

It's about the business plans, not having those in place can hurt you along the way, knowing the proper procedures, knowing how to register a business, having your bank account set up, tax clearance and related knowledge around business start-ups could all serve as barriers for you and your business. – SE2

SE3 also shared the perception of exclusion from BBBEE of herself and the community she worked in, which she identified as 'coloured'. SE3 added that aspiring entrepreneurs may not know how or where to apply for funding to start up and operate their businesses.

### **5.3.13 Recommendations offered by social entrepreneurs**

The social entrepreneurs interviewed were asked to provide recommendations and advice for aspiring entrepreneurs. SE1 noted that there was power in leveraging and exploring networks. Having a plan set in place with clear goals helped ensure a fluid and flexible business strategy, especially when faced with the challenges of COVID-19.

SE2 says what helped her to establish FemConnect was doing the necessary research and reaching out to people, not for money but rather to introduce herself, discuss plans and receive guidance, including asking university departments to assist where possible with researching her products and services.

Make yourself visible, speaking and sharing what you are up to and hoping to accomplish since you will be surprised at how many people you are attracting. If you have the mouth to start the business and the idea in your mind, then you can try to find places and people that you can link to. – SE2

Similarly, SE5 emphasised the importance of research and aligning yourself with like-minded fellow entrepreneurs and networks to learn from them. Sometimes, just hearing the stories of others could spark that hope to keep persisting. Market research is very important because the market changes every day, not only in the community but in the wider world. SE3 advised aspiring entrepreneurs to work with what they have and what they can access, and not waste time and energy focussing on the funds and resources that they don't have. Supporting this, SE4 asserted that micro-enterprises usually didn't need much capital. An acquaintance he knows wrote a book about starting a side hustle and mentioned that any business could start with as little as R5 000.

You don't need a lot of money but what I did was to get certain things in place, bartering-trade them, approach them and say: I don't have cash in my pocket but I can do this for you if you give me this or do that for me. It becomes an exchange, I give you potatoes and you give me something in exchange, to venture into my business almost like a barter system. Starting with very little cash, maybe a spaza shop or approaching a spaza shop and asking them to give you space in their parking lot to maybe sell samosas or have carwash in exchange for so much percent or share of clients which all boils down to getting it down as a potential solution. – SE4

### **5.3.14 Accessing funding and devising business plans**

Aspiring entrepreneurs were asked during the focus group discussion if they knew how and where to access funding. Participant 3 did not know. Participant 6 said that he knew he could

approach a bank but also asked his family to assist him where possible to help him open his account. While Participant 1 said that he didn't always favour using borrowed capital, he would consider reaching out to family when in need but also partner with others to work around getting money. Next, they were asked whether they have been exposed to drawing up a business plan and whether they are open to learning how to draw up a business plan. Participant 3 said she did not know how to draw up a business plan but was open to learning how. Participant 6 said that he had some knowledge but needed to know more about it while Participant 1 indicated that he was taught how to draw up and prepare a business plan in high school and college, but he was open to further training.

The aspiring entrepreneurs in the study were informed of the assistance RLabs provided to start-ups with business plans and directing them to potential donors and funding opportunities. Several other organisations can be accessed by aspiring entrepreneurs for such assistance. For example, in November 2021, the researcher attended a networking and workshop session hosted by Huruma Bantfu and the Bertha Centre for Social Innovation and Entrepreneurship, where different aspects of entrepreneurship and employment were discussed.

### **5.3.15 Addressing entrepreneurial education at secondary schools**

Exposing young people to entrepreneurial education and training while they are still in the education system could encourage them to use their acquired skills for self-employment if unsuccessful in finding employment. The researcher engaged in a focus group discussion with social entrepreneurs and NPO representatives to investigate the feasibility of integrating entrepreneurial education and training in the secondary school curricula.

#### **5.3.15.1 Feasibility of pursuing entrepreneurial education and training at secondary schools**

Most of the comments made by respondents related to taking a practical approach. The basic education system has many problems, exacerbated by poverty in disadvantaged communities. How and where entrepreneurship could be inserted into curricula remained unclear after the discussions. Respondents felt there were realities related to business start-ups and the need for support that should be made clear to learners so that they did not see entrepreneurship as an unrealistically simple (or even glamorous) path to making easy money. SE2 was concerned about learners understanding the mental and emotional challenges attached to entrepreneurship.

It is mentally strenuous, and we do not impart that as entrepreneurs to our young people, it takes a lot of work, a lot of breakdowns. – SE2

One indirect but practical way to aid entrepreneurship education is to teach basic financial literacy and related life skills in schools, e.g. how to keep account of income and expenditure, budget, operate a bank account and save and invest. Most of the entrepreneurs had to learn these skills after starting their businesses. There were doubts about the ability of the current education system to teach or equip youth to think outside traditional views of the economy and the workplace.

Therefore, from an entrepreneurial perspective, we should aim to have some of those values introduced into the education system or curriculum. Even if it means teachers having the agency to introduce those concepts but I do think there is an opportunity, how ready we are as a country is a 50/50 but think about the possibilities. – Craig DuMont, Chief Operating Officer at RLabs.

#### **5.3.15.2 Simplifying the school-to-work transition**

Lam, Leibrandt and Mlatsheni (2009, cited in De Lannoy et al., 2015) noted that the transition from school to work is not a smooth one in South Africa, and is characterised by a period of unemployment for most youth, particularly those without labour market-related qualifications, that can stretch to years. De Lannoy et al. (2015) propose mitigating this by encouraging young people to work while still at school. However, considering that all the entrepreneurs struggled to find work *post*-school, this approach is unlikely to be practicable in a community like Belhar.

Entrepreneurial training could assist young people to transition into the workplace simply because it would help youth to think critically and approach solving problems creatively. There needs to be a mind-set change in the system that will build and support young people. SE5 related how her daughter had a project to sell something at school, which allowed her to teach the child about important concepts such as business plans, the budget, how taxes worked and other real-world issues.

In the second focus group discussion held with the aspiring entrepreneurs, there was general support for integrating entrepreneurial education and training at school. Two aspiring entrepreneurs were optimistic that this was a viable option while one was less convinced, maintaining that the biggest problem was that young people may be risk-averse. However, in the discussion in the group, it was suggested that children could learn to take these risks while at school and benefit later from the experience of running a micro-business while at school, which somewhat supports the view above of De Lannoy et al. (2015).

The social entrepreneurs and NPO representatives explained that learning and applying entrepreneurship involved trial and error and creativity, which implied a different skillset from what was traditionally taught in schools. The value of these types of skills is that they are transferable to other types of enterprises and activities. Overall, the consensus was that integrating entrepreneurship education into school curricula would benefit the school-to-work transition of youth.

### **5.3.16 Establishing partnerships between secondary schools, social entrepreneurs and government**

One of the questions related to encouraging partnerships between stakeholders such as the government, NGOs, social entrepreneurs, schools and investors. Participants' responses were consistent: "tough question", "it's difficult", and "so easy to say but this is not easy at all". Children's safety was a major issue as was the lack of material support. For instance, SE5 and her team at the Lotus Street Foundation run teenage health programmes and entrepreneurship courses in schools but receive no state assistance.

From a school perspective, school leaderships are preoccupied with administration as opposed to strategic thinking about the school as an asset that could be leveraged to create more value for the community. In that sense, school leaderships see partnerships as a lot more work for the school to do rather than a means of accessing resources from relationships with local businesses. To develop working relationships with businesses, schools need a different way of thinking about solving community challenges and a shared vision with their communities. The aspiring entrepreneurs recognised that forming partnerships with schools would be difficult. Participant 6 suggested that partnerships should be broad, including NPOs, parents, governing bodies and others with a direct interest in the community. The other participants agreed that the goal should be to target schools through approaching governing bodies and through active parent engagement.

## **Chapter 6: Conclusion and Recommendations**

### **6.1 Introduction**

This chapter summarises the empirical findings of the study, makes policy recommendations and suggests future research objectives.

### **6.2 Key Empirical Findings**

This dissertation concerns social entrepreneurship as a solution to address and reduce the problem of unemployment among disadvantaged youths in Cape Town. The study area selected was Extension 13 in the suburb of Belhar, an economically disadvantaged community, demographically and economically similar to most of the poorer communities within the bounds of the City of Cape Town metropolitan area. Data was collected from a sample representing a cross-section of people involved in youth employment and social entrepreneurship, comprising six aspiring entrepreneurs, five social entrepreneurs and five representatives of three NPOs – YES, Harambee Youth Employment Accelerator and RLabs – that are active in training and promoting entrepreneurs and job creation. The discussion below poses the research objectives as questions to better appraise the findings.

#### **6.2.1 What employment or entrepreneurship assistance are local youth accessing?**

In the absence of significant government or corporate assistance to foster entrepreneurship in Extension 13, information from several NPOs and individual entrepreneurs showed that non-governmental organisations were active in the community in terms of providing business training and even work opportunities to youth and that these entities tried to provide assistance that considered local realities such as poverty, poor schooling, lack of capital and poor economic infrastructure. For example, the Lefika Foundation made space and Wi-Fi available to aspiring entrepreneurs and job-seekers to enable access to the internet and even provided assistance as simple as allowing youth to charge their devices. Effective assistance depended on integration between local communities and local organisations, community leaders and social entrepreneurs, with the entrepreneurs often initiating development. A good example was the thrift shop founded by SE5 that not only addressed a need for affordable clothing but created at least one job. The NPOs in the study all had programmes to foster employment creation and were quite involved in entrepreneurship training, which the formal basic education system did not address at all. This training included both hard and soft skills required in successful entrepreneurship.

Participants acknowledged that government programmes were available, especially in terms of the EPWP, that provided work experience and stipends. However, the experiences of the aspiring entrepreneurs showed that such programmes had not impacted their community. As poor people, they felt that poverty itself inhibited employability as funds may not be available for the expenses of job-seeking. Youths were also leaving school, often without matriculating, and without any skills sought by the labour market. In short, there were few platforms available to youths to promote employment or entrepreneurship.

Was employment being created through social entrepreneurship? The simple answer is clearly yes. All the NPOs in the study, as well as the social entrepreneurs, had created local employment opportunities or facilitated youths' ability to find work. Although most were survivalist responses initiated by joblessness, all the aspiring entrepreneurs had at least created part-time or temporary employment for themselves, albeit informal, and were deriving some level of income.

### **6.2.2 What benefits did social entrepreneurship contribute through job creation?**

The NPO representatives were emphatic that social entrepreneurship offered a viable channel for income generation in the context of formal job scarcity. Every job created through social entrepreneurship had multiple levels of impact benefitting individuals, households and the local economy. The benefits in terms of social capital formation exceeded the financial contribution of income, as more jobs meant better potential education opportunities, community stability and quality of life improvements as well as contributing to individuals' confidence, dignity, self-sufficiency and self-worth.

Because social entrepreneurship creates the space for mentorship, it also presents opportunities for social entrepreneurs to equip others with the lessons they had learnt and guide them to new opportunities and knowledge that could lead to new start-ups and new local investment, not only in capital but, as was the case of SE3 employing a drama teacher, a return on investment of new skills. Furthermore, RLabs pursues an innovative social enterprise incubation approach to assist both aspiring and existing entrepreneurs through a range of services.

### **6.2.3 What solutions do youths propose for providing employment?**

The aspiring entrepreneurs agreed that participation in the education system increased opportunities of accessing employment if the NSC matriculation certificate is obtained, as the NSC is seen as a gateway to further study or training. Further, any form of continued education, including night school and college, would improve prospects of finding employment.



One aspiring entrepreneur saw employment opportunities as a strategy to resolve community problems such as gangsterism, as antisocial behaviour was related to idleness and frustration. This respondent even proposed addressing these problems through non-employment activities such as coaching football teams. The consensus was that young people should do whatever constructive activity they could to stay active and earn some income, whether through their skills or filling a gap in the market while looking for formal employment. The entrepreneurs suggested that young people could start small businesses that require little capital, such as rendering a car wash service or cooking and selling food.

The aspiring entrepreneurs already had observable traits and qualities associated with successful entrepreneurship, such as discipline, respect, leadership, confidence, good communication skills, determination, vision, consistency and adaptability. These important qualities are social capital possessed by aspiring entrepreneurs and could be used, with sufficient material support, to respond to the youth unemployment crisis in the country.

Aspiring entrepreneurs were asked to share a success story of someone they know who succeeded in creating employment opportunities for others. In the semi-structured interviews, it emerged that at least three aspiring entrepreneurs were personally associated with a successful entrepreneur. At least two of the aspiring entrepreneurs worked for the social entrepreneurs/ entrepreneurs before venturing on their own. Having successful role models and mentors can play a pivotal role in inspiring youths to begin their entrepreneurial journey, and result in benefits in mentorship, business connections and investment.

#### **6.2.4 Can entrepreneurship education and training be integrated into the basic education system?**

The final objective of the study was to explore integrating entrepreneurial education and training at secondary schools. The study concluded that South Africa had a flawed and inconsistent public education system that did not provide quality education to the majority of learners. Therefore, many systemic problems had to be resolved to improve general education outcomes, including reducing drop-out rates. Such improvement would contribute to reducing youth unemployment by ensuring a better quality of matriculants. There are many areas of curricular improvement and opportunities to insert entrepreneurship education into the system, such as building curricula around real-life concepts and practices, teaching the basics of financial planning and accounting, learning about the labour market, and basic marketing and communication skills. However, the traditional methods and requirements of schooling should be revisited as they are based on the norm of salaried company employment, rather than the

status quo of massive youth unemployment and an economy that simply cannot produce formal jobs in sufficient numbers to absorb all the youth emerging from our schooling system. Learners need a schooling system that encourages them to challenge norms and think creatively about employment and have the confidence to want to create employment for themselves and others.

The social entrepreneurs and NPO representatives agreed that integrating entrepreneurial education and training into basic schooling would result in skills and creativity that they could transfer to other areas, particularly skills development. An entrepreneurial mind-set would enable them to see opportunities in the market to acquire skills, take opportunities and fill market gaps. The aspiring entrepreneurs, with some reservations, were optimistic about the possibilities of integrating entrepreneurial education and training at the secondary school level, believing that this exposure during high school would equip young people and give them the confidence to start a small business through applying the concepts and engaging the practical skills taught to them. They further agreed that involvement in entrepreneurship by learners would condition them to be exposed to risks and to be better able to develop strategies to deal with risks after schooling.

### **6.3 Additional Findings**

- Aspiring entrepreneurs were asked to engage in a SWOT analysis to identify their strengths, weaknesses, opportunities and threats as individual aspiring entrepreneurs (see Appendix 6). This analysis and the discussions revealed concerns around funding, business plans and accessing resources. Aspiring entrepreneurs also needed access to information about workshops, tender opportunities, funders, facilitating agencies, banking and finance and training opportunities.
- Establishing partnerships between secondary schools, social entrepreneurs and government initiatives faced a few obstacles, including the need for the safeguarding of learners. Respondents also cited instances of government inaction, too much bureaucracy and regulations, miscommunication and lack of support.
- NPOs, schools, parents, youths and other stakeholders should work together through a shared vision for youth employment and entrepreneurship and practical partnerships and joint ventures.

## **6.4 Recommendations by Aspiring Entrepreneurs**

### **6.4.1 Develop mentor-mentee relationships**

Social entrepreneurs should partner with aspiring entrepreneurs with whom they share similar interests or a mutual desire to contribute toward a social cause and, as the senior person in terms of business experience, should mentor aspiring entrepreneurs.

### **6.4.2 Entrepreneurship training workshops**

Assistance should be provided through workshops to train aspiring entrepreneurs in essential skills such as developing business plans and funding proposals. These workshops should be underwritten by the government and corporate citizens to enable them to be accessible to aspiring entrepreneurs across the country, but especially to aspiring entrepreneurs in disadvantaged communities.

## **6.5 Recommendations by Social Entrepreneurs and NPOs**

- Focus on asset-based community development, attempt to create change-makers and have people with agency who actively participate in their community through volunteering or programme design take the lead.
- Move away from the top-down approach and expecting youth to have solutions and let social entrepreneurs and NPOs who have the tools engage, empower and upskill the youth.
- Co-create platforms and pilot programmes with disadvantaged and marginalised youth as the dominant voice or representative of their own development initiatives.
- Identify community leaders who can be supported to assist and play an intermediary connecting role between ‘opportunity’ and ‘disadvantaged youth’.

A final recommendation is to encourage networks between social entrepreneurs and NPOs to strengthen social innovation and for it grow exponentially at a local level. For instance, social entrepreneurs and NPOs can collaborate and/or formulate a partnership with community leaders since these community leaders know their community best. This does not only improve the wellbeing of the community but also strengthens networks among different stakeholders but also encourages the creation of innovation at a local and communal level.

## **6.6 Research limitations and future research possibilities**

This study of youth unemployment and entrepreneurship was limited to a small sample of a sub-area of the suburb of Belhar. Conclusions could be safely drawn about local realities but

not easily extrapolated to the broader reality of the South African youth population. Given that very few studies exist on youth entrepreneurship in South Africa, the small contribution of this study can be built upon with other local and national studies. The study was also limited to urban youth of one demographic profile. Further research among other population groups and rural communities will deepen understanding of the challenges of youth unemployment and the opportunities presented by social entrepreneurship to address this crisis. A further limitation of the study is that infrastructural limitations were largely outside the scope of the work. Many interesting research avenues remain such as, for example, investigating the limitations in the funding environment and the risk appetite of lending institutions and their inhibiting effects on promoting and sustaining youth entrepreneurship.

Arguably, the greater value of this study is that it assembled qualitative data drawn directly from contributions by unemployed youth. The government, policymakers, academic institutions and economic analysts would all benefit from wider consultations with unemployed youths, aspiring entrepreneurs and other disadvantaged youths as well as stakeholders such as NPOs, social entrepreneurs and local business organisations, with a view to fully understanding the challenges and barriers preventing entrepreneurship from creating sufficient youth employment to address the current crisis.

## **6.7 Conclusion**

This study undertook an in-depth and participatory action research approach to investigating the issue of addressing and reducing youth unemployment among disadvantaged youth in Cape Town through social entrepreneurship. A range of stakeholders in entrepreneurship was included in this study, who were able to freely contribute their views and experience on the subject of study, as experts on youth entrepreneurship and unemployment in their community. The views of the small sample were synthesised through various themes and enriched through the application of social innovation and PCD as theoretical frameworks to support the study as well as a review of the extant literature. The study answered its main research questions, providing a fresh view of the problems of youth unemployment in Extension 13, Belhar, that indicated the benefits currently experienced through social entrepreneurship as well as possible avenues for how social entrepreneurship could further address and reduce youth unemployment in disadvantaged communities in the broader South Africa.

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# Appendices

## Appendix 1: Semi-structured Interview Guide: Aspiring Social Entrepreneurs

Thank you for agreeing to participate in the semi-structured interview and broader research study titled *Examining social entrepreneurship as a solution to addressing and reducing youth unemployment among disadvantaged youth in Cape Town*.

The rule of thumb is that all interviews should be between 45 minutes to an hour of face-to-face interview. However, under lockdown regulations, the study had to be converted into an online semi-structured interview. The interviews will be conducted through WhatsApp video calls; therefore, the interviews will last up to 10—15 minutes per participant depending on the direction the interview takes with the interviewee. However, should lockdown regulations change, adjustments will be made for necessary face-to-face meetings. You will be notified in advance. I would like to assure you that this is completely voluntary so you can opt out at any time of the process. It is completely anonymous, so your identity will not be disclosed at all.

Finally, I would like to request, if possible, to have the sessions recorded as it would assist me with notetaking during the interview process.

Note: Before starting the interview, I will discuss certain terms and phrases such as dialogue, locked out of the labour market and social entrepreneurship.

***[Author Note: Since Afrikaans is the dominant language spoken by aspiring entrepreneurs, all the questions were translated.]***

### Semi-structured interview questions

1. What are your views regarding the state of youth unemployment in South Africa?
2. What are some of the alternative ways in which youth can be involved in employment, education and training in your community and surrounding communities?
3. As an aspiring entrepreneur, what are some of your qualities and personal values that you think will enable you to succeed?
4. As an aspiring entrepreneur, how will you use these qualities and personal values to address the youth unemployment dilemma in your area or surrounding communities?
5. What do you understand by the concept of ‘social entrepreneurship’?



6. As an aspiring social entrepreneur/ entrepreneur, share a few recommendations that you think will facilitate decent employment creation and boost economic growth?
7. Share any success stories of existing entrepreneurs you know personally or heard of creating employment opportunities for youth in South Africa.
8. Mention a few barriers that would delay or limit your start-up as an aspiring entrepreneur and/or social entrepreneur; motivate these barriers.
9. Do you think COVID-19 is delaying your process of aspiring to be an entrepreneur? Is the global COVID-19 pandemic presenting certain limitations that affect entrepreneurs and social entrepreneurs from operating successfully? Motivate your answer(s).
10. a) How do you think dialogue between aspiring entrepreneurs and existing social entrepreneurs can be created?  
b) How can we encourage and expand dialogue between aspiring entrepreneurs and existing social entrepreneurs?



## **Appendix 2: Semi-structured Interview Guide: Social Entrepreneurs and Entrepreneurs**

### **Part 1: Welcome and Introduction**

Thank you for agreeing to participate in the semi-structured interview discussion and broader research study titled *Examining social entrepreneurship as a solution to addressing and reducing youth unemployment among disadvantaged youth in Cape Town*. You have been selected because you will be able to add some valuable insights to the research project as it is within your line of expertise. This is completely voluntary; you can withdraw or stop the discussion at any time with no repercussions at all. I would like to remind you that this is anonymous and all the findings and/ or discussions are confidential.

The discussions will be conducted on Zoom Meetings for up to a duration of 35—45 minutes per session. On a final note, I would like to request, if possible, to have the sessions recorded as it would assist me with the notetaking and when processing the data.

#### **Semi-structured interview questions:**

- 1) What is your overall impression about the state of youth unemployment in South Africa?
- 2) What comes to mind when you hear ‘locked out of the labour market’?
- 3) What do you think are some alternative ways in which jobs can be created for disadvantaged youth often locked out of the labour market?
- 4) What do you understand by the term ‘social entrepreneurship’?
- 5) How will social entrepreneurship accommodate disadvantaged youth not in employment, education and training?
- 6) How can disadvantaged youth receive the necessary training and exposure to entrepreneurship that will make them more employable?
- 7) Mention a few barriers and/or limitations aspiring entrepreneurs and social entrepreneurs might experience when they start up as entrepreneurs; please motivate these barriers and/ or limitations.
- 8) What are some recommendations or suggestions you might have for aspiring entrepreneurs who are struggling to access resources, social capital and financial capital?
- 9) Share some of your success stories or a turning point in your journey as a social entrepreneur to inspire aspiring entrepreneurs.

- 10) a) As a social entrepreneur whose main focus is to create opportunities for unemployed youths, how would you ensure entrepreneurship, entrepreneurial training or self-employment are made accessible for disadvantaged youth often locked out of the labour market?
- b) As a social entrepreneur, how would you ensure entrepreneurship, entrepreneurial training or self-employment are made affordable for disadvantaged youth often locked out of the labour market?
- c) As a social entrepreneur, how would you ensure entrepreneurship, entrepreneurial training or self-employment are made available for disadvantaged youth often locked out of the labour market?
11. Please share some suggestions as to which mechanisms you would put into place to ensure that dialogue is created between disadvantaged youth aspiring to be entrepreneurs and existing social entrepreneurs.



### **Appendix 3: Semi-structured Interview with NPOs**

YES, Harambee Youth Employment Accelerator and RLabs.

- 1) What is your overall impression about the state of youth unemployment in South Africa?
- 2) What comes to mind when you hear ‘locked out of the labour market’?
- 3) What do you think are some alternative ways in which jobs can be created for disadvantaged youth often locked out of the labour market?
- 4) What do you understand by the term ‘social entrepreneurship’?
- 5) How will social entrepreneurship accommodate disadvantaged youth not in employment, education and training?



## Appendix 4: Focus Group Discussions

### SOCIAL ENTREPRENEURS AND NPOs

#### A. **Integrating entrepreneurship at school: Proactive solutions to tackle youth unemployment/ Recommendations moving forward.**

1. Do you think South Africa as an economy is feasible to pursue entrepreneurial education and training at secondary school level?
2. How do you suggest we go about integrating entrepreneurial education and training at secondary school level?

Theoretically? Practically?

3. How can entrepreneurial education and training smoothen the school-to-work transition / NEET?
4. If skills mismatch is one of the major reasons behind youth unemployment, how will exposure to entrepreneurial education and training assist in terms of building on skills development, soft skills and work preparedness as well as practical skills that can be translated into the workplace?
5. What are the ways in which secondary schools can enter into partnerships with existing social entrepreneurs and/ or government initiatives to introduce entrepreneurial education and training?

#### B. **Funding/ Business plans and accessing funding, social capital and resources to start up your business: entrepreneurship/ self-employment.**

6. How can we assist disadvantaged youth aspiring to become entrepreneurs with the necessary access to funding proposals and preparing business plans?
7. What are the ways in which disadvantaged youth aspiring to become entrepreneurs can go about networking, taking risks, and approaching donors and potential investors?

## Aspiring Entrepreneurs

1. You know your community best – what would be the best way to reduce unemployment among young people in Belhar?
2. Participatory development suggests that one should not only be involved in development but also shape development projects. How would you use your platform to expand development projects aimed at building on skills, education and training in your community?
3. What are the best ways in which you will ensure that local resources are mobilised and easily accessible to members of your community?
4. As an aspiring entrepreneur, how will you use your skills and acquired skills to empower someone else in your community?
5. How will you use networking as an approach to assist yourself and other young people in your community to receive the necessary emotional support, guidance and, potentially, financial support?
6. As an aspiring entrepreneur, develop a SWOT analysis to identify different components to you personally and as an aspiring entrepreneur.

### **Funding, business plans and access to resources:**

7. Do you know where to access funding/ Do you know how to go about accessing funding?
8. What do you think the best methods are to raise funds as an aspiring entrepreneur?
9. Have you ever been exposed to drawing up a business plan? Are you open to learning how to draw up a business plan?
10. As an aspiring entrepreneur, who would you approach to assist you with access to resources and social capital? Or, alternatively, do you make use of fundraisers?

### **Benefits of integrating entrepreneurship at school:**

11. What are the ways in which secondary schools can enter into partnerships with existing social entrepreneurs and/ or government initiatives to introduce entrepreneurial education and training?

## Appendix 5: Social Entrepreneurs' Media Appearances

Social Entrepreneurs' social media appearances and background regarding what they do and have accomplished thus far.



a)



b)

**FemConnect ZA**  
66 followers  
1yr · 🌐 + Follow

Youth Micro Enterprise Relief Fund for businesses.  
The NYDA is going to provide a Relief Fund to youth-owned enterprises for a period of three months. The relief fund will cover operational costs only. The relief fund will be capped at a maximum of R10,000.00 per youth owned enterprise and this will be a once-off amount. The application period is from 20 April up to 30 May 2020

The applicant must provide evidence of the following:  
The enterprise is owned by youth between the age of 18 to 35 years  
The owners are South African citizens  
They are residing in South Africa  
The business operates within the borders of South Africa

Follow link for more information and to apply:  
<https://lnkd.in/d2gqS4d>

For more funding opportunities for youth visit the Youthlead platform. [#YouthLead](#) [#YouthPower](#) [#COVID19](#) [#Youcanstopthespread](#) [#YLASouthAfrica](#)

**Youth Micro Enterprise Relief Fund**  
nyda.gov.za · 1 min read

The National Youth Development Agency (NYDA) is a South African-based agency established primarily to...

c)

 **The Lefika Foundation**  
April 20, 2020 at 3:43 AM · 🌐

#FixScholarship

**MAURISA MOLOTO**  
2017 Recipient of the Fix Scholarship and the Busisiwe Vilakazi Achiever Award

“ Through the Fix Scholarship, The Lefika Foundation was born. The Lefika Foundation is a Non-Profit Company which consults in social Innovation. We specialise in education, community development and wellbeing for positive change.

 Fix scholarship

d)



## Appendix 6: Focus Group Discussion Activity

### SWOT ANALYSIS OF ASPIRING ENTREPRENEURS

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>• Very business-minded</li> <li>• Very passionate about many things</li> <li>• I love to participate in events and programmes, I love to be on the ground, in the field.</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>• Lack of consistency, I am not always consistent.</li> <li>• I talk too much without implanting what I say or getting stuff done at times.</li> <li>• I also think that I am more vocal about things that could prevent me from getting things done, so that's a bad habit having much to say without it being confirmed or achieved first.</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Lockdown is an opportunity for me since weekend restrictions allow me to experience an increase in the sales of alcohol.</li> <li>• In my hot chips sales and event planning, there is definitely an opportunity for me. Maybe with my events planning that could go further than my hot chips sales.</li> <li>• Saving something and putting it away, to have something then at least start making something small, profits that can be used for later use or maintenance of the business. There are a lot of opportunities. Be open to the idea that there are many things ahead and keep your head straight and direct your focus.</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>• Competitors, there are a lot of people here running with the same ideas and businesses.</li> <li>• COVID-19 has to be the biggest threat to business success because more people are not always in a position to support businesses/start-ups. After all, some have lost their jobs and can no longer purchase nor support those selling goods.</li> <li>• I agree, COVID-19 and competitors as well.</li> </ul>

## Appendix 7: Success Story of RLabs



**Appendix 8: Views of Extension 13, Belhar**



View of Papendorp Street, Extension 13, Belhar



View of Extension 13, Belhar.



Views of Belhar Library



Views of informal markets and stalls outside Belhar, Airport Mall



**BAREFOOT  
TEACHER**

## **CERTIFICATE OF EDITING**

This certifies that the manuscript titled

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Date of issue:

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Owner and Chief Editor

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