

UNIVERSITY OF KWAZULU-NATAL

EQUIPPING THE YOUTH IN
KWAZULU-NATAL WITH THE
NECESSARY SKILLS TO CREATE
JOBS: THE CASE STUDY OF
UMSOBOMVU YOUTH FUND

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DECLARATION

Submitted in partial fulfilment of the requirements for the degree of Master of Social Science, in
the Graduate Programme in Social Policy, University of KwaZulu-Natal,
South Africa

I declare that this dissertation is my own unaided work. All citations, references and borrowed ideas have been duly acknowledged. I confirm that an external editor was used and that my Supervisor was informed of the identity and details of my editor. It is being submitted for the degree of Master of Social Science in the Faculty of Humanities, Sociology and Social Studies, University of KwaZulu-Natal, South Africa. None of the present work has been submitted previously for any degree or examination in any other University.

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DEDICATION

This dissertation is dedicated to my late uncle, Mr. Robert Themba Dlamini, who contributed significantly in my basic education and would have enjoyed witnessing this moment of my life.

ABSTRACT

In 2001 the South African government established the Umsobomvu Youth Fund (UYF) as a national youth development initiative to promote employment opportunities for young people and enhance entrepreneurship amongst them for sustainable livelihoods. The UYF focused on three areas: contact, information and counselling; skills development and transfer, and youth entrepreneurship. This study aimed to explore the relationship between job creation and the UYF's skills development and transfer programme. It investigated the impact of the UYF training programmes in helping youth establish business enterprises and the creation of jobs. Using a non-experimental approach, qualitative and quantitative data was collected from purposively selected UYF personnel and a sample of UYF beneficiaries. The data was thematically and statistically analysed to determine the programme's role on new firm formation, job creation, and the quality of life of beneficiaries and their families. The study found a positive impact of UYF's entrepreneurship education and training programme on new firm formation (self-employment), disposable income and the quality of life of the beneficiaries and their families. At the same time, there was a negative impact towards reducing unemployment and creating jobs. Also, the entrepreneurship education programme did not attract adequate participation by beneficiaries and its curriculum content did not cover critical entrepreneurship skills. The findings show that more interventions are required to enable the Umsobomvu Youth Fund to deliver on its skills development and job creation mandate better.

TABLE OF CONTENTS

Declaration.....	i
Acknowledgement.....	ii
Dedication.....	iii
Abstract.....	iv
Table of Contents.....	v
List of Tables.....	vi
List of Figures.....	vii
Acronyms and Abbreviations.....	viii

Chapter One

1.1 Introduction.....	1
1.2 Umsobomvu Youth Fund and Youth Development.....	2
1.2.1. The Three Programmatic Areas.....	3
1.2.1.1 Youth Entrepreneurship Programme.....	3
1.2.1.2 Skills Development and Transfer Programme.....	4
1.2.1.3 Contact, Information and Counselling.....	4
1.3 Umsobomvu Youth Fund performance.....	5
1.4 Purpose and Objectives of the Study.....	7
1.5 Significance of the Study.....	7
1.6 Structure of the Dissertation.....	8

Chapter Two

Theoretical and Conceptual Framework of Youth Entrepreneurship.....	9
Development & Outcomes	
2.1 Introduction.....	9
2.2 Conceptual Overview.....	10
2.2.1 Who or what is Entrepreneur.....	10
2.3 The role of Entrepreneurship in Economic Growth and Development.....	13
2.4 Entrepreneurial Intent and Business Start-Up.....	12
2.5 Effects of Entrepreneurial Education and Training on New Business Start-Up and Job Creation	15
2.5.1 Theoretical Foundations.....	15
2.5.2 Empirical Evidence on the Effect of Entrepreneurship Education and Training Programmes.....	19
2.5.3 Theoretical Framework for Impact and Effectiveness of Entrepreneurship Education and Training on New Firm Formation and Job Creation.....	21

Chapter Three

3.1 The Research Approach.....	24
3.2 Methods.....	25
3.3 Piloting the Questionnaire.....	27
3.4 Data Analysis.....	27
3.5 Limitations.....	28

Chapter Four.....

4.1 Introduction.....	30
4.2 Samples Profile.....	30
4.3 Impact of UYF Training Programme.....	38
4.3.1 Job Creation.....	38
4.4 Impact on Income Levels and Turn over.....	40
4.4.1 Income Levels.....	40
4.4.2 Turnover.....	41

4.5	Effect of starting a business or getting a job on Respondent’s Personal Lives and Families.....	43
4.6	Beneficiary Perception of UYF Performance.....	44
4.7	UYF Programmes.....	52
4.8	Performance Index.....	57
4.9	Key Findings.....	59
4.9.1	UYF Programmes.....	59
4.9.2	Impact of UYF Programmes.....	59
4.9.2.1	Employment Status.....	59
4.9.2.2	Job Creation.....	61
4.9.2.3	Personal and family Lives.....	62
4.9.2.4	Perceptions of UYF Performance.....	62
4.9.2.5	UYF Performance Index.....	63
4.10	Result of In-depth Interviews.....	63

Chapter Five

5.1	Introduction.....	67
5.2	Programme Content, Participation and Values.....	67
5.3	Impact of UYF programme.....	69
5.4	Recommendations.....	71
5.5	Conclusion.....	73
	Bibliography.....	75
	Appendix A.....	82
	Appendix B	95

LIST OF TABLES

Table 1 :	Umsobomvu Youth Fund Performance.....	5
Table 2 :	A Sample of Contemporary Definitions of Entrepreneurship.....	11
Table 3 :	Employment Status Before and After UYF Training Programme.....	32
Table 4 :	Type of Business of Currently Self-employed Respondents (Multiple Response).....	34
Table 5 :	Employment Status by Gender.....	35
Table 6 :	Employment Status by Age Group (Years).....	35
Table 7 :	Number of People Employed Before and After UYF Training.....	38
Table 8:	Reported Number of People Helped to establish A business or Find a Job.....	39
Table 9:	Monthly Income (After Tax) Before and After UYF Training.....	41
Table 10:	Turn Over Before and After UYF Training.....	42
Table 11:	UYF Performance by Employment Status.....	45
Table 12:	Things UYF ought to be doing to adequately equip the youth to create jobs.....	47
Table 13:	Reasons for the limited ability of the youth touched by UYF programmes to create employment.....	49
Table 14:	Proportions that think that each of the 35 characteristics is “extremely important” or “very important” for success in business.....	51
Table 15:	Proportions that think that each of the 3 UYF programmes is ‘very important for success in business or career’.....	53
Table 16:	Proportions that think that each of the core entrepreneurial and employee skills was ‘partially’ or fully covered in UYF Training Programme.....	57
Table 17:	Equipping youth with entrepreneurial skills to establish businesses and create jobs: level of performance index.....	58

LIST OF FIGURES

Figure 1: Age Distribution of Respondents.....	30
Figure 2: Distribution of Marital Status.....	31
Figure 3: Distribution of Highest Level of Education	31
Figure 4: Distribution of Current Employment Status.....	32
Figure 5: Distribution of Employment Status of Beneficiaries Before and After UYF Training.....	33
Figure 6: Barrier to Establishing a Business.....	36
Figure 7: Intended Type of Business to be established.....	37
Figure 8: Have you ever helped anyone to establish a business or get a job?.....	39
Figure 9: How respondents helped others to find a job or start a business.....	40
Figure 10: Impact of establishing a business or finding a job on personal life.....	43
Figure 11: Impact of establishing a business or finding a job on family.....	44
Figure 12: Is UYF doing enough to equip the youth with necessary skills to create jobs?.....	44
Figure 13: What is preventing UYF from doing enough to equip the youth?.....	46
Figure 14: Extent to which beneficiaries agree or disagree that the ability of young entrepreneurs touched by UYF programmes to create jobs is very limited.....	48
Figure 15: Extent to which beneficiaries agree or disagree that the ability of young entrepreneurs touched by UYF programmes to create jobs is very limited by employment status categories.....	48
Figure 16: Does UYF entrepreneurial skills development programme emphasize values as a guiding principle to being successful in business or finding a job?.....	50
Figure 17: Participation in UYF Programmes	53
Figure 18: Most Significant UYF Programme for Success in Business.....	54
Figure 19: Least Significant UYF Programme for Success in Business.....	55
Figure 20: Most Significant Programme for success in Finding a Job.....	55
Figure 21: Least Significant Programme for Success in Career.....	56

ACRONYMS AND ABBREVIATIONS

DTI	Department of Trade and Industry
FET	Further Education and Training
GEM	Global Entrepreneurship Monitor
HSRC	Human Sciences Research Council
ILO	International Labour Organisation
KZN	KwaZulu Natal
LED	Local Economic Development
LFS	Labour Force Survey
NGO	Non Governmental Organisation
NONIE	Networks of Networks on Impact Evaluation
NYDA	National Youth Development Agency
NYPF	National Youth Policy Framework
OECD	Organization for Economic Cooperation and Development
R&D	Research and Development
SA	South Africa
SPSS	Statistical Package for Social Sciences
UYF	Umsobomvu Youth Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
US	United States
YESG	Youth Entrepreneurship Strategy Group

Chapter One

“Youth entrepreneurship holds the potential of bringing marginalized young people into the economic mainstream. Entrepreneurship and business creation are also a growing alternative for young people whose age group faces labour market with double digit unemployment rates. Traditional career paths and opportunities are disappearing rapidly. A growing number of young people are taking up the challenge of starting their own business and much is being learned about how odds of success can be improved through various types of assistance and through the creation of a supportive environment”

- Juan Somavia, Director General of the ILO,

1.1 Introduction

Youth unemployment is a historical and contemporary South African phenomenon. Lam, Leibrandt and Matsheni (2008:1) observe that the country has had a pervasive unemployment problem for the last forty years. They report, citing Standing *et al* (1996), that unemployment rose sharply in the 1970s and that this rise continued through the 1980s and 1990s. Statistics released by Business Trust in 2004 showed that 56% of the unemployed were aged between 15 and 30 in a labour market where the under-30s made up only 26% of the employed, and 35% of the labour force as a whole. According to Borat (2007: 6) descriptive statistics show that in 2006, the unemployment rate for youth aged 15-24 stood at 63.72%, and for those aged 25-34, the figure was 40.2%. Demographic dominance is revealed by the fact that in 2006, youth aged 15-34 constituted about 72% of all the unemployed.

Many economically active youth, in both urban and rural areas, are faced with a litany of challenges relating to job opportunities, e.g., low-level of education, inappropriate qualifications and lack of work experience, which are requisite for job placement in both public and private sectors.

Besides, whilst job creation has often lagged behind economic growth, there have, in fact, been also job losses to compound the youth unemployment situation. Stats SA's survey in the third quarter of 2009 showed that whereas South Africa's unemployment rate increased by

0.9% to 24.9% employment contracted by 3.6%, and this translated to a loss of 484 000 job losses. The survey also showed that the unemployment rate was highest among the 15-24 age cohorts, at 48.4%. (*BuaNews*, 30 October 2009). Although the survey reports that KwaZulu Natal is better off, compared to other provinces, the data suggests that it is nowhere near overcoming the problem of youth unemployment.

The South African youth unemployment situation is consistent with global youth unemployment trends (Business Trust, 2004). International Labour Organization's (ILO) estimates showed that 88 million young people around the world, nearly 50 percent of the total number of the unemployed, were struggling to find a job in 2003. The global youth unemployment rate was estimated at 14.4% [www.ilo.com; ILO, 2004]. As at the beginning of 2010, global youth unemployment trend was still problematic, with the rate having declined by only 1% from 14.4% in 2003 to 13.4% in 2009 (ILO, 2010: 16). In this context, Juan Somavia's statement quoted above is not only logical but imperative, especially in the South African context. Attempts to improve the productive capacity of youth, promote their employability and enhance entrepreneurship amongst them require their being equipped with knowledge, skills, information and resources to support their initiatives. The creation of a favourable environment for youth entrepreneurship also requires the removal of barriers, including asset poverty¹ i.e. access to capital, land and other infrastructure. The establishment of Umsobomvu Youth Fund in 2001 (UYF) was in accordance with these prerequisites, and the broad objective of the National Youth Policy Framework (NYPF) 2002-2007) to enhance youth employability, entrepreneurship and wellbeing.

1.2 Umsobomvu Youth Fund and Youth Development

Umsobomvu is an Nguni word that means "rising dawn", and connotes an emerging period of hope for the youth of South Africa. As stated before the UYF was set up through the Demutualisation Levy Act No. 50 of 1998 but was launched in January 2001. The Fund was set up with the proceeds from the demutualisation of Old Mutual and Sanlam which amounted to eight hundred and fifty-five million rand (R855 000 000). The main purpose of

¹ The lack of infrastructure such as land, housing and amenities which enhances individual and household livelihoods thus reducing poverty and improving the standard of living whilst broadening asset base.

establishing the fund was to enable the implementation of effective youth development programmes and mainstreaming of youth development for youth to have sustainable livelihoods (UYF, 2010:1). Whereas youth was defined as South Africans between the ages of 18 and 35, the Fund later extended its entrepreneurship support programmes to women of all ages (UYF, 2010:1, 4). The UYF has now been incorporated into the National Youth Development Agency (NYDA) together with the National Youth Commission to form one national youth development agency for youth in South Africa. The NYDA is therefore tasked with ensuring an intergrated youth development practice within and outside government and foster inter-governmental cooperation in the implementation of youth development programmes.

1.2.1. The Three Programmatic Areas

The UYF's youth development intervention focuses on three programmatic areas, namely, (a) Youth Entrepreneurship Programme, (b) Skills development and transfer Programme and (c) Contact, information and counseling. Whereas all the three programmes are critical to the Fund, the Youth Entrepreneurship Programme appears to receive special attention, as shown by the budget allocation to the programmes in 2003:

- Youth entrepreneurship (YEP) R500 million (Kekana, 2003)
- Skills Development and Transfer Programme (SDTP) – allocated R300 million;
- Contact, Information and Counseling Programme (CICP) – allocated R200 million;

1.2.1.1. Youth Entrepreneurship Programme (YEP)

UYF's emphasis on Youth Entrepreneurship Programme (YEP), for obvious reasons, is not misplaced. The Youth Entrepreneurship Programme (YEP) is designed to provide young entrepreneurs with access to business consultancy services for business development, market access and financial support. The business development support programmes aim to promote entrepreneurship, business skills development and innovation; and facilitate entrepreneurial networks. Under this programme, UYF provides a number of services, including business consultancy services voucher programme, enterprise mentorship market linkages, The enterprise finance programme aims to address the common problem of start-up and business expansion capital faced by small, micro and medium enterprises (SMMEs), generally, and young entrepreneurs in particular through various financial products and services. The services include Microfinance, SME finance and Youth Co-operatives programme. Under

SME finance scheme UYF has in the past eight years invested over R1.2 billion in young South African entrepreneurs.

1.2.1.2. Skills Development and Transfer Programme (SDTP)

Linked to the youth entrepreneurship programme is the skills development and transfer programme, which is underpinned by a clear understanding that all skills training interventions must lead to employment. One of the focus areas is the entrepreneurship education programme which is premised on the fact that South Africa has a low level of entrepreneurship, and the entrepreneurial rate can only be increased through entrepreneurial education and training. The programme aims at encouraging a self-employment culture amongst youth, and targets both in-school (Grade 8-10) and out-of-school (18-35 years) young people. Other strategic skills development and transfer interventions are designed around the Graduate Development Programme, Co-operatives Training Programme, Supplier development training programme, Technical Skills Training Programme and the National Youth Service Programme (UYF, Undated).

1.2.1.3. Contact, Information and Counselling Programme (CICP)

The contact, information and counselling programme provides youth with information and counseling support regarding career development, employment, citizenship, health, general wellbeing and entrepreneurship. These services are delivered through various channels, including Youth Advisory Centres, digital and printed mediums such as Youthconnect, Youth Portal, and the Umsobomvu Youth Magazine. These channels provide free access to information, support, and training and referral services whilst the South African Youth Card (SAY) entitles youth to discount on basic necessities, educational items, health, entertainment and leisure, sport, transport and accommodation and financial services from various merchants (UYF, Undated).

The appropriateness of the three UYF programmes does not appear in doubt, and taken collectively, the programmes provide a platform for youth development in all its connotations, especially youth employability and entrepreneurship. “Employers are no longer satisfied with a good degree, basic transferable skills and a little work experience, enterprise skills and commercial awareness are now pre-requisite skill and knowledge sets across all sectors” (Blackmore, cited in LSE, September 2006). The extent to which UYF programmes

have thus far achieved these pre-requisites is of significant interest, particularly in a country, such as South Africa, that has a very high rate of unemployment.

1.3 UYF's Performance

Table 1: UYF Performance

Key Performance Indicators	2001- March 2005	2005/2006	2006/2007	2007/2008	2008/2009
No. of Loans Issued to SMMEs	Na	6600	21383	19682	21884
Value of SMME Loans Issued (R million)	61.6	n.a.	101.0	114.0	86.8
No. of Business Support Interventions Provided to SMMEs	Na	na	9470	10534	12095
No. of Youth Assisted through Youth Advisory Centres	281984	na	428391	485691	564508
No. of Jobs Created and/or sustained	Na	na	19309	41002	38304
No. of Youth Participating in the National Youth Service Programme	17022	13087	15139	55680	na
Value of Business Opportunities Facilitated for SMMEs since 2005 (Rmillion)	Na	na	183.7	270.0	Na
No. of South African Youth Card Members	1715	46494	73512	82771	Na

No. of Business Consultancy Vouchers Issued	6500	5608	9470	na	Na
Income from Loans & Investment (Rmillion)	Na	3.6	8.3	na	Na

Source: UYF Annual Reports, 2004, 2005, 2006, 2007, 2008 and 2009

Over the past ten years , UYF has, indeed, made some remarkable achievements, and the areas of success range from business support e.g., coaching, training and mentorship, for young entrepreneurs, access to capital to start and/or expand businesses to job opportunities, as shown in *Table 1*. For example, the number of loans issued to SMMEs increased from 6600 in 2005/2006 to 21884 in 2008/2009, although there was a decline of about 8% over the previous year's figure. The corresponding rand value showed a similar trend during the same period, increasing from R66.1 million in 2001/March 2005 to R114 million in 2007/2008 but declining by 25% in 2008/2009.

Evidently, the UYF has been “instrumental in assisting ‘many young people’ to enter the mainstream economy...whether as businesspeople or qualified employees" (BuaNews (Online), 13 June 2006). However, for some critics such as the Young Communist League of South Africa (YCLSA) "Umsobomvu funding is streamlined towards specific individuals at the expense of poor youth in rural areas who are in real need for assistance” For the YCLSA the National Youth Commission (NYC), Umsobomvu Youth Fund (UYF), and the South African Youth Council (SAYC) have failed in their mandate to deliver. (BuaNews, 13 June 2006). The YCLSA maintains that UYF has consistently promoted individualism which promotes only entrepreneurship instead of collective opportunities i.e. co-operatives, and promotion of sustainable livelihoods (SACP (Online), 2003). Other critics, described as “disgruntled aspiring entrepreneurs” accuse UYF of red tape – cumbersome official procedures and regulations - and castigate the organisation for delay, and the frustration it imposes on unsuccessful business funding applicants (Umsobomvu News, March 2009:3).

These concerns raise several other questions some of which pertain to the relationship between the UYF budgetary allocations and the outcomes of its intervention programmes, particularly youth entrepreneurship development (education and training), which is the focus of this dissertation. Can UYF's vast expenditure on youth entrepreneurship development

programme be justified in the context of new firm **formation and** job creation? In other words, has UYF youth entrepreneurship development **programme** equipped the youth with necessary skills to establish businesses and create jobs? This is the fundamental question that this dissertation seeks to answer.

1.4 Purpose and Objectives of the Study

From the foregoing, the study aimed to explore the relationship between Umsobomvu Youth Fund's entrepreneurial skills development and job creation. Specifically, the study aimed to investigate whether the training that youth receive through UYF's three main programmes result in the establishment of businesses and the creation of jobs, and if not why?

The main objectives of the study were to:

- determine the impact or outcomes of UYF programmes on youth development, with specific focus on the establishment of businesses and job creation amongst the youth in KZN;
- determine whether UYF was doing enough to equip the youth in KwaZulu-Natal with the necessary skills to establish businesses and create jobs;
- identify the constraints, if any, in UYF's programmes aimed at equipping the youth with the necessary skills to establish businesses and create jobs; and
- provide policy and strategic intervention options, where necessary, to guide UYF in its efforts towards fulfilling its mandate.

1.5 Significance of the Study

The significance of this study is underscored by the increasing recognition that the high rate of unemployment in South Africa, especially amongst the youth can best be resolved through the promotion of entrepreneurship. Whereas institutional intervention has become a common feature in entrepreneurial education and training it is important that resource allocation is monitored to ensure efficiency and effectiveness.

Besides, entrepreneurial development institutions that benefit from state funding should, particularly justify the funding allocated to them and this can best be done through constant evaluation of their performances. An impact assessment can also determine whether there are positive spill-over effects from entrepreneurship education on other, more traditional business institution activities (Charney and Libecap,). To be sure, UYF entrepreneurship

education and training programmes are constantly evaluated but much of it focuses on the programmes rather than the beneficiaries. This exploratory study attempts to stimulate interest in the need for a comprehensive impact evaluation of UYF entrepreneurship development programme in the context of new firm formation and job creation.

1.6 Structure of Dissertation

Chapter One provided the background to the study and a brief profile of UYF; and outlined the research problem, purpose and objectives. The chapter was concluded with a brief discussion of the significance of the study. In the next chapter (Chapter Two) the theoretical and conceptual framework of youth entrepreneurship development and outcomes and other related issues are discussed, relying on local and international literature. Chapter Three outlines the research design and methods of data collection and analysis. The results of the study are then presented in Chapter Four whilst the final chapter (Chapter Five) deals with the discussion, conclusion and recommendations.

Chapter Two

Theoretical and Conceptual Framework of Youth Entrepreneurship Development and Outcomes

2.1 Introduction

In recent years entrepreneurship promotion and development has gained attention worldwide, and post-apartheid South Africa is not an exception. It is generally acknowledged that one of the best ways to grow an economy is to encourage more people to become entrepreneurs (National Commission on Entrepreneurship, 2000:3). “Entrepreneurship,” says UYF Chief Executive, Malose Kekana, “is the bedrock of a nation’s development. Investment in entrepreneurship and the support that accompanies it are at the heart of development that is sustainable and feeds to the broader community. Entrepreneurship and the promotion of a vibrant small business sector are what will ultimately curb SA’s high youth unemployment” (*Umsobomvu News*, March 2009:1). This sentiment is echoed by the CEO of FNB Commercial Banking, Iris Dempsey, in a Foreword to a paper based on the proceedings of a conference on the State of Entrepreneurship in South Africa, November 19, 2009. The CEO writes:

Entrepreneurship is vitally important to the economic and social development of South Africa. Through innovation, entrepreneurs create new, competitive markets and businesses which lead to job creation and have a multiplying effect on the economy. Entrepreneurship empowers citizens and is required for any emerging market to move forward and successfully integrate into the global economy,

The National Youth Development Policy Framework recognizes this fact, and indeed, youth economic participation and empowerment, as well as education and training, are key components of the strategic policy intervention areas. Indeed, entrepreneurship education has become an obvious complement to venture capital and incubators as tools in propelling economic advancement (McMullan and Long, 1987, cited in Lee and Wong (2005:2).

This chapter develops a conceptual basis for measuring the impact of entrepreneurship development, particularly UYF’s entrepreneurial education and training, on the establishment of businesses and job creation.. The chapter first discusses the theoretical foundations of

economic entrepreneurship and its relationship with economic growth and development, as a basis for understanding the link between entrepreneurial education and training and business/job creation. This is followed by the conceptual underpinnings of entrepreneurial education and training; next, empirical evidence of the essence of entrepreneurial education and training is provided. The chapter concludes with a discussion of the framework for impact evaluation of entrepreneurship education and training programmes to determine whether UYF's entrepreneurship education and training is working or not.

2. 2. Conceptual Overview

2.2.1 Who or what is Entrepreneur?

“Entrepreneur” is a French word whose origin dates back to the 1700s, and has evolved over the years to mean someone who “undertakes a venture” (Harrington, Kew and Kew, 2009:1). The term entrepreneurship is often defined differently by different people. For the late Jeffery Timmons of Babson college,

“Entrepreneurship is the ability to “create and build something from practically nothing. It is initiating, doing, achieving and building an enterprise or organisation, rather than just watching, analysing or describing one. It is the knack of sensing an opportunity where others see chaos, contradiction and confusion. It is the ability to build a founding team to complement your own skills and talents. It is the know-how to find, marshal and control resources and to make sure you don't run out of money when you need it most. Finally, it is the willingness to take calculated risks, both personal and financial, and then to do everything possible to get the odds in your favour” (YESG, 2008: 17).

Timmons' definition of entrepreneurship combines the eighteenth and nineteenth century (Cantillon 1775, Say 1803; Mill 1848, cited in Kukoc and Regan, 2008: 16) and the modern notions of entrepreneurship. The earliest definitions of the concept viewed entrepreneurship as a process of bearing the risk to organise the factors of production or service demanded by the market. In contrast the modern conception of entrepreneurship, as epitomized by Schumpeter's (1934) definition, emphasizes innovation applied to a business context.

‘The entrepreneur is the innovator who implements change within markets through the carrying out of new combinations. The carrying out of new combinations can take several forms; 1) the introduction of a new good or quality thereof, 2) the introduction of a new method of production, 3) the opening of a new market, 4) the conquest of a new source of supply of new materials or parts, 5) the carrying out of the new organization of any industry.’ (Schumpeter, 1934; cited in Kukoc and Regan, 2008: 17)

Harrington et al (2009: citing Hitt, Ireland, Camp and Sexton in 2002) provide a sample of contemporary definitions, as shown in the table below.

Table 2. A Sample of Contemporary Definitions of Entrepreneurship

AUTHOR	DEFINITION
Kirzner (1973)	<i>Entrepreneurship is the ability to perceive new opportunities. This recognition and seizing of the opportunity will tend to “correct” the market and bring it back to equilibrium</i>
Drucker (1985)	<i>Entrepreneurship is the act of innovation that involves endowing existing resources with new wealth capacity.</i>
Stevenson, Roberts & Grousbeck (1985)	<i>Entrepreneurship is the pursuit of an opportunity without concern for current resources or capabilities.</i>
Rumelt (1987)	<i>Entrepreneurship is the creation of new business: new business meaning that they do not exactly duplicate existing business but have some element of novelty.</i>
Low & MacMillan (1988)	<i>Entrepreneurship is the creation of new enterprise.</i>
Gartner (1988)	<i>Entrepreneurship is the creation of organisations: the process by which new organisations come into existence.</i>
Timmons (1997)	<i>Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach, and leadership balanced.</i>
Venkataraman (1997)	<i>Entrepreneurship research seeks to understand how</i>

	<i>opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom and with what consequences.</i>
Morris (1998)	<i>Entrepreneurship is the process through which individuals and teams create value by bringing together unique packages of resource inputs to exploit opportunities in the environment. It can occur in any organisational context and can result in a variety of possible outcomes, including new ventures, products, services, processes, markets, and technologies.</i>
Sharma & Chrisman (1999)	<i>Entrepreneurship encompasses acts of organisational creation, renewal, or innovation that occur within or outside an existing organisation.</i>
Kauffman Centre*	<i>Entrepreneurship is the ability to amass the necessary resources to capitalize on new business opportunities.</i>

Source: Harrington et al 2009

***Included by the author**

From the diverse definitions of entrepreneurship (Table 2) it is clear that there is no universal definition of the concept. Entrepreneurship is perceived as a process, a personality trait or behaviour (activity). The entrepreneur is viewed as performing various functional roles including organisation or coordination of the production process, risk-taking, innovation, identifying opportunities, creating value or organisation (where none existed before) and resource allocation. Kauffman Centre's conception of entrepreneurship resonates with the key objective of this dissertation. The "ability to amass ... resources" in Kauffman Centre's definition can be equated with "skills to organise resources"; and "to capitalize on new business opportunities" is equivalent to "to establish businesses" (with the ultimate objects of creating jobs and improving the quality of life).

2.3. The Role of Entrepreneurship in Economic Growth and Development

Entrepreneurship has long been seen as a key driving force of a free market economy. It is seen as a critical link between new knowledge and economic growth (Kukoc and Regan, 2008; Audretsch, 2007); the source of innovation which Schumpeter (1934) associates with

what he describes as creative destruction – a process which makes existing products and processes obsolete (Johnson, 2006:1) and facilitates new firms formation (Liebenstein, 1968; Fritsch & Mueller, 2004; cited in Venesaar and Loomets, 2006). In Liebenstein's (1968) proposed theory of of entrepreneurship-based development routine entrepreneurship (Management of well established businesses) is distinguished from “new type” or N-entrepreneurship, which involves new or under-developed activities where markets are nascent and/or production functions are not fully known. Important roles of entrepreneurs, then, are to acquire inputs when markets (financial markets for example) are not well developed, and to fill gaps when information and market mechanisms are incomplete (Johnson, 2006: 1).

Entrepreneurship creates an opportunity for individuals to own and control their own businesses, become self-employed and also create jobs (see, for example, Baptista, 2005; Malchow-Møller, Schjerming and Sørensen, 2009). Entrepreneurship also provides an opportunity to contribute to society, materially and psychologically, and be recognized for one's efforts, which in turn is self-fulfilling, and enhances the entrepreneur's social status. Further entrepreneurship offers the opportunity to reap significant profits and accumulate wealth, although for many people (social entrepreneurs and members of co-operatives) profit may not necessarily be the primary motivation for doing business. “For social entrepreneurs, social mission-related impact becomes the central criterion (for entrepreneurial activity), not wealth creation” (Dees, 2001, cited in Schoof, 2006: 8). Co-opeartives, on the other hand, engage in entrepreneurial activity exclusively for the mutual benefit of the members. “They deliver well-being to citizens, wealth to nations, promote entrepreneurship and participation” (European Economic Commission, 2001, cited in Schoof, 2006: 8). Substantial profit generated by economic entrepreneurs, however, has the effect of making a significant difference in the quality of life of many entrepreneurs and their families (Newburg, 2009).

The role of entrepreneurship in economic development is underscored by an observation by the Conference on the State of Entrepreneurship in South Africa in 2009:

The most competitive nations are those that have the highest level of entrepreneurial activity. Small and medium size businesses tend to be the greatest creators of jobs and collectively, the greatest creators of wealth in emerging

economies. In 1790, 90% of the United States population was self-employed, a fact that is commonly thought to have been a major factor in the building of the world's largest economy. Many of today's most impactful global corporates began as small entrepreneurial ventures in America at about that time. In South Africa, as in other emerging economies, these potentially transformative entrepreneurial entities must be identified and nurtured now (www.endeavour.com)

Notwithstanding the positive role of entrepreneurship and the call to identify and nurture entrepreneurial entities in South Africa, there are many drawbacks which could deter aspiring entrepreneurs. The drawbacks include uncertainty of income and the risk of losing invested capital. There is also the possibility of high levels of stress, as a result of failure which can mean total financial ruin, long hours of hard work and many obstacles associated with running a business. Responsibility for the success of a business may be daunting, and this could affect the personal life of the entrepreneur and at times, strain familial relationships (Newburg, 2009). For many aspiring entrepreneurs, especially the youth from poor communities, entry into self-employment may be hampered by a number of factors including limited access to capital, information and knowledge about entrepreneurship. Administrative and regulatory framework as well as social and cultural attitude towards youth entrepreneurship could also be a barrier to entrepreneurship.

2.4. Entrepreneurial Intent and Business Start-Up

Many young people often express the intention to become entrepreneurs. A 2005 poll from Junior Achievement (JA) programme in the USA, for instance, found that 68.5% of teenagers interviewed wanted to become entrepreneurs (ODEP, 2005). However, it is one thing expressing entrepreneurial intent; and another thing following it up, and this is explained by the theory of entrepreneurial intent (Shapero's Model). According to Shapero's model (1975, 1982; Shapero and Sokol, 1982, cited in Autio, Keeley, Klofsten and Ulfstedt, 1997) the intent to start a business derives from perceptions of both desirability and feasibility, as well as from a propensity to act upon opportunities. In an attempt to refine Shapero's model Davidsson (1995, cited in Autio et al, 1997:3) proposes an economic-psychological model of factors influencing individuals' intentions to establish businesses, and highlights the role of conviction as the primary determinant of intentions. In a study to test the link between intent and action Katz (1988, in Autio et al, 1997:3) found that only 30% of the 33 individuals in a

study conducted in 1968 followed up their expressed intent for self-employment, four years after they had been surveyed.

Motivations for young people to act on their intentions to start a business may come from different sources; and may relate to their living circumstances, their personal attitudes, preferences and objectives, and their particular interests and individual strengths (Schoof, 2006: 11-13). According to Schoof (2006) a Global Entrepreneurship Monitor (GEM) study distinguishes between opportunity-motivated entrepreneurship and necessity-motivated entrepreneurship. Entrepreneurship is driven by economic necessity when there is no other alternative for income generation or making a living. Opportunity-driven entrepreneurship, on the other hand refers to entrepreneurship that is the result of the desire to pursue a perceived business opportunity, which is not the only option for generating an income and making a living at a time.

The role of personal attitudes, preferences, objectives, interests and individual strengths is no less significant in motivating young people to start a business. Social entrepreneurs are motivated by altruism, the need to be true to one's values and beliefs, the need to be socially responsible and in being a long-term interest in the health of the local economy, environment and the community. Some of the reasons given for starting one's own business also include the desire to be one's own boss, to be more independent and flexible, to seek a new challenge, to become rich and realize a vision or an idea. The strengths and skills of young people are also critical in their establishing a business or not, and the strengths and skills define the nature of business that they establish (Schoof, 2006:12). Above all, however, state and private sector intervention programmes, such as UYF's business support and assistance, and youth entrepreneurship education and training programme could be a catalyst for increasing the supply of entrepreneurs, and economic growth and development.

2.5. Effects of Entrepreneurial Education and Training on New Business Start-Up and Job Creation

2.5.1. Theoretical Foundations

Entrepreneurship education and training is not a new phenomenon although it has gained ascendancy in recent years. Research indicates that the supply of entrepreneurs can be increased by developing a positive perception about the feasibility and desirability of

entrepreneurship through educational preparation at an early age (Nakkula, 2004; Rasheed 2001; and Kourilsky, 1995). When rooted in solid learning theory, entrepreneurial education helps produce self-sufficient enterprising individuals, develop entrepreneurs by increasing business knowledge and promoting psychological attributes associated with entrepreneurial activities (Charney & Libecap, 2000; Kruegar & Brazeal, 1994; Kourilsky & Walstad, 1998; Walstad & Kourilsky, 1999; Teresa, Kent and Calvin, 2005:3). Several studies including Lüthje and Frank (2002), Charney and Libecap (2000) and Robinson and Sexton (1994) have also established a positive correlation between entrepreneurial education and new business formation. This notwithstanding there is no consensus on the conceptual underpinnings of entrepreneurial education and training.

Entrepreneurial education is defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business (Isaacs, Visser, Friedrich and Brijlal, 2007:2). For OECD (2008), on the other hand,

“Entrepreneurship education is important as a crucial determinant of the supply of entrepreneurship by forming (potential) entrepreneurs as well as contributing to a positive entrepreneurship culture. In this respect, entrepreneurship education should not only focus on narrow defined tools (e.g. how to start up a business, financial and human resources management) but also to broader attitudes (like creativity, risk taking, etc.) especially on the lower and secondary level” (OECD, 2008, p. 112)”

In an extensive literature review, which this section heavily draws from, Lee and Wong (2008: 8-9; citing Garavan and O’Cinniede, 1994) posit that the aims of entrepreneurship education programmes and trainings may be summarised as (a) identifying and preparing potential entrepreneurs for start-ups (ii) enabling participants to prepare business plans for new ventures (c) focusing on critical elements for the implementation of entrepreneurial projects, e.g., market research, business financing and legal issues and (iv) enabling the development of autonomous and risk-taking behaviour. For these authors the philosophical underpinning of entrepreneurship courses is that such courses should enable participants to influence the external environment with little or no inhibition. The authors observe, with reference to the works of Hansemark (1998) and Jennings and Zeithamil (1983), that there is

a link between this philosophical perspective and the locus of control theory which in turn explains a positive relationship between internal locus of control and entrepreneurial start-ups. In other words, individuals should be able to apply the skills and knowledge that they acquired through entrepreneurship education and training (e.g., how to raise funds) to venture-related decision making.

Ahwireng-Obeng (2002: 44), on the other hand, identifies a number of principles critical for enterprise promotion. These principles which appear to reflect the peculiar South African socio-economic and political environment include commercial orientation of participants as opposed to welfare mindset, improving risk-management capacity, appropriate targeting - taking into account the fact that young people are not a homogeneous group - equity and sustainability of programmes.

The principles underlying entrepreneurship education thus appear to be shaped by a country's specific circumstances, which apparently tend to influence the content of entrepreneurship education in that specific country, as well. It is interesting to note, however, that a philosophical perspective related to the locus of control theory is likely to result in a more practical-based entrepreneurship programmes at the expense of conceptual development (Sexton and Bowman, 1984, cited in Lee and Wong, 2008: 9). Contemporary entrepreneurship education and training offers outreach programmes to existing entrepreneurs, and generally entrepreneurship courses include lectures, business plan writing, business case studies, and entrepreneurial speakers. However, there seems to be a consensus amongst entrepreneurship educators that the (problem-based) learning approach offers a more effective path towards developing entrepreneurial spirit, and that there is the need to emphasise hands-on, active participation within real life entrepreneurial environment, where constructive feedback from an expert is provided (Lee and Wong, 2008: 32; Wee, 2004)). Studies have shown that students often learn better by doing than by listening or by other more traditional means of education (OECD, 2007: 22). It has also been suggested, in the context of entrepreneurship education framework and methodology, those elements such as opportunity identification, strategy development, and resource acquisition should be included in entrepreneurship programmes (Knight, 1987, cited in Lee and Wong, 2008: 10).

An interesting dichotomy is drawn between the learning focus of business school and entrepreneurship education (Gibb, 1993, cited in Lee and Wong, 2008: 10). Gibb argues that some entrepreneurship programmes employ the curriculum of business schools that is incompatible with an entrepreneurial situation. Besides, the values and abilities emphasized by business schools may actually inhibit entrepreneurial spirit. This notwithstanding the caveat is that although entrepreneurship education is not the same as education for small business management both are so closely associated that it is almost impossible to study one without the other (Zeithamil and Rice, 987).

Arguments like this apparently provide a hint of the challenges underlying entrepreneurship promotion, education and training. One of the generally recognized challenges is limited access to finance, especially in poor communities or countries (DTI, 2007; UNESCO, 2008). An impact analysis study conducted by the Department of Trade and Industry (DTI) in 2007 on the UYF reveals that inadequate funding is a major shortcoming and the demand for assistance is far greater than available funds. Zuckerman (2003) correctly argues that there should be an opportunity for all youth to participate, had there been adequate resources. For this, he maintains that limited resources should be invested in those who put forth the effort to benefit. Zuckerman's argument may seem rational but whilst it overlooks issues of equity, determining those who put forth effort may not necessarily be the best selection criterion. Besides, it could defeat the aim of empowering the youth, especially those from poor households and rural areas who may not have had the privilege of prior entrepreneurial exposure or a specialized kind of training required for entrepreneurship.

Whilst recognizing funding constraints a UNESCO sponsored inter-regional seminar on promoting entrepreneurship education in secondary schools in Bangkok (11-15 February 2008) identified several other challenges including the need to take into consideration different cultures, customs, experiences and expectations of various target audiences. The participants also observed the challenges of a multi-agency approach, stakeholder participation and associated synergy and coordination problems; resource mobilisation; lack of capacity; teaching methodologies; evaluation and assessment, and convincing policy makers of the need for introducing entrepreneurship programmes in school curriculum (UNESCO, 2008: 6).

From entrepreneurship educators perspective a key challenge lies in enhancing the quality of existing programmes in existing institutions, i.e. improving the depth of the field and not merely duplicating entrepreneurship courses in other institutions (Lee and Wong, 2008:12). A study in Tanzania (Nkirina, 2010) highlights some of the problems associated with attempts to integrate entrepreneurial education in vocational training. The core issues, according to Nkirina (2010), relate to curriculum content, teaching methodology, quality of trainers, and financial constraints. The author observed that there was too limited time to cover the core subjects; the instructors lacked the relevant skills and there was a lack of role models i.e., successful practising entrepreneurs. The approach was also too theoretical, lacking the component of field studies, and boring.

2.5.2. Empirical Evidence on the Effect of Entrepreneurship Education and Training Programmes

In most countries, including South Africa, youth entrepreneurship education and training, in a broader scheme of youth development, is a path towards weaning young people away from untoward behaviours and consequences, such as crime and incarceration, unemployment, teen pregnancy, drug abuse, poor health, and civic disengagement (YESG, 2008: 13; HSRC, 2005).

Youth entrepreneurship education and training, on the basis of the positive link between entrepreneurship and economic growth and development, provides significantly positive spin-offs, and these are documented in much of the literature, including Kenyon and White, 2001, cited in Ahwireng-Obeng, 2002: 39; Patrick, 2008; Interman, 1992, cited in Lee and Wong, 2005; YESG, 2008; Sluis, Praag and Vijverberg, 2004; Charney and Liebecap, 2000). For YESG (2008: 15), for example, entrepreneurship education is not just about teaching someone to run a business. It is also about encouraging creative thinking and promoting a strong sense of self-worth and accountability. YESG contends that the core outcomes of entrepreneurship education and training include the ability to recognize opportunities in one's life; the ability to pursue such opportunities by generating new ideas and marshalling needed resources; the ability to create and operate a new venture; and the ability to think in a creative and critical manner.

In their study on the impact of entrepreneurship education Charney and Libecap (2000) observe that entrepreneurship education fosters risk-taking, enhances wealth creation, self-employment, innovation, production of business and industry leaders, and new business formation. The study found, for example, that entrepreneurship graduates received an average annual income that was 27% higher than the average annual income of non-entrepreneurship graduates. Controlling for personal characteristics, entrepreneurship education at the University of Arizona increased annual graduate income by \$12,561. In addition, and perhaps more significantly, entrepreneurship graduates accumulated 62 percent more in personal assets after graduation than their non-entrepreneurship counterparts. The authors also report that on average, entrepreneurship graduates were more likely to be employed with firms that license new technology or that license technology to others. Among self-employed entrepreneurship graduates, nearly 23% owned a high-technology firm, compared to less than 15 percent of non-entrepreneurship graduates who owned their own firm.

In a study of US Census data the Kauffman Foundation (2009) observed that newly created and young companies were the primary drivers of economic growth and job creation in the United States. Entrepreneurship education also increases job satisfaction from increased income, promotes the transfer of technology from educational institutions to the private sector, and promotes technology-based firms and products.

Although entrepreneurship education and training should lead to increase in entrepreneurship, the growth of entrepreneurship is not always guaranteed. In a recent study Stangler and Kedrosky (2010) found that new business formation in the US has been remarkably constant over time. A similar conclusion is yet to be drawn in regard to South Africa but the possibility of this outcome of entrepreneurship education indicates that efforts in entrepreneurship development should not be a one-sided approach. Besides other efforts, youth co-operatives should be strengthened to promote youth entrepreneurial activity (HSRC, 2005).

Whereas most analysts concur that entrepreneurship education has positive impacts on new business formation and employment growth, Baptista, Escaria and Madruga (2008) observe that indirect effects of new firm births on subsequent employment growth are stronger than

direct effects. The authors maintain that indirect effects only occur about eight years after new firm formation. They conclude that lag times and magnitudes of the effects of new firm formation of subsequent employment growth are most likely dependent on the types and qualities of the start-ups.

2.5.3. Theoretical Framework for Impact and Effectiveness Evaluation of Entrepreneurship Education and Training on New Firm Formation and Job Creation

Impact and effectiveness evaluation of entrepreneurship education is integral to entrepreneurship promotion, and the literature (e.g., McMullan and Long, 1987; Curan and Stanworth, 1989; Karland and Valdivia, 2006; NFTE, 2004/2005) provides several reasons why it is important and the framework of measurement. According to the NFTE (The National Foundation for Teaching Entrepreneurship) evaluating the effect of entrepreneurship education programmes often helps to improve curriculum and teacher programs, demonstrate results to donors, and implement greater standardization and replication of programs (NFTE, 2004/2005: 5).

The NFTE's evaluation programme is built on its Theory of Change, a detailed logic model which outlines the possible outcomes of the NFTE programme, and what steps are taken on the student, teacher, program partner and staff level to eventually gain the desired results. This study is largely informed by NFTE's Theory of Change but focuses primarily on the impact of entrepreneurship education on new business formation and job creation. The study observes that in 2003-2004 the NFTE used the Theory of Change framework to formulate an evaluation and research agenda including the establishment of a universal, short term outcomes assessment strategy and other exploratory longitudinal and comparison studies. Whereas this study focuses on short term outcomes or a cross-sectional impact of entrepreneurship education and training, the scope and timeframe do not allow a longitudinal exploratory approach of NFTE's kind.

The variables measured in this study derive from issues raised by Curan and Stanworth's (1989; cited in Lee and Wong, 2008:8) conception of the primary aim of entrepreneurship education as the promotion of the successful formation of new ventures. On the basis of this conception of entrepreneurship education McMullan and Long (1987) argue that

entrepreneurship programmes cannot be evaluated by the number of students graduated but more appropriately measured by the socio-economic impact of the business they create. By this argument the authors provide a hint of the salient indicators of success of entrepreneurship programmes; and the list includes the number of companies created, the number of jobs created, the types of companies formed, and the growth potential of the companies (Sternberg and Wennekers, 2005; Wong et al, 2005; cited in Lee and Wong, 2008: 8). Whereas all but the latter is critical to this study, the impact on incomes, turnover, poverty reduction and wellbeing of programme participants and their families are additional dimensions considered in this study.

Interestingly the variables measured in this study have been underscored by many studies, especially in the US, and this is evident in much of the discussion on the impact of entrepreneurship education and training in previous sections (2.3 and 4). Ahmad and Hoffman (2007) also highlight these indicators, and many others, in a much higher order analytical framework for measuring entrepreneurship in the context of several manifestations of the outcomes of entrepreneurship and entrepreneurial activity.

From the perspective of a lower order analytical framework, Karlan and Valdivia's (2006) work, measuring the marginal impact of adding business training to a Peruvian village banking programme for female micro-entrepreneurs, is of particular interest to this study. The study found that the treatment group of female micro-entrepreneurs not only improved business knowledge, practices and revenues but the microfinance institution also had direct benefits through higher repayment and client retention rates. The UYF entrepreneurship development and education programme, as discussed earlier in Chapter One, provides business development and consultancy services in *pari pasu* with financial assistance to young beneficiaries. It will be interesting to see if any parallels could be drawn between the outcomes of UYF entrepreneurship education and training programme and the results of the Peruvian village study. Similar results as documented in the literature are also expected, in regard to the variables measured in this study. The author is, however, mindful of the determinants of entrepreneurship performance, e.g., access to capital, access to R&D & technology, capabilities, market conditions, regulatory framework, quality of the entrepreneur and culture (Ahmad and Hoffman, 2007: 16; Adjibolosoo and Soberg, 2000). To attribute any observed differences in pre- and post-training outcomes to entrepreneurship

education and training is a methodological dilemma, and this will, *inter alia*, be addressed in the next chapter on research design and methods.

Chapter Three

Research Design and Methods

3.1. The Research Approach

The key research problem of this study, if it may be reiterated, was whether UYF had equipped the youth in KwaZulu-Natal with the necessary skills to establish businesses and create jobs. To address this problem a variation of the non-experimental approach that uses other sophisticated and flexible techniques rather than control/comparison groups was adopted.² In this approach the characteristics of the same subjects (UYF beneficiaries) were observed twice – before and after training; conclusions were then drawn from the observed differences. One advantage of using the same subjects (UYF beneficiaries) is that experimental variability is less than for the control group case (www.texasoft.com). Besides, identifying non-participants or a control group is the most difficult task in most impact evaluations (World Bank, 2008). In most cases it is not easy to locate non-participants who are like the beneficiary group in every way, except that they were not subject to the intervention. In this study time constraints made it even more difficult to do so. It is pertinent to note, however, that the choice of the non-experimental design was also informed by the axiom that:

“There is not one ‘gold standard’ for evaluating impact, but instead ‘methodological diversity and appropriateness in support of rigor’ (sic) (Networks of Networks on Impact Evaluation (NONIE)) are of main importance. Each impact evaluation has to be individually designed, taking into consideration the program’s unique characteristics and environment” (World Bank, 2008:8).

² The second variation of the non-experimental approach compares programme participants with non-participants using statistical methods to account for any differences between the groups. The non-experimental approach, on its own, is one of three main methodological approaches in impact evaluation recommended by the International Experts on Impact Evaluation (IEIE). The others are:

- Experimental design, in which the beneficiary and control groups are randomly selected from a well-defined population.
- Quasi-Experimental techniques which generate comparison groups which are not randomly chosen, but are selected so that they closely resemble the beneficiary group.

The techniques used in the non-experimental approach included relatively more sophisticated statistical methods, depth interviews and computation of indices to measure the key variables surrounding the core research question. The variables included (a) beneficiaries' perception of UYF performance in Youth Entrepreneurship Development, (b) impact of UYF education and training programmes on employment status (business formation), jobs created, persons helped to find a job, and persons helped to start a business; and (c) level of participation in UYF education and training programmes, and curriculum content.

3.2. Methods

As is recommended in non-experimental designs the study combined questionnaire-based and qualitative approaches for best results (see World Bank, 2008:9). Whereas quantitative data was collected from a sample of 40 beneficiaries instead of an initially proposed sample size of 90, qualitative data was derived from in-depth interviews of five UYF staff, and 12 beneficiaries in two sessions of focus group discussions (6 in each of the sessions). The population of beneficiaries of the UYF since its inception was given as 4230 in KwaZulu-Natal. The initial sampling frame that was made available consisted of only 42 beneficiaries, and of this number 40 consented to participate in the study. It was desirable to have a larger sample of 90 as planned but efforts to recruit additional beneficiaries were abandoned as a result of time constraint.

Whereas the questionnaire-based approach allowed for a snapshot of statistics on various variables surrounding the key question, the qualitative approach produced contextualised data, key to understanding the complexities of UYF programmes and the South African socio-economic and political environment. The survey questionnaire was designed to collect relevant data that made feasible a comparison of changes in the profiles of the participants over time (before and after beneficiaries' participation in the UYF programmes). By this approach, and controlling for extraneous determinants of entrepreneurship performance, it was safe to attribute observed differences to UYF intervention programmes, other than other factors.

The questionnaire included closed and open-ended questions on variables surrounding the issue of whether UYF has equipped the youth with necessary skills to establish business and create jobs, e.g., new firms established and number of jobs created before and after being

touched by UYF entrepreneurial education and training programmes. The open-ended questions allowed further probing of responses, particularly where the question demanded an opinion or focused on perceptions of respondents on a particular issue, e.g., the ability of young people touched by UYF programmes to create jobs. The questionnaire also allowed respondents to skip questions that did not apply to them on the basis of their responses to previous questions.

The questionnaire was divided into four sections. Section I dealt with the biodata of respondents which included gender, age, highest level of education, population group, marital status, area of residence, and number of dependants. Respondents' incomes before and after their involvement in UYF programmes were also measured in this section. Section II covered respondents' employment status, and the categories measured included self-employment, employed, unemployed and studying. The section provided for specific questions for each category, but the focus was on the self-employed, the most critical category in the context of the key research question. In Section III the questionnaire dealt with the previous employment status of respondents before their involvement in UYF programmes. The questions in this section covered areas similar to those in Section II.

Section IV focused on the personal development of the self-employed and the employed beneficiaries, and the aim was to ascertain the impact of being employed or self-employed on the lives of the beneficiaries and those of their families. The extent to which UYF had equipped the youth with entrepreneurial skills were measured in Section V which had questions on levels of participation in UYF programmes, core entrepreneurial skills covered, and beneficiaries' perception of UYF's performance in regard to equipping the youth to establish businesses and create jobs. The section, inter alia, carries a question that called on respondents to express their opinion on whether the extent to which young entrepreneurs touched by UYF programmes create jobs is very limited or not. A Likert Scale of seven categories was provided from which respondents could choose an answer, ranging from "very strongly agree" through "very strongly disagree", with the mid-point being "neutral". The section also carried a question which required respondents to indicate how important each of a list of 35 characteristics was to them as a guiding principle to being successful in finding a paid-job or starting a business. The intention was to ascertain respondents' knowledge of the relationship between values and success in business or life as an employee.

3.3 Piloting the Questionnaire

Before the main investigation unfolded, a questionnaire was designed and piloted amongst 5 beneficiaries of UYF. The main aim of the pilot-test was to ensure that respondents understood the intended meaning of the questions and their answers were coherent (see De Vaus, 2002). The results generated from the pilot review were encouraging and in principle denoted the reliability of the measuring instruments prior to the main survey. Some minor adjustments, however, had to be made to correct for ambiguities in a few questions.

3.4 Data Analysis

The analysis of the quantitative data focused largely on descriptive statistics; and for the purpose of the study, the sample was stratified in terms of employment status with the object of prioritizing the self-employed beneficiaries. The analysis provided descriptive statistics and examined relationships between relevant variables through cross-tabulations in relation to the key research problem, using the Statistical Package for social Sciences (SPSS). Where necessary significance tests were conducted, using either the Student t-test or the Chi Square (χ), to determine the significance of observed relationships. In the event of a small number of observations in the context of the Chi Square approach, the Fisher's exact test was applied.³

The extent to which UYF has equipped the beneficiaries with necessary skills to establish businesses and create jobs was finally measured by a performance index on a performance scale with 0 as the minimum and 10 as maximum. In calculating the performance index, the author was guided by a similar approach used in a study by Owusu-Ampomah (2004). Responses to relevant questions that addressed the key research questions were weighted and loaded with numerical values: responses which reflected a positive performance were weighted upwards with a maximum value of 10; responses reflecting poor performance were weighted downwards with the minimum value of 0; neutral positions were excluded. Having calculated the indices in respect of the relevant variables to the key research question a composite index was calculated to reflect the overall performance of UYF in regard to equipping the youth with skills to establish businesses and create jobs.

³ The Fisher's Exact test is significantly more accurate in evaluating the significance level of the chi square test, especially with small numbers of observation

The qualitative data was analysed using content analysis. Interviews with the selected beneficiaries and UYF staff were electronically recorded, transcribed and analysed thematically. In the analysis recurring ideas and issues were identified, contradictions were noted, and these provided texture and interesting nuances which shed more light on, and in some cases, concurred the results of the survey.

3.5 Limitations

Doubtless true, a study of this kind cannot be without limitations although great caution was taken to ensure a credible research design, data collection and analysis, and reporting. Of particular significance, first, is the small cell-size of some of the variables which was partly the result of the relatively small sample size. Although attempts were made to circumvent these anomalies, using other statistical techniques, e.g., Fisher's exact test, statistical techniques only provide approximations; there would always be a limiting effect on the validity of data interpretation and conclusion, and this should be expected in this dissertation.

Secondly the sample was largely derived from a single sampling frame from only one UYF programme site, with few beneficiaries from other programmes located through snowball sampling technique. This risks inadequate representation of UYF beneficiaries in the province. Whilst this could have been minimised through multiple cluster sampling approaches, there was little time for such sophisticated sampling methods which took account of all UYF programme sites in KwaZulu-Natal. The implication here, which the author concedes, is that the findings of the study cannot be safely generalised for the target population i.e. all UYF beneficiaries in KwaZulu-Natal.

Thirdly, much of the analysis is based on self-reported data, and as is generally documented, "self reported data (especially) on personal perceptions and beliefs may be biased, or at least incomplete" (World Bank, 2008:23).

Finally, this study is not a programme-specific assessment; it is an exploratory study that attempts to investigate the ultimate impact of UYF's entrepreneurship development programmes, specifically on the establishment of businesses and job creation. In other words, the study measures the success of UYF in terms of the impact its beneficiaries have made in the context of new firms formation and job creation but not in the number of young people

who have benefitted from its programmes. In view of this and other limitations outlined above, and others that may be reasonably assumed, readers are advised to treat the interpretations of the data and conclusions with a bit of caution. This notwithstanding, in the author's view, the analysis provides interesting nuances which may be further investigated in future research, using larger and more representative samples.

Chapter Four

Data Analysis and Interpretation

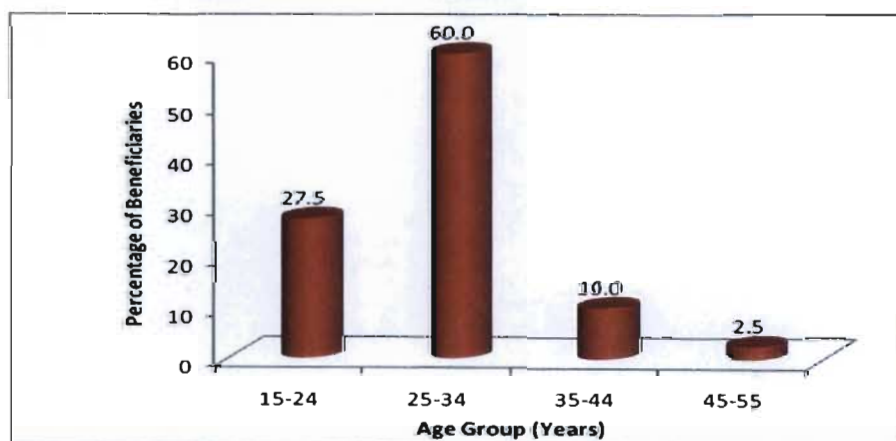
4.1 Introduction

This chapter provides an analysis of the survey data and results of the in-depth interviews of the 5 selected UYF officials and 12 beneficiaries of UYF programmes. The analysis first provides the demographic profile and geographic location of the sampled UYF beneficiaries. The impact of UYF programmes is then presented; followed by respondents' perceptions of UYF performance in regard to equipping the youth with entrepreneurial skills to establish businesses and create jobs. Next, UYF programmes are analysed in terms of content and participation, followed by a summary of the key findings of the survey. The chapter concludes with the analysis of the qualitative data.

4.2 Sample Profile

The sample comprised 40 Umsobomvu Youth Fund beneficiaries. Most of the sampled beneficiaries reported living in an Urban area (47.5%, n=19); 30.0% (n=12) lived in a peri-urban area whilst 12.5% (n=5) and 10% (n=4) lived in rural and semi rural areas respectively. The geographical distribution of the sample was biased against rural and semi-rural areas, and this seemed to reflect the appeal of urban areas to young people - for reasons, which are well documented, and need no elaboration. The gender profile of the sample was biased against males who comprised only 42.5%, compared to females, 57.5%.

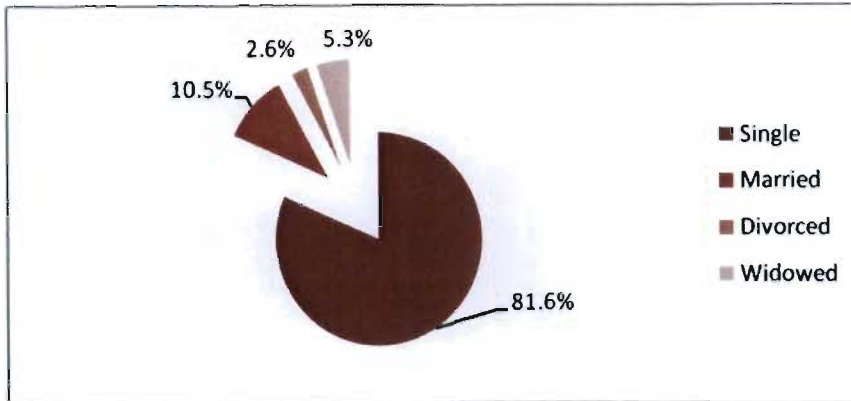
Figure 1. Age Distribution of Respondents



The ages of the respondents ranged from 18 years to 55 years, with a mean age of 27.7 years and a median age of 26 years. Three out of five (60%) respondents were in the 25-34 age

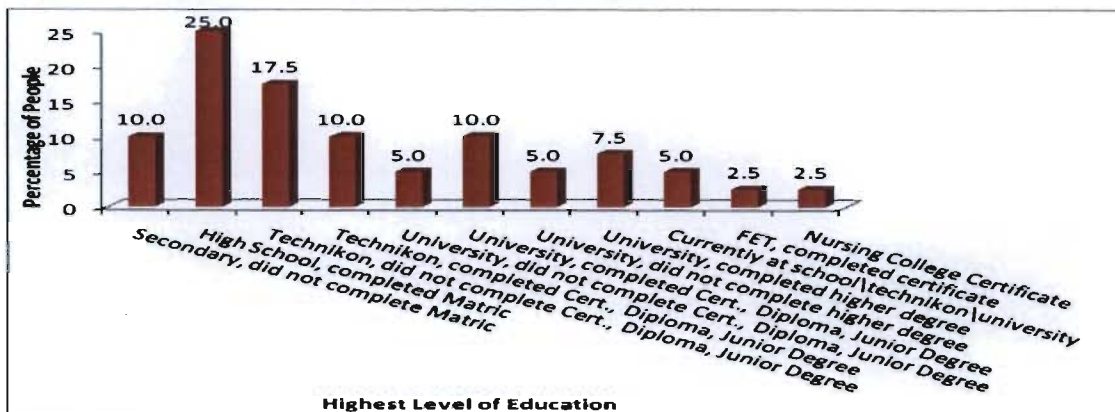
cohort; 27.5% (n=11) were younger than 25 years whilst only 12.5% (n=5) were older than 34 years (Figure 1). Respondents older than 35 years had crept into the sample as a result of the unconditional extension of UYF services to women.

Figure 2. Distribution of Marital Status



Of the sample only 10.5% (n=4) reported being married; the rest were either single (81.6%, n=31), widowed (5.3%, n=2) or divorced (2.6%, n=1) (Figure 2). The mean number of dependants was estimated at 1.4. Whereas 38.5% (n=15) did not have any dependants 5.1% indicated having six dependants, which was the maximum indicated by any of the respondents.

Figure 3. Distribution of Highest Level of Education



Asked to indicate their highest level of education, most of the respondents (25%, n=10) opted for “High School, completed Matric”; a further 17.5%, (n=7) indicated “Technikon, did not complete Cert, Diploma, Junior Degree” whilst smaller proportions nominated various levels of education as shown in *Figure 3*. It is interesting to observe that the majority of the respondents (55%) have either completed or did not complete tertiary education (Technikon and University). In other words, in the context of the sampled beneficiaries, young tertiary education drop-outs and graduates appear more likely to show interest in UYF entrepreneurial education and training programmes.

Figure 4. Distribution of Current Employment Status

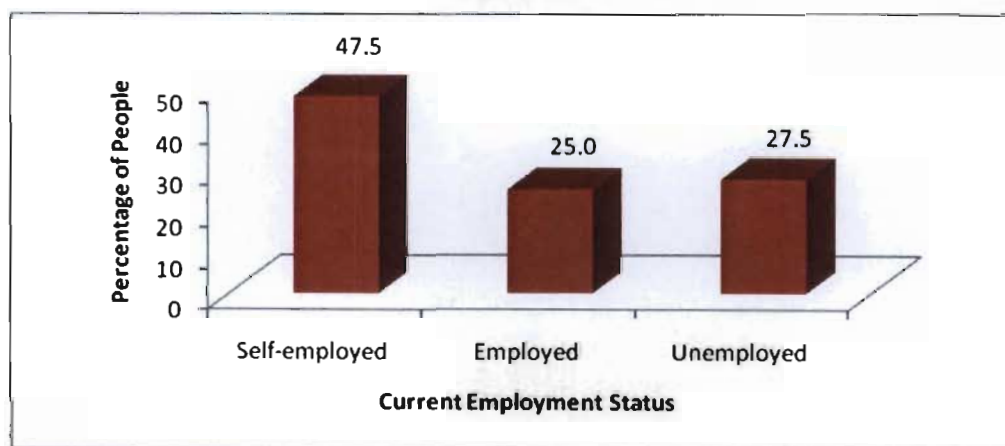


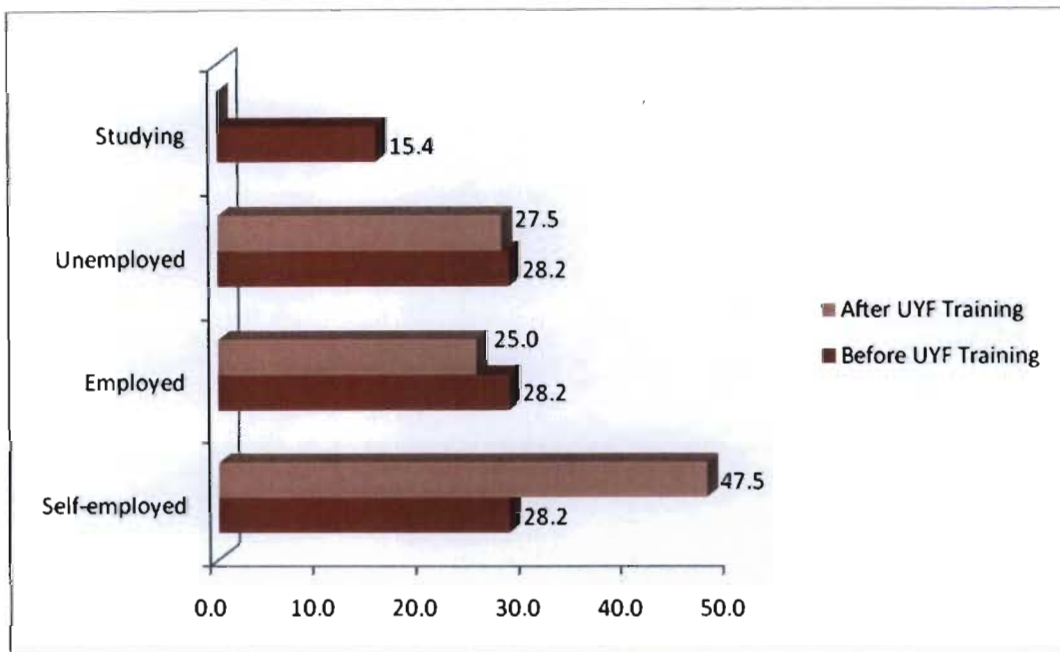
Table 3. Employment Status Before and After UYF Training Programme

	Before UYF		After UYF	
	Frequency	Percent	Frequency	Percent
Self-employed	11	28.2	19	47.5
Employed	11	28.2	10	25.0
Unemployed	11	28.2	11	27.5
Studying	6	15.4	0	0.0
Total	39	100.0	40	100.0

Respondents were asked to indicate their employment status before and after UYF training (*Table 3*). Of the sampled beneficiaries the majority (56.4%, n=22) indicated being either employed (28.2%, n=11) or self-employed (28.2%, n=11) before UYF training. Only 15.4%

(n=6) indicated that they were studying. In contrast 72.5% (n=29) reported being either self-employed (47.5%, n=19) or employed (25.0%; n=10) after UYF training programme. Whilst a further 27.5% (n=11) indicated being unemployed none reported studying after UYF training. The employment status of the beneficiaries of UYF Training programmes was of particular significance to the study, especially in the context of the impact of UYF training.

Figure 5. Distribution of Employment Status of Beneficiaries Before and After UYF Training



The employment status profiles of the beneficiaries before and after UYF programmes showed statistically significant differences ($\chi^2=2.618$, $df=3$, $p=.000$). This means that UYF entrepreneurial education and training programme improved the employment status of the sampled beneficiaries, and this is observed especially in the proportion of the self-employed which increased from 28.2% before UYF programme to 47.5% after UYF. Ostensibly, those who reported “studying” before UYF went on to swell the ranks of the self-employed.

**Table 4. Type of Business of Currently Self-employed Respondents
(Multiple Response)**

Type of Business	Frequency	Percent
Retail Trading	5	18.5
Fashion Design/Clothing	2	7.4
Catering/Bakery	4	14.8
Repair of Appliances	1	3.7
Research	2	7.4
Entertainment/Performing Arts	2	7.4
Youth Development	1	3.7
Performing Arts Development	1	3.7
Photography	2	7.4
Landscaping	1	3.7
Financial Services	3	11.1
Merchandiser	1	3.7
Curios Dealer	1	3.7
Life skills Facilitator	1	3.7
Events Equipment Hire	1	3.7
Total	27	100.0

The self-employed respondents were asked to indicate the type of business activities they were doing. Some of the respondents indicated one or more business activities. The results of the multiple response analysis identified the most frequently mentioned business activity as retail trade (18.5%, n=5); followed by “Catering/Bakery” (14.8%, n=4) and “Financial Services” (11.1%, n=3). Several other business activities, as shown in *Table 4*, were indicated by smaller proportions of respondents.

Table 5. Employment Status by Gender

Current Employment Status	Male		Female		Total	
	No. of People	%	No. of People	%	No. of People	%
Self-employed	9	47.4	10	52.6	19	100.0
Employed	5	50.0	5	50.0	10	100.0
Unemployed	3	27.3	8	72.7	11	100.0
Total	17	42.5	23	57.5	40	100.0

A small majority of those currently self-employed (52.6%, n=10) comprised women; the rest (47.4%, n=9) were men (Table 5). Those who indicated being employed were split in equal proportions between both gender categories (males, 50%, n=5; females, 50%, n=5).

The majority (72.7%, n=8) of the unemployed were however females; only 27.3% (n=3) were males. The gender profiles of the employment status categories did not statistically differ ($\chi=1.458$, $df=2$, $p=.482$) significantly; being male or female had no impact on the employment status of the sampled beneficiaries of UYF.

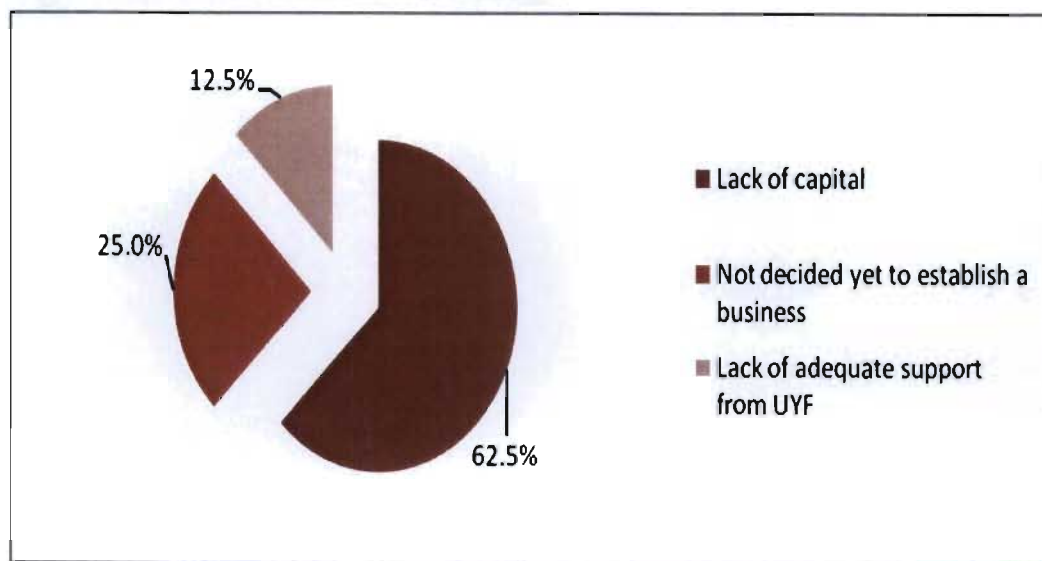
Table 6. Employment status by Age Group (Years)

Current Employment Status	15- 24		25- 34		35- 44		45- 55		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%
Self-employed	3	15.8	13	68.4	2	10.5	1	5.3	19	100.0
Employed	3	30.0	6	60.0	1	10.0	0	0.0	10	100.0
Unemployed	5	45.5	5	45.5	1	9.1	0	0.0	11	100.0
Total	11	27.5	24	60.0	4	10.0	1	2.5	40	100.0

Of the self-employed category 68.4% (n=13) were in the 25-34 age cohort; a further 15.8% (n=3) were classified under the 15-24 years category whilst the rest were either aged from 35-44 (10.5%, n=2) or 45-55 (5.3%, n=1). A similar pattern was observed within the employed category of which 60% (n=6) were aged 25-34; 30% (n=3) of the sample were less than 25 years and the rest were classified under the 35-44 age cohort. Most of the unemployed were either 15-24 (46.5%, n=5) or 25-34 (45.5%, n=5) years old. The remaining 9.1% (n=1) belonged to the 45-55 age cohort. The age profiles of the employment status categories did not differ ($\chi^2=3.992$, $df=6$, $p=.678$). In other words, age was not a significant determinant of employment status.

Whereas 72.5% (n=29) of the sample were either employed or self-employed after UYF training, the mean number of years they had been in that situation was 3.3, with a standard deviation of 2.822. The median was 3 years whilst the years employed or self-employed ranged from 0 (under 1 year) to 10 years. In contrast the number of years the unemployed had remained unemployed ranged from 1 to 6 years; the mean was calculated as 3.1 years, similar to the mean number of years the self-employed and employed respondents had been in that situation.

Figure 6. Barriers to Establishing a Business

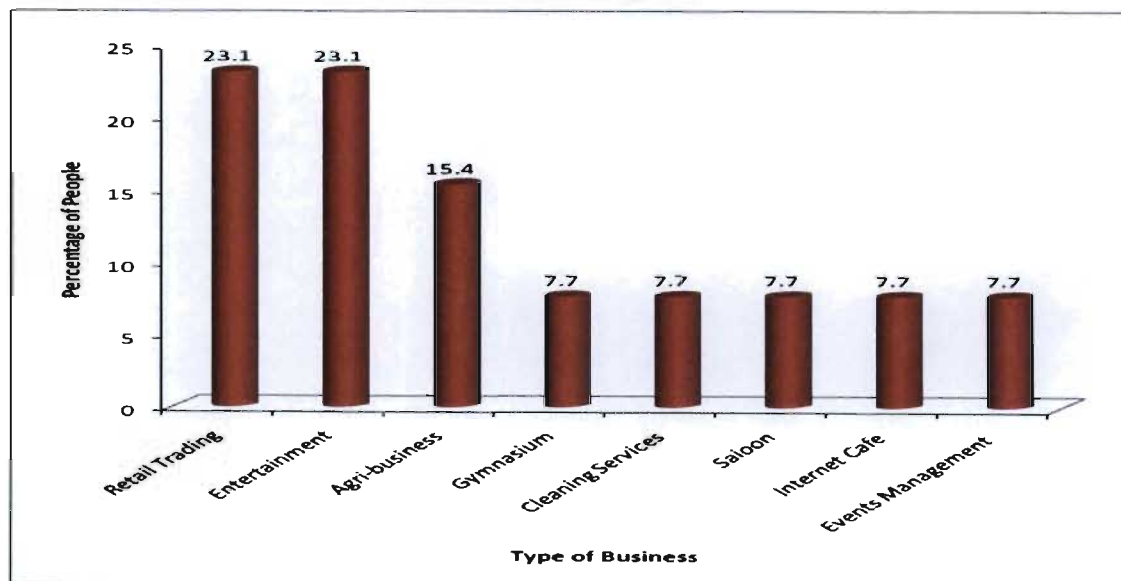


Respondents were asked if they had ever received any financial assistance to establish a business, expand their businesses or find a job.⁴ Whereas only 18.9% (n=7) and 7.5% (n=3) had respectively either ever received financial assistance to start a business or expand their businesses none had ever received financial assistance to find a job.

Respondents other than the 19 self-employed were asked about what prevented them from setting up their own businesses. The most frequently quoted reason was “Lack of Capital” (62.5%, n=5) (Figure 6). Whilst a further one in four (25%, n=2) of the valid responses explained that they had “not decided yet to establish a business”, only (12.8%, n=1) attributed it to “Lack of help from UYF”.

Asked if they intended to establish their own businesses in future an overwhelming majority (93.3%, n=14) responded, “Yes”; only 6.7% (n=1) was uncertain. On the type of business they would like to set up, most of them mentioned “Retail Trade” (23.1%, n=3) or “Entertainment” (23.1%, n=3). Smaller proportions indicated “agri-business” (15.4%, n=2), “Gymnasium” (7.7%, n=1), Cleaning services (7.7%, n=1), “Saloon” (7.7%, n=1), “Internet Café (7.7%, n=1) and “Events management” (7.7, n=1).

Figure 7. Intended Type of Business To be Established



⁴ In this dissertation ‘to establish a business’ implies self-employment whilst ‘to find a job’ means finding a paid job.

4.3. Impact of UYF Training Programmes

4.3.1 Job Creation

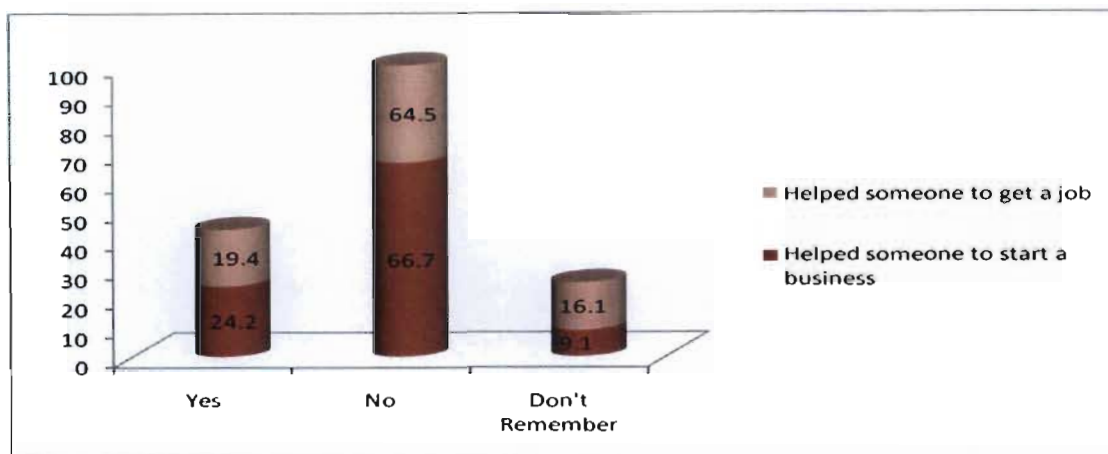
To assess the impact of UYF training programmes on job creation the self-employed were asked to indicate the number of people they employed before and after participation in UYF training programmes. The results are shown in *Table 7*. The total number of people employed before and after UYF training was 98 and 159 respectively. The mean number of people employed in either case, i.e. before and after UYF, was estimated at 8.4, with a standard deviation of 14.553 and 8.9, with a standard deviation of 17.003 respectively. There was, however, no statistically significant difference between the means of the number of people employed before and after UYF involvement.

Table 7. Number of people Employed Before and After UYF Training

No. of people Employed	Before UYF Training			After UYF Training		
	Frequency	Percentage	Total No. of People Employed	Frequency	Percentage	Total No. of People Employed
0	3	27.3	0	3	15.8	0
1	2	18.2	2	3	15.8	3
2	3	27.3	6	5	26.3	10
3	0	0.0	0	2	10.5	6
4	0	0.0	0	1	5.3	4
5	1	9.1	5	0	0.0	0
6	0	0.0	0	1	5.3	6
10	0	0.0	0	1	5.3	10
35	1	9.1	30	2	10.5	70
50	1	9.1	50	1	5.3	50
Total	11	100.0	98	19	100.0	159

Asked whether they had ever helped anyone to get a job only 19.4% (n=6) of the 31 valid responses replied “Yes” whilst 64.5% (n=20) answered “No” and 16.1% (n=5) opted for “Don’t Remember”. In a related question only 24.2% (n=8) of the 33 valid cases reported having helped someone to establish a business; majority of the respondents (66.7%, n=22) responded “No” whilst 9.1% (n=3) answered “Don’t Remember”.

Figure 8. Have you ever helped anyone to establish a business or get a job?

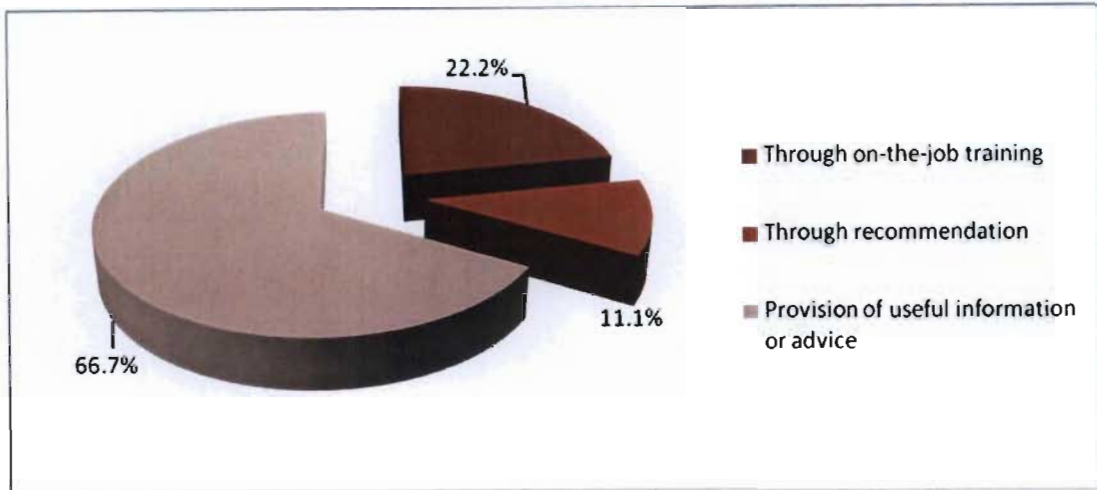


The total number of people reported to have been either helped to find a job or establish a business was given as 33 and 20 respectively (*Table 8*). Whilst the minimum and maximum numbers of people who were helped to get a job were reported as 2 and 20 respectively, the figures for those helped to establish a business were 2 and 5 respectively. On the whole the mean numbers of people reported to have either been helped to get a job or establish a business after UYF training were estimated at 6.6 and 2.9 respectively. The minimum number of people helped to find a job was 2 and the maximum was 20. On the other hand the minimum number of people helped to establish a business was reported as 2 and the maximum was 5.

Table 8. Reported Number of people helped to Establish a Business or Find a Job

No. of People	Helped to find a job			Helped to establish a business			
	Frequency	Total Count	Percent	No. of People	Frequency	Total Count	Percent
2	2	4	40.0	2	4	8	57.1
4	1	4	20.0	3	1	3	14.3
5	1	5	20.0	4	1	4	14.3
20	1	20	20.0	5	1	5	14.3
Total	5	33	100.0	Total	7	20	100.0

Figure 9. How respondents helped Others to find a job or start a business



Asked how they either helped the people to establish a business or find a job majority (66.7%, n=6) of them said they did so through “Provision of useful information or advice”; a further 22.2% (n=2) indicated, “Through on-the-job training” whilst the rest (11.1% (n=1) helped “Through recommendation” (*Figure 9*).

4.4. Impact on Income Levels and Turnover

4.4.1 Income Levels

The income levels of respondents before and after their involvement in UYF programmes are shown in the table below. Before participation in UYF Training programmes 45.2% (n=14) of respondents did not earn any income. Of the rest of this category one in four (25.8%, n=8) earned from R801 to R1500; 9.7% (n=3) earned from R1501 to R3000; and similar but smaller proportions (3.2% (n=1) earned income in each of the remaining income categories. In contrast the pattern of monthly incomes after involvement in UYF programmes presented interesting nuances. Whereas 36.4% (n=12) reportedly earned no income at all one in four (24.2% (n=8) earned from R1501 to R3000. A further 12.1% (n=2) received monthly incomes in the R801 to R1500 range whilst smaller proportions earned incomes in each of the remaining monthly income categories as shown in *Table 9*.

A further analysis of the data showed a mean monthly income of R2776.00, with a standard deviation of 3902.464 of the beneficiaries before UYF entrepreneurial education and

training. The mean monthly income of the sampled beneficiaries after the training was calculated as R2987.30 with a standard deviation of 4223.417. A Paired t-test, assuming a normal distribution and a significance level of .05 (one-tailed), showed a statistically significant difference ($p=.000$) between the means of the monthly incomes of the participants before and after the UYF entrepreneurial education and training. On the basis of the t-test results it was safe to assume that UYF entrepreneurial education and training had a positive impact on the incomes of participants.

Table 9. Monthly Income (After Tax) Before and After UYF Training

Monthly Income	Before UYF		After UYF	
	Frequency	Percent	Frequency	Percent
No Income	14	45.2	12	36.4
Less than R800	1	3.2	2	6.1
R801 - R1500	8	25.8	4	12.1
R1501 - R3000	3	9.7	8	24.2
R3001 - R5000	1	3.2	2	6.1
R5001 - R7000	1	3.2	1	3.0
R7001 - R10 000	1	3.2	1	3.0
R10 001 - R15 000	1	3.2	2	6.1
R15 001 - R20 000	1	3.2	1	3.0
Total	31	100.0	33	100.0

4.4.2 Turnover

The turnover categories of the self-employed respondents before and after UYF training also showed interesting nuances. The data showed that the proportion that registered a turnover of “Up to R100 000” before UYF training declined from 66.7% ($n=6$) to 64.7% ($n=11$) after training. Interestingly however, the proportion that had a turnover of R100 001 to R300 000 increased from 11.1% ($n=1$) before training to 17.6% ($n=3$) after training. The data also showed that one of the self-employed reported a turnover in the range of R3 000 001–R 5000 000 after UYF training, compared to none before UYF training.

Table 10. Turnover Before and After UYF Training

Turnover	Before UYF		After UYF	
	No. of People	Valid Percent	No. of People	Valid Percent
Up to R100 000	6	66.7	11	64.7
R100 001 - R300 000	1	11.1	3	17.6
R300 001 - R500 000	0	0	1	5.9
R500 001 - R1000 000	0	0	0	0.0
R1 000 001 - R2 000 000	1	11.1	0	0.0
R2000 001 - R3000 000	0	0.0	0	0.0
R3 000 001 - R5 000 000	0	0.0	1	5.9
R>5 000 000	1	11.1	1	5.9
Total	9	100.0	17	100.0

The analysis of the data showed a mean turnover of R1 055 556 with a standard deviation of 2462905.506 before training and a mean turnover of R76764.24, with a standard deviation of 1959200.816. The high standard deviations in both instances indicate that the turnover data sets, before and after training, are spread over a wide range of values around the mean turnovers. In other words the standard deviations strikingly demonstrate diverse economic performances amongst the sampled self-employed beneficiaries.

A Paired-t test was conducted to test the significance of the differences in the mean turnovers before and after UYF training. The result of the t-test (1-tailed) showed that the turnover profiles of the businesses of the self-employed beneficiaries, before and after training, did not statistically differ ($\alpha=.05$; and $p=.230$) significantly. In other words the UYF entrepreneurial education and training did not have any significant impact on the turnovers of the sampled self-employed beneficiaries. The result is contrary to expectation, and is suggestive of inadequacies of the training programme. At another level it may be explained by the observation that many of the self-employed had not been in business for long (mean years of being in business was 3.3) and were yet to find their feet in a highly competitive economy.

The nature of business activities of many of them, largely petty trading and peripheral services, also did not offer many opportunities for them to increase their turnovers.

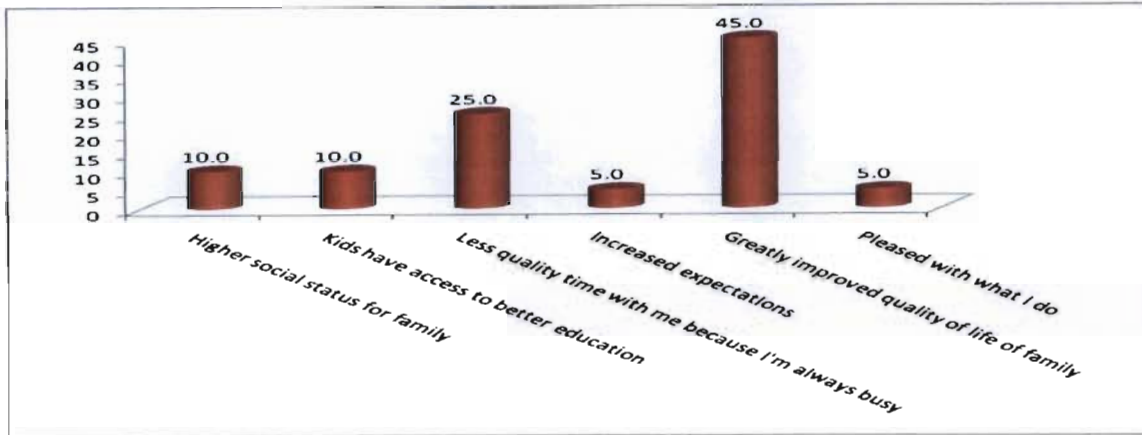
4.5 Effects of Starting a business or getting a job on Respondents' Personal Lives and Families

Figure 10. Impact of establishing a business or finding a job on personal life



Respondents were asked to describe the manner in which their establishing a business or finding a job had affected their lives. The results are presented in *Figure 10*. Almost one in three (31.8%, n=7) agreed that establishing a business or finding a job had improved their disposable incomes; 27.3% (n=6) indicated that it had improved their quality of life and social status. Whilst a further 9.1% (n=2) had derived personal satisfaction from establishing a business or finding a job the rest (31.8%, n=7) indicated having “limited time for socializing” (22.7%, n=5) or that it was “stressful at times” (9.1%, n=2).

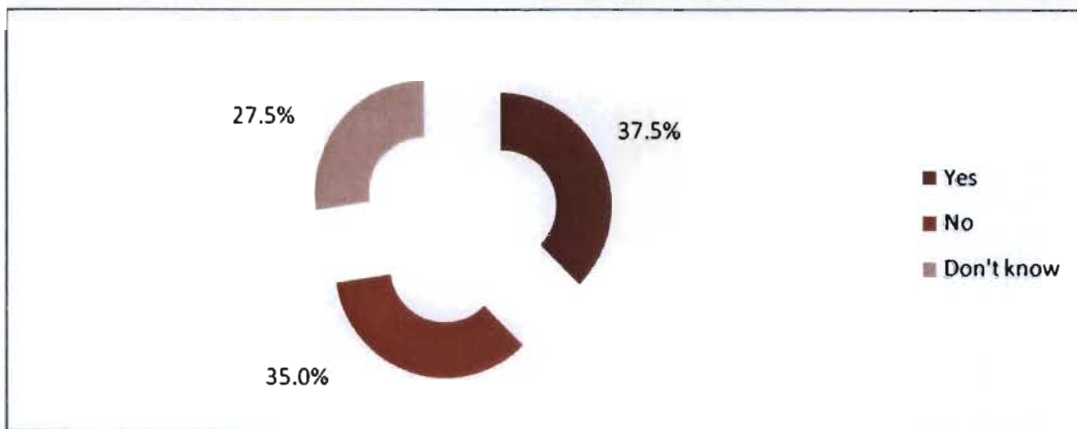
Figure 11. Impact of establishing a business or finding a job on Family



In a related question a majority of the respondents (70.0%, n=14) agreed that establishing a business or finding a job had “Greatly improved the quality of life of family” (45.0%, n=9). Others indicated “Kids have access to better education” (10%, n=2), and Higher social status for family” (10.0%, n=2). A smaller proportion (5.0%, n=1) indicated that their families were pleased with what they were doing but for the rest (30%, n=6), the effects were either that their families had less quality time with them because they were always busy (25.0%, n=5) or it had increased their (families’) expectations (5.0%, n=1). It is clear from the data that the impact of establishing a business or finding a paid-job on family varied from family to family. The responses, however, provide a hint into the family values of budding young entrepreneurs.

4.6 Beneficiary Perception of UYF Performance

Figure 12. Is UYF doing enough to equip the youth with necessary skills to create jobs?



Perception is reality, and this is critical in assessing whether or not UYF is living up to expectations. Respondents were asked whether UYF was doing enough to equip young

people with skills to establish businesses and create jobs. The results are shown in *Figure 12*. Whereas only one in three (37.5%, n= 15) answered “Yes” to the question, a similar proportion (35.0%, n=14) answered “No” whilst the rest (27.5%, n=11) replied “Don’t Know”.

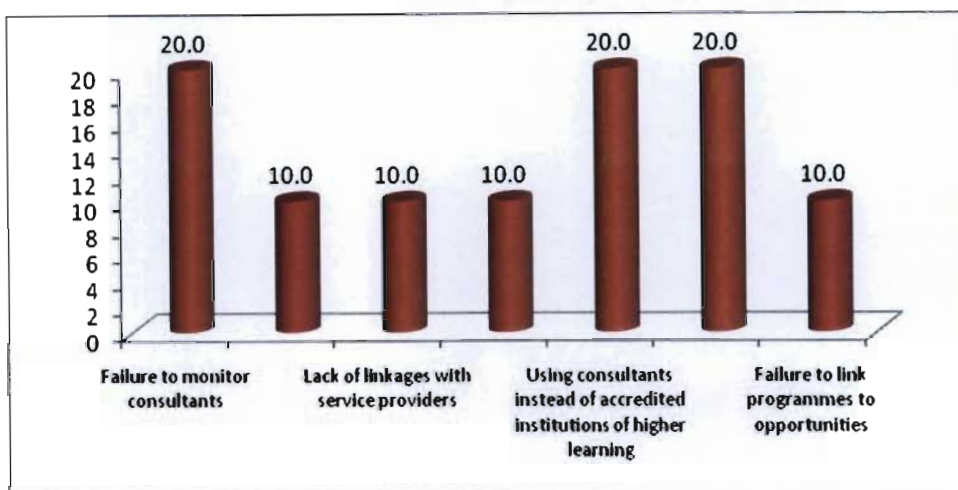
Within employment status categories similar proportions of the self-employed believed that UYF was either doing enough (36.8%, n=7) or not doing enough (36.8%, n=7) to equip the youth in KwaZulu-Natal to establish a business and create jobs (*Table 11*). One in four (26.3%, n=5) in the same employment status category said “Don’t know”. Of the employed category, 40.0% (n=4) agreed that UYF was doing enough for the youth whilst 30% (n=3) disagreed; a further 30% (n=3) said “Don’t Know”. Responses within the unemployed category, as shown in *Table 11*, followed a similar pattern: 36.4% (n=4) said “Yes”; a further 36.4% (n=4) replied “No” whilst 27.3% answered “Don’t Know”. The employment status profiles of the “Yes” and “No” categories of the question of whether UYF was doing enough for the youth or not were not statistically significantly different (Fisher’s Exact Test: p=.715 (2-sided); p=.434 (1-sided)). The results suggest that being employed, self-employed or unemployed was not a significant factor in determining a beneficiary’s perception of UYF’s performance in regard to equipping the youth with skills to establish businesses and create jobs.

Table 11. UYF Performance by Employment Status

Is UYF doing enough to equip young people with skills to establish a business and create jobs?								
Employment Status	Yes		No		Don't Know		Total	
	Count	%	Count	%	Count	%	Count	%
Self-employed	7	36.8	7	36.8	5	26.3	19	100.0
Employed	4	40.0	3	30.0	3	30.0	10	100.0
Unemployed	4	36.4	4	36.4	3	27.3	11	100.0
Total	15	37.5	14	35.0	11	27.5	40	100.0

Respondents who did not think that UYF was doing enough to equip the youth were asked what they thought was preventing the organisation from doing so. The results are presented in *Figure 13*. Most of the respondents indicated “Failure to monitor consultants (20.0%, n=2), “Using consultants instead of accredited institutions of higher learning” (20.0%, n=2), and “lack of understanding of young people and their needs” (20.0%, n=2). Other reasons indicated by smaller proportions were “lack of M&E system” (10.0%, n=1), “Lack of linkages with service providers” (10.0%, n=), “Exclusion of rural youth” (10.0%, n=1) and “Failure to link programmes to opportunities” (10.0%, n=2).

Figure 13. What is preventing UYF from doing enough to equip the youth?



In response to a related question respondents suggested a variety of activities that UYF ought to be doing to adequately equip young entrepreneurs to establish businesses and create jobs. The most often mentioned activity was “Establish linkages with, and monitor service providers” (22.2%, n=4), followed by “Pay attention to youth in agricultural projects” (16.7%, n=3) and “Extend programmes to rural youth” (11.1%, n=2). Further smaller proportions indicated other suggestions as shown in *Table 12*.

Table 12. Things UYF ought to be doing to adequately equip the youth to create jobs

Characteristic	Frequency	Percent
Conduct Road Shows	1	5.6
Organise seminars	1	5.6
Establish linkages with, and monitor service providers	4	22.2
Pay attention to youth in agricultural projects	3	16.7
Find out young people's needs and help them	1	5.6
Merge courses with values system	1	5.6
Monitor Trainees' Performances	1	5.6
Extend programmes to rural youth	2	11.1
Place trainees in established businesses for mentorship	1	5.6
Organise business workshops periodically	1	5.6
Work with academic institutions not consultants	1	5.6
Create risk fund for the less privileged youth	1	5.6
Total	18	100.0

Respondents were also asked to indicate the extent to which they agreed or disagreed with the view that the ability of young entrepreneurs touched by UYF programmes to create jobs was very limited. One in five (20.5%, n=8) respondents indicated “Very strongly agree”; 5.1% (n=2) opted for “Strongly agree” whilst 38.5% (n=15) elected “Agree”. In contrast only 5.1% (n=2) chose “Very strongly disagree”, whilst 2.6% (n=1) opted for “strongly disagree” and 5.1% (n=2) selected “Disagree”. Almost one in four (23.1% (n=9) respondents were uncertain.

Regrouping responses into three main categories the analysis showed that a good majority of respondents (64.1%, n=25) agreed that the ability of young entrepreneurs touched by UYF programmes to create jobs was very limited; only 12.8% (n=5) disagreed whilst 23.1% (n=9) remained undecided.

Figure 14. Extent to which beneficiaries agree or disagree that the ability of young entrepreneurs touched by UYF programmes to create jobs is very limited

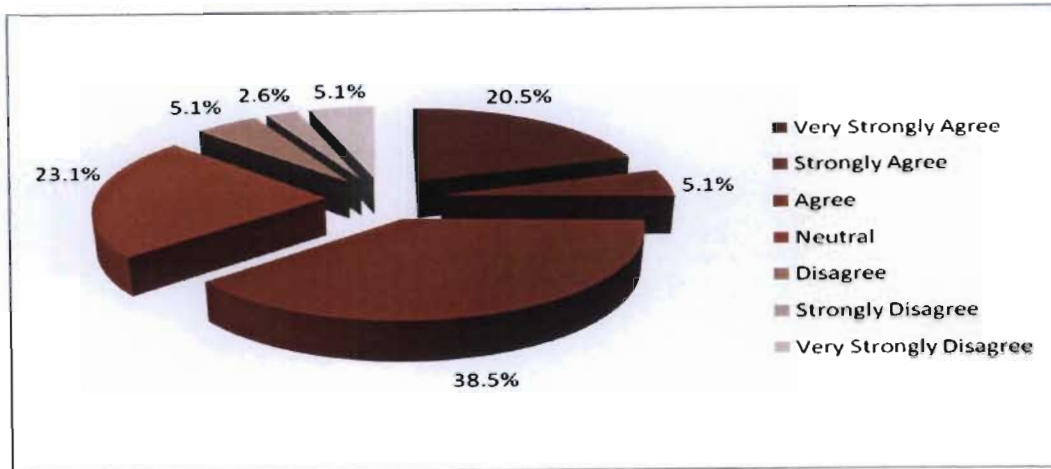
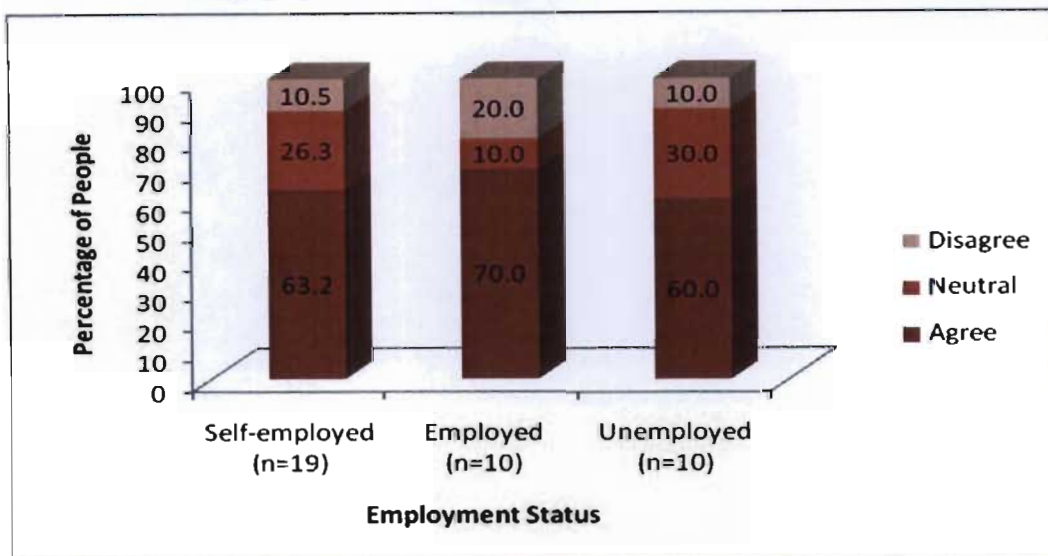


Figure 15. Extent to which beneficiaries agree or disagree that the ability of young entrepreneurs touched by UYF programmes to create jobs is very limited by Employment status categories



Of the self-employed 63.2% (n=12) agreed that the ability of young entrepreneurs touched by UYF programmes to create jobs is very limited whilst 26.3% (n=5) disagreed and 10.5% (n=2) were undecided. Similar patterns were observed within the “employed” and “unemployed” categories, as shown in *Figure 13*. The employment status profiles of the response categories in the context of the ability of young entrepreneurs touched by UYF programmes to create jobs were clearly not statistically different ($\chi=1.660$, $df=4$, $p=.798$)

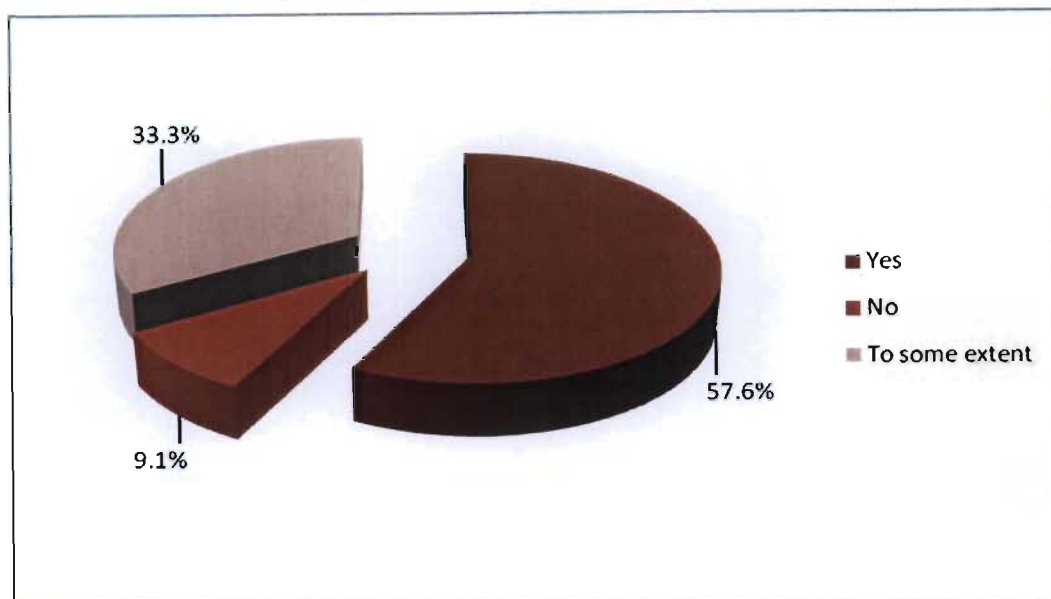
from each other. The perception of whether young entrepreneurs touched by UYF programmes had the ability to create jobs was therefore not significantly dependent on the employment status of the respondents.

The reasons given by those who agreed with the statement varied, as shown in *Table 11*. However, the most common reasons were “cumbersome processes, not always helpful” (16.7%, n=2), “Ill-treated in my first contact with UYF” (16.7%, n=2), “Programmes are not accessible to all, especially rural youth” (16.7%, n=2) and “Failure to provide comprehensive and integrated support” (16.7%, n=2).

Table 13. Reasons for the limited ability of the youth touched by UYF Programmes to create jobs

Characteristic	Frequency	Percent
Cumbersome processes, not always helpful	2	16.7
Programmes improve chances of getting, rather than creating a job	1	8.3
Wrong targeting of financial assistance	1	8.3
Ill-treated in my first contact with UYF	2	16.7
Programmes are not accessible to all, esp., rural youth	2	16.7
Information they provide is not always helpful	1	8.3
Failure to provide comprehensive and integrated support	2	16.7
Beneficiaries don't generate sufficient income to create jobs	1	8.3
Total	12	100.0

Figure 16. Does UYF entrepreneurial skills development programme emphasize values as a guiding principle to being successful in business or finding a job?



Respondents were further asked if the UYF entrepreneurial skills development programme emphasized values as a guiding principle to being successful in establishing a business or finding a job. A fairly good majority (57.6%, n=19) answered “Yes”; a further one in three (33.3%, n=11) answered, “To some extent” whilst almost one in ten (9.1%, n=3) said, “No” (Figure 16).

In response to a related question virtually 90% or more respondents indicated “hard work” (91.7%), honesty (89.5%), confidence (89.5%) and responsibility (89.5%) as being “extremely important” or “very important” for success in business or career (Table 14). There were however interesting nuances in priority between the employment status categories. All of the “self-employed” said that “respect” was “extremely important” or “very important”, with similar but relatively lower proportions opting for “confidence” (94.4%), “creativity” (94.4%), “vision” (94.1%) and “capable” (94.1%). On the other hand all of the “employed” agreed that “hard work”, “honesty” and “trust” were “extremely important” or “very important”, ahead of “confidence” (88.9%), “responsibility” (88.9%) and “appropriate skills and experience” (88.9%). A similar pattern was observed within the “unemployed” category. Whereas similar proportions indicated “Intelligence” (90.9%), “Loyalty” (90.9%), “hard work” (90.9%), “respect” (90.9%) and “Choosing own goals” (90.9%) as “extremely

important” or “very important” only 81.8% opted for “honesty” or “confidence”. At the extreme end of the continuum, the three characteristics that were least frequently mentioned to be ‘very important’ or ‘extremely important’ were ‘good looks’ (41%), ‘luck’ (29.7%), and ‘aggressiveness’ (25.7%).

Table 14. Proportions that think that each of the 35 characteristics is "extremely important" or 'very important" for success in business or career

Characteristic	Self-employed	Employed	Unemployed	Total
Hard Work	88.9	100.0	90.0	91.7
Honesty	88.9	100.0	81.8	89.5
Confidence	94.4	88.9	81.8	89.5
Responsibility	88.9	88.9	90.9	89.5
Respect	100.0	66.7	90.9	88.9
Trust	83.3	100.0	81.8	86.8
Appropriate Skills and experience	88.9	88.9	81.8	86.8
Vision	94.1	77.8	81.8	86.5
Choosing own goals	88.9	66.7	90.9	84.2
Commitment	88.9	77.8	81.8	84.2
Creativity	94.4	66.7	72.7	81.6
Loyalty	88.2	55.6	90.9	81.1
Networks and Contacts	83.3	77.8	72.7	78.9
Perseverance	83.3	77.8	72.7	78.9
Capable	94.1	44.4	81.8	78.4
Reputation	72.2	88.9	70.0	75.7
Knowledge of the environment	75.0	88.9	63.6	75.0
Courage	77.8	66.7	72.7	73.7
Influential	72.2	66.7	80.0	73.0
Drive	88.9	55.6	50.0	70.3

Equality (Equal Opportunity)	66.7	77.8	66.7	69.4
Tolerance	70.6	55.6	72.7	67.6
Money (Capital)	66.7	55.6	80.0	67.6
Intelligence	76.5	22.2	90.9	67.6
Inventiveness	76.5	75.0	36.4	63.9
Humble (Humility)	66.7	44.4	72.7	63.2
Wisdom	66.7	44.4	70.0	62.2
Assertiveness	62.5	44.4	66.7	58.8
Spiritual Development	55.6	55.6	63.6	57.9
Risk Taking	55.6	44.4	63.6	55.3
Foresight	47.1	87.5	40.0	54.3
Moderation	52.9	62.5	50.0	54.3
Good Looks	36.8	33.3	54.5	41.0
Luck	33.3	11.1	40.0	29.7
Aggressiveness	41.2	11.1	11.1	25.7

4.7. UYF Programmes

Respondents were asked to indicate which of the three UYF programmes they did. Only 9.7% (n=3) did all the three UYF programmes, with majority of them (32.3%, n=10) reporting as having done Contact, Information and Counselling Programme (CICP) only (Figure 17). Whereas 22.6% (n=7) reportedly did Youth Entrepreneurship Programme (YEP) only, the rest said they either did “Skills Development and Transfer Programme (SDTP) only (12.9%, n=4), CICP and SDTP only (12.9%, n=4), SDTP and YEP only (6.5%, n=2) or CICP and YEP only (3.2%, n=1).

Figure 17. Participation in UYF Programmes

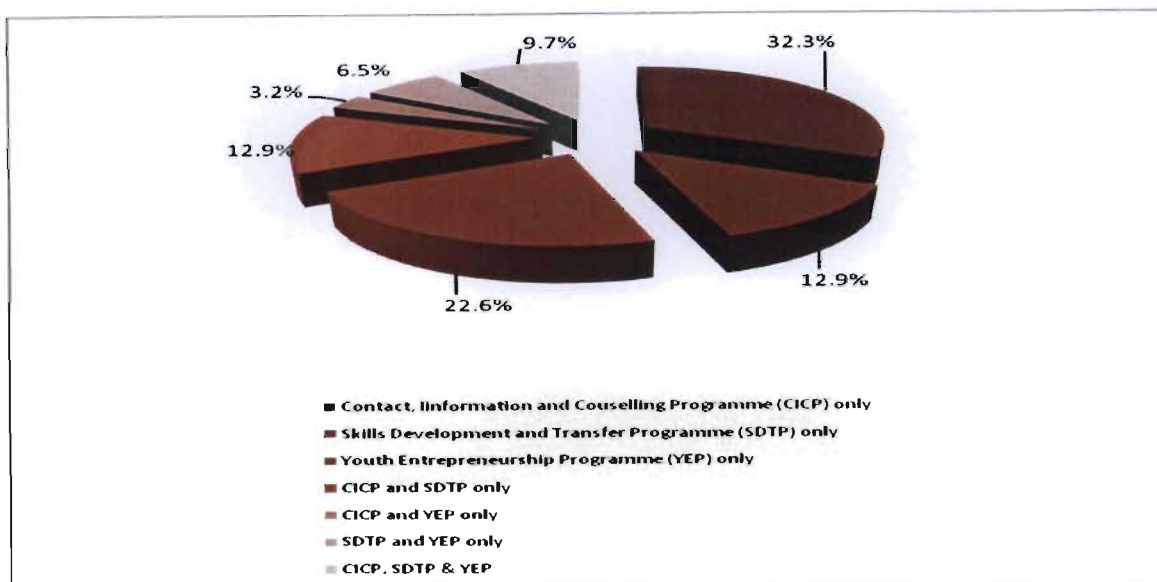


Table 15. Proportions that think that each of the three UYF programmes is "very important" for success in business or career

UYF Programme	Self-employed	Employed	Unemployed	Total
Skills Development and Transfer Programme	100.0	80.0	100.0	92.3
Contact, Information and Counselling Programme	88.9	66.7	100.0	88.2
Youth Entrepreneurship Programme	100.0	60.0	100.0	75.0

Respondents were asked the extent to which they thought each of the three UYF programmes was important for success in business or career. The programme most often mentioned by over 90% of the respondents was "Skills Development and Transfer Programme", with "Contact, Information and Counselling" as the second most popular programme indicated by 88.2% as being "very important" for success in business or career. On the other hand, "Youth Entrepreneurship Programme" (75.0%) was the least popular amongst the programmes mentioned as being "very important" for success in business or career. The

pattern of choices amongst the “employment status” categories, nevertheless, presented some interesting nuances, with all the “unemployed” indicating all the three programmes as “very important”. Amongst the “employed” however, “Skills Development and Transfer” was indicated by 80% as being “very important”, ahead of “Contact, Information and Counselling Programme” (66.7%) and “Youth Entrepreneurship Programme” (60.0%).

Having decided on the extent to which each of the UYF programmes was important for success in business and career, respondents were asked to indicate which one of the three programmes they thought was most or least significant for success in business and career. Just under half (45.0%, n=9) of the respondents opted for “Skills Development and Transfer Programme”, as the most significant UYF programme for success in business, followed by “Youth entrepreneurship Programme” (35.0%, n=7) and “Contact, Information and Counselling” (20.0%, n=4) (Figure 18).

Figure 18. Most Significant UYF Programme for Success in Business

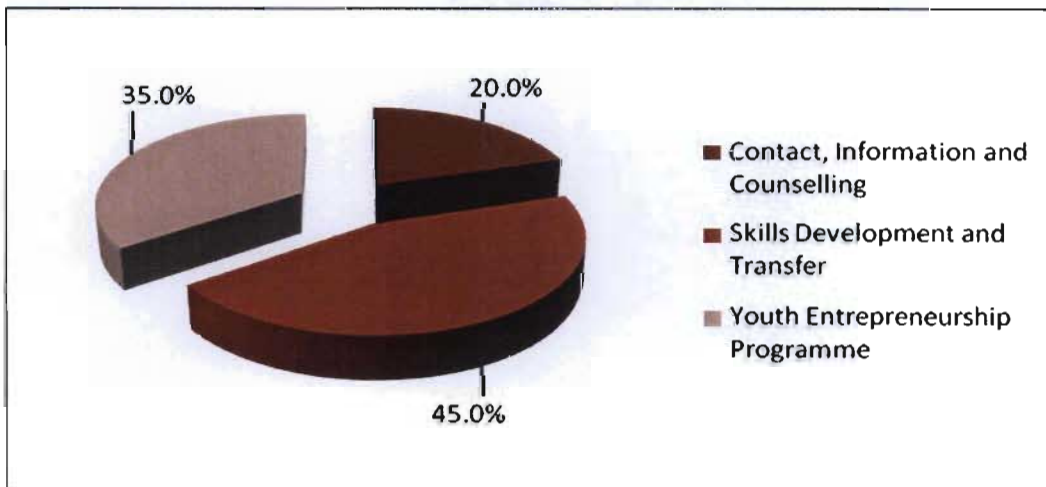
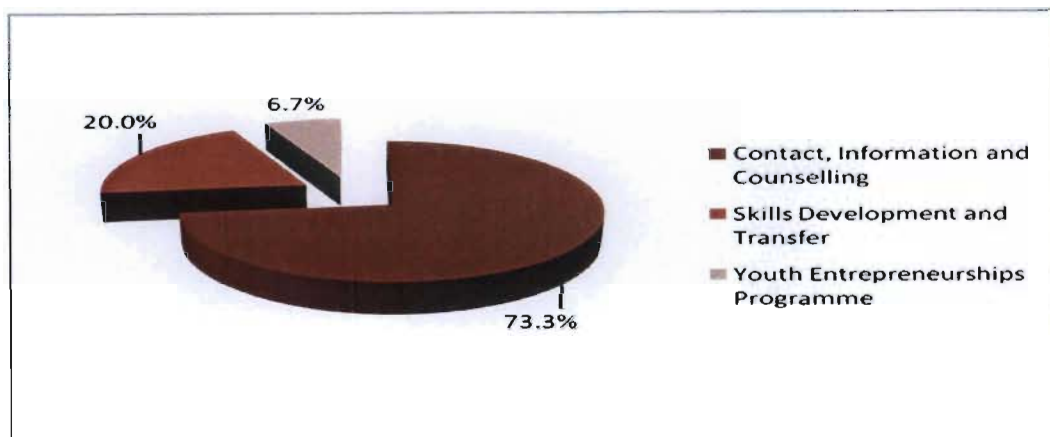


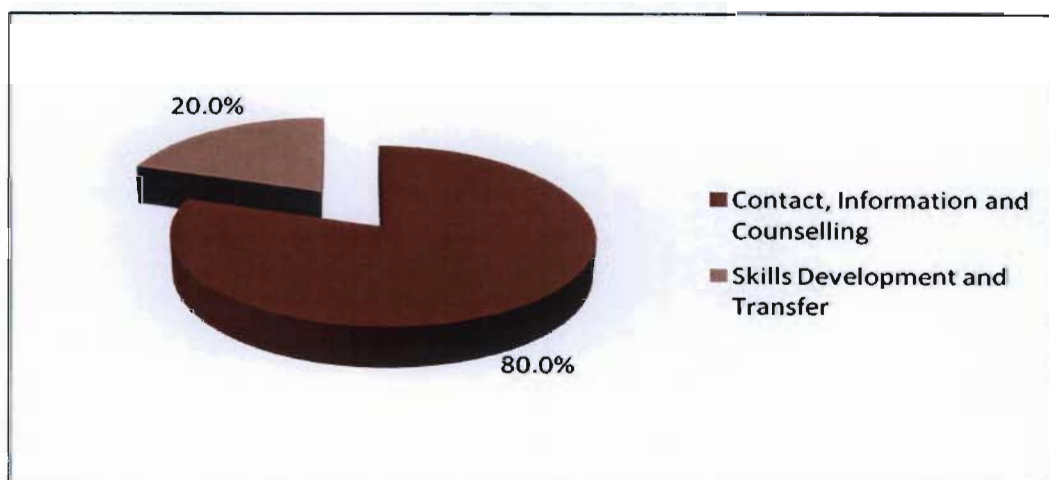
Figure 19. Least Significant UYF Programme for Success in Business



On the other hand, nearly one in four (73.3%, n=11) elected “Contact, Information and Counselling” as the least significant programme for success in business, with “Skills Development and Transfer” and “Youth Entrepreneurship” being nominated by 20.0% (n=3) and 6.7% (n=1) respectively (*Figure 19*).

In contrast, an overwhelming majority (80.0%, n=4) opted for “Contact, Information and Counselling” as the most significant UYF programme for success in finding a job; the remaining 20% (n=1) nominated “Skills Development and Transfer” (*Figure 20*).

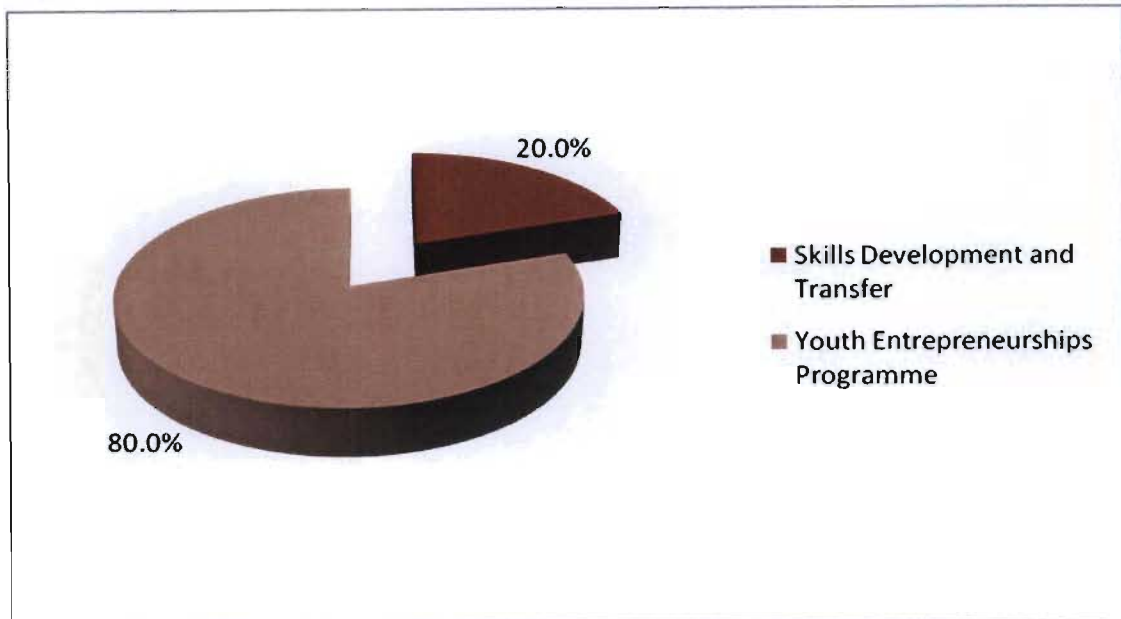
Figure 20. Most Significant Programme for success in Finding a Job



The UYF programme that was most frequently mentioned by 80% of respondents to be the least significant for success in finding a job was “Youth Entrepreneurship Programme”, with

“Skills Development and Transfer” (20.0%) being the next most frequently mentioned programme (Figure 21).

Figure 21. Least Significant Programme for Success in Career



Respondents were asked to indicate the extent to which each of a set of entrepreneurial characteristics was covered in the UYF entrepreneurial skills development programme. The characteristics that were most frequently mentioned by 50% or more respondents were “Business Plan” (60.6%), “Initiative” (51.7%) and “Information & Communication Technology” (50%) (Table 16). Within the self-employed category the only characteristic that was indicated to have been “partially” or “fully covered” by over 50.0% or more respondents was “Business Plan” (52.9%), compared to the “employed” category in which more than 70% had indicated several characteristics, including “Business Plan” (75.0%), “Initiative” (71.4%), and “Leadership” (71.4%). On the other hand the only characteristics most frequently mentioned by 60% or more respondents to have been “partially” or “fully covered” in UYF programmes were “business Plan” (62.5%) and “Leadership” (62.5%).

Table 16. Proportions that think that each of the core entrepreneurial and employee skills was "partially" or "fully" covered in UYF Training Programme

Characteristic	Self-employed	Employed	Unemployed	Total
Business Plan	52.9	75.0	62.5	60.6
Initiative	42.9	71.4	50.0	51.7
Information & Communication				
Technology	40.0	71.4	50.0	50.0
Negotiations	33.3	71.4	50.0	46.7
Leadership	26.7	71.4	62.5	46.7
Financial Literacy	33.3	57.1	50.0	43.3
Team Building	33.3	57.1	50.0	43.3
Research & Analysis	26.7	57.1	55.6	41.9
Calculated Risk	31.3	57.1	50.0	41.9
Management	33.3	50.0	50.0	41.4
Idea generation and creativity	20.0	71.4	50.0	40.0
Networking	26.7	57.1	50.0	40.0
Political and Economic Environment	28.6	50.0	12.5	28.6

At the extreme end of the spectrum, the three characteristics that were least frequently mentioned to have been “partially” or “fully covered” in UYF skills development programme were “Idea generation and creativity” (40.0%), “Networking” (40.0%), and awareness of the “Political and Economic Environment” (28.6%).

4.8. Performance Index

At this point the analysis turned to the key variables surrounding the performance of UYF in regard to equipping the youth with necessary skills to establish business and create jobs. A measure of the organisation’s performance in regard to equipping youth with necessary skills to create jobs, on a ten-point level of performance scale ranging from 0, for absolutely unsatisfactory performance to 10, for complete satisfactory performance resulted in an index of 2.8. The levels of performance indices across indicators were relatively better for UYF

programmes (2.9) and their impact (2.9), compared to the index for beneficiary perception of UYF performance in youth entrepreneurship development.

Table 17. Equipping Youth with Entrepreneurial Skills to Establish Businesses and Create jobs: Level of Performance Index

Characteristic	Index
Beneficiary Perception of UYF Performance in Youth Entrepreneurship Development (2.4)	
UYF has done enough to equip youth to create jobs	3.5
UYF beneficiaries have the ability to create jobs	1.3
Impact of UYF Programmes (2.9)	
Improvement in employment Status	7.3
Job Creation by beneficiaries (direct)	0.0
Helped to Find a Job	1.9
Helped to Start a Business	2.4
UYF Programmes (2.9)	
Level of Participation in UYF Programmes	1.5
Coverage of core entrepreneurial skills	2.3
Emphasis on values for success in business and career	5.0
Total Score	25.2
General Index	2.8

On the impact of UYF programmes performance index was significantly better for “employment status”, estimated at 7.3, than for the rest of the indicators as shown in *Table 17*. With regard to UYF programmes, there was a considerably high level of satisfaction (an index of 5.0) with the level of emphasis on values for success in business and career. On the contrary coverage of core entrepreneurial skills received a very low performance index of 2.3 whilst participation in UYF programmes fared no better, with an index of 1.5. Strikingly the performance index for direct job creation by beneficiaries was zero, and this dovetailed the extremely low rating of the ability of UYF beneficiaries to create jobs (1.3), as well as the rating for the view that UYF had done enough to equip youth to create jobs (3.5).

4.9 Key Findings

The key question that this study sought to answer was whether UYF had equipped the youth in KwaZulu-natal with the necessary skills to create jobs. To answer this question, the study examined the content of UYF programmes, the extent of participation, and their impact especially on job creation, employment status and the beneficiaries' and their families' lives.

4.9.1 UYF Programmes

A review of the literature showed that UYF runs three main programmes: (i) Contact, Information and Counselling Programme (ii) Skills Development and Transfer Programme and (iii) Youth Entrepreneurship Programme.

The survey data showed that:

- Only 9.7% (n=3) participated in all the three UYF programmes. Majority (32.3% (n=10), however, reported participating in the “Contact, Information and Counselling only”. Whereas less than one in four (22.6%, n=7) participated in the Youth Entrepreneurship Programme only smaller proportions reported participating in two of the programmes.
- The UYF programme that was nominated as “very important” for success in business and career by over 90% of respondents was “Skills Development and Transfer Programme”. Whilst 88.2% indicated “Contact, Information and Counselling Programme” as “very important” for success in business and career only 75% opted for “Youth Entrepreneurship Programme”.
- Of the three UYF programmes “Skills Development and Transfer Programme” was indicated by 45.0% (n=9) as being the most significant UYF programme for success in business. On the other hand 73.3% (n=) elected “Contact, Information and Counselling” as the least significant for success in business.
- In regard to the most significant UYF programme for success in career, an overwhelming majority (80%, n=4) opted for “Contact, Information and Counselling”; only 20% (n=1) selected “Skills Development and Transfer”, and none for “Youth Entrepreneurship”. On the other hand, a great majority (80.0%, n=4) of respondents identified “Youth Entrepreneurship Programme” as the least significant

UYF programme for success in career; 20% (n=1) indicated Skills Development and transfer as the least significant.

- Entrepreneurial characteristics that were reportedly covered “partially” or “fully” in UYF training programme by 50.0% or more respondents were “Business Plan” (60.6%), Initiative (51.7%) and “Information and Communication Technology” (50.0%). On the other the three entrepreneurial characteristics least rated to have been “partially” or “fully” covered were “idea generation and creativity” (40.0%), “Networking” (40.0%) and “political and economic environment” (28.6%).
- A fairly good majority (57.6%, n=19) of respondents agreed that the UYF entrepreneurial skills development programme emphasized values as a guiding principle for success in business and career. Asked to indicate the extent to which each of a set of 35 values was important for success in business or career, very close to 90% or more elected “hard Work” (91.7%), “honesty” (89.5%), and “responsibility” (89.5%) as “very important” or “extremely important”.

4.9.2 Impact of UYF Programmes

4.9.2.1 Employment Status

- The employment status data showed that 28.2% (n=11) of respondent reported being “self-employed” whilst similar proportions indicated being “employed” (28.2% (n=11) or “unemployed” (28.4% (n=11) before participation in UYF programmes. During the same period only 15.4% (N=6) reported studying”. Post-UYF involvement data however showed that whilst 47.5% (n=19) reported being “self-employed” a further 25.0% (n=10) indicated that they were “employed”. A little over one in four (27.5% (n=11) reported being unemployed. In effect, there was a net increase in post-UYF training programme “self-employment” of 19.3%; the “employed” declined by 3.2% whilst the “unemployed” remained virtually unchanged. The employment status profiles of the beneficiaries in pre- and post-UYF training periods statistically significantly differed ($\chi^2=2.618$, $df=3$, $p=.000$), and this implied an improvement in the employment status of the beneficiaries after UYF training.

- A majority of the “self-employed” (68.4%, n=13) and the “employed” (60.0%, n=6) were aged from 25 to 34 years, whilst most but similar proportions of the “unemployed” were either in the same age cohort (45.5%, n=5) or the 15-24 age group (45%, n=5).
- Of the self-employed a small majority (52.6%, n=10) were women; only 47.4% (n=9) were men. Whilst the employed category was equally divided amongst the gender categories, majority (72.7%, n=8) of the unemployed were women.
- The most frequently mentioned type of business of the self-employed was “Retail Trading” (18.5%), followed by “Catering” (11.1%) and “Fashion Design/Clothing” (7.4%).
- Of the self-employed only 18.9% (n=7) reported having ever received financial assistance from UYF to start a business. Whilst 7.5% (n=3) reported having received financial assistance to expand their business none had ever received any financial assistance to find a job.
- The most frequent reason given by respondents other than the self-employed for not having their own businesses was “lack of capital” (62.5%, n=5); 12.8% said it was due to “Lack of help from UYF”. A great majority (93.3%, n=14) of them, however, confirmed their intention to establish their own businesses in future.

4.9.2.2 Job Creation

- The total number of people employed by those respondents who claimed to be self-employed before their participation in UYF programmes was estimated at 98, compared with 159 after UYF involvement. The mean numbers of people employed before and after UYF programmes were however not statistically significantly different though the figure was lower after UYF (8.4) than it was before UYF (8.9).
- Only 19.4% (n=6) had ever helped someone to find a job; majority (64.5%, n=20) had never done so before.
 Nearly one in four (24.2%, n=22) reported having helped someone to set up a business; majority (66.7%, n=22) had never done so. Whereas the mean number of

people helped to find a job was 6.6 only 2.9 people on average had been assisted to set up a business.

4.9.2.3 Personal and Family Lives

- Whereas 45.2% (n=14) reported that they had no income before their involvement in UYF programmes, only 36.4% (n=12) said so after UYF. On the other hand whilst only 9.7% (n=3) reported incomes ranging from R1501-R3000 before participating in UYF programmes, the proportion in this income bracket after UYF participation was 24.2% (n=8). The monthly income profiles of respondents before and after UYF were significantly different (t-test: $p=000$; at a significance level of .05).
- The reported turnover of majority (66.7%, n=6) of the self-employed respondents before UYF was in the range of “Up to R100 000”; the proportion in this turnover category after UYF training was 64.7% (n=11). Whereas 17.6% (n=3) reported turnovers in the R100 001 to R300 000 category only 11.1% (n=1) reported a similar turnover range before UYF. The turnover profiles of respondents before and after UYF did not differ ($p=.230$; at a significance level of .05 in a t-test) significantly.
- Majority of the respondents (68.2%, n= 13) reported either having” Improved disposable income” (31.8%, n=7), “Improved quality of life and social status” 27.3%, n=6) or “Personal satisfaction” (9.1%, n=2) after establishing a business or finding a job. In contrast the rest (31.8%, n=7) either had “Limited time for socializing” (22.7%, n=5) or were “Stressful at times” (9.1%, n=2).
- A significant majority (70.0%, n=14) indicated that establishing a business or finding a job had improved the quality of life of their families (45.0%, n=9).

4.9.2.4 Perceptions of UYF Performance

- Asked whether UYF was doing enough to equip the youth in KwaZulu-Natal with the necessary skills to create jobs only 37.5% (n=15) said, “Yes”. A similar proportion (35.0%, n=14) said, “No” whilst 27.5% (n=11) were uncertain.

- The mostly frequently mentioned reason given for UYF inability to sufficiently equip the youth with necessary skills to create jobs was threefold: “Failure to monitor consultants” (20%, n=2), “Using consultants instead of accredited institutions of higher learning” (20.0%, n=2) and “Lack of understanding of young people and their needs” (20.0%, n=2).
- Majority (64.1%, n=25) were of the opinion that the ability of young entrepreneurs touched by UYF programmes to create jobs was very limited. Only 12.8% (n=5) differed whilst 23.1% (n=9) were undecided. The reasons given by those who held the view that young entrepreneurs touched by UYF programmes did not have the ability to create jobs varied. The most often mentioned, however, were “cumbersome processes, not often helpful” (16.7%, n=2), “Programmes are not accessible to all, especially rural youth”, (16.7%, n=2), “Failure to provide comprehensive and integrated support” (16.7%, n=2) and ‘ill-treated in my first contact with UYF’ (16.7%, n=2).

4.9.2.5. UYF Performance Index

In regard to the key question of whether UYF has equipped the youth in KwaZulu-Natal with the necessary skills to create jobs a snapshot of statistics on the relevant variables shows a very low performance index of 2.8. The level of performance across the variables surrounding the core question is however best for impact on employment status, which has an index of 7.3, followed by emphasis on core entrepreneurial skills (5.0). In contrast, the indices for job creation by beneficiaries (0.0), the ability of UYF beneficiaries to create jobs (1.3) and UYF has done enough to equip youth with necessary skill” (3.5) are the lowest.

4.10. Results of In-depth Interviews

In two separate focus group discussions with selected beneficiaries, it was found that 40% of them had participated in the Graduate Programme of the UYF whilst all of them (12) had participated in the three-programme focus areas of the UYF, namely, Contact, Information and Counselling, Skills Development and Transfer and Youth Entrepreneurship programme. The Graduate Programme, according to the participants, comprised presentation skills, business skills and life skills. The Graduate Programme participants indicated that they were specifically recruited by UYF for their leadership skills programme. Asked if the

programmes addressed issues of values in relation to success in business or leadership, the participants replied that values were not taught as a subject but in the context of business, leadership, and personal and psychological development. In an answer to a question 60% of the respondents said they had their own businesses; the rest said they were employed in either the public or private sector; a few worked in the non-governmental organisations (NGOs) sector. Responses on why those employed had not established their own businesses varied but the key reason was lack of capital. Others explained that they were either more interested in social entrepreneurship, and had taken a step towards that by working in the NGOs sector or not business-minded at all.

Asked if they had any problems with the UYF programmes, they all said, "No", with specific reference to the entrepreneurial services and business training. However, they were critical of UYF's micro-finance scheme which according to some of the participants was not easily accessible to all. "It favours the urban youth and those who have contacts within UYF", they maintained.

On the critical question of whether UYF had equipped the youth with the necessary skills to establish their businesses and create jobs, there was a consensus that a six-month course in entrepreneurship was not enough to equip young people to become successful businessmen and businesswomen and create jobs. One of them pointed out that the training services they received were not offered by accredited educational institutions but by service providers some of whom had no clue about entrepreneurship training.

It was also pointed out that the loans granted them were too small to establish the kind of business that could employ people. As it were, "Few businesses established by young people can employ one or two people", said one of the participants.

The discussion with UYF officials, to a large extent, focused on the challenges facing the organisation in regard to its entrepreneurship development programmes. The fundamental challenge that emerged from the discussion was that South African youth lacked entrepreneurship spirit which the officials observed was critical for entrepreneurship and entrepreneurial performance. "Much of the UYF entrepreneurship development programmes were copied and adapted from Kenya, if I am not mistaken, with the assumption that young

people in South Africa would have entrepreneurial spirit to the same extent”, said an official. The official explained that this was a serious challenge which impacts negatively on entrepreneurship practices and outcomes. Recounting their experiences with budding young South African entrepreneurs who apply for UYF assistance, the official explained that most of the applicants often failed to realize that an entrepreneur initially ought to contribute their own money towards the business; and should be prepared to take a risk and do research on the feasibility of the business. “When you point this out to them, they reply, ‘You guys are supposed to give us money to start our businesses’.”

According to the official, the problem has its roots, first, in a pervasive sense of entitlement amongst South African youth which is encouraged by the social grants offered by the government. The social grants such as old age grants and child support grant have the effect of encouraging people to expect the government to give, and this situation doesn’t help. In other words, welfare orientation as opposed to market orientation of the mind is antithetical to entrepreneurship development.

Secondly, the mindset of South African youth favours academic work as opposed to technical education. Thus, young people are not motivated to do courses for which they have the aptitude, and that partly explains why entrepreneurial spirit is low amongst the youth.

Finally the official argued that the political environment did not encourage entrepreneurship: “If you are politically connected you have access to tender; access to BEE. A lot of people who have benefitted from BEE are not real business people, and when money doesn’t come their way they walk away”.

The discussion confirmed that UYF programmes aimed to overcome the challenge of entrepreneurship spirit amongst the youth in south Africa. However, the successful running of the programmes have largely been constrained by limited funds, inadequate monitoring of service providers engaged in mentorship programmes and lack of follow-up strategies to ensure beneficiaries’ performances.

In an answer to a question the officials agreed that UYF programmes had limited outreach, particularly in the rural areas but the problem was partly financial. The cost of establishing

more Youth Advisory Centres is high; besides partnerships with further education and training (FET) colleges and NGOs in rural areas had not been as successful as expected whilst municipalities had failed to co-operate with UYF to reach the rural youth.

On the proposition that UYF has not been able to adequately equip the youth with necessary skills to establish businesses and create jobs, the officials agreed that the UYF had done something but it was not adequate. One of the officials explained:

“We have good programmes; we have helped a lot of young people to establish businesses and create jobs; we have created job ourselves but all this is not enough. We are unable to reach everyone due largely to limited resources. The need is there, but opening up more offices across the province has not proceeded as we would like it to be.

Chapter Five

Discussion of Results

5.1 Introduction

The key question that this study sought to answer was whether UYF has equipped the youth in KwaZulu-natal with the necessary skills to create jobs. To answer this question, the study examined the content of UYF programmes, the extent of participation in the programmes, and their impact especially on the establishment of businesses, job creation and quality of life of beneficiaries and their families.

5.2 Programme Content, Participation and Values

A review of UYF documents showed that the organisation focuses on three main youth development programmes, namely, Contact, Information and Communication, Skills Development and Transfer and Youth Entrepreneurship. The analysis shows that only 9.7% (n=3) is involved in all the three programmes with varying proportions engaged one or a combination of two of the programmes. Whereas, admittedly, the programmes overlap in terms of programme activities, the question is whether the inter-relationships could account for the paltry proportion that actually participates in all the programmes. Certainly not, and if the organisation indeed wants to “effectively (equip) young people to acquire sustainable livelihoods” (UYF, 2004:15) it may be reasonably critical that the spectrum of its programme activities, or much of it, is made accessible to all beneficiaries. Moreover, it is imperative that entrepreneurship training is extended to as many young people as possible if the objective of expanding entrepreneurial activity and youth-owned enterprises in South Africa (UYF, Undated, p. 13) were to be achieved. As it were, in this study, less than one in four (22.6%, n=7) reportedly participated in the Youth Entrepreneurship Programme (YEP), the only programme that directly targets young people and women in general for entrepreneurial development. On the assumption that not all young people who participate in YEP would go on to establish their own business and create jobs it can be concluded that the potential for job creation amongst the sample is extremely low, and this is confirmed by further empirical evidence in this study, as will be seen shortly.

It is interesting to note that most of the beneficiaries contended that UYF’s “Skills Development and Transfer”, as opposed to “Contact, Information and Counselling” and “Youth Entrepreneurship Programme”, was the most significant programme for success in

business and career. More intriguing, perhaps, is the observation that “Skills Development and Transfer” rather than “Youth Entrepreneurship Programme” was also seen to be the most significant for success in business. Considering that all the three focus areas of UYF are as much relevant in business as in employment, perhaps it was not fair to ask respondents to pick the most significant. Nonetheless, it might be more expedient for UYF to do things that would promote entrepreneurship amongst the youth than would make them employees, especially if career development is not linked to opportunities out there in the economy. Prioritising entrepreneurship education and training might then be more appropriate in view of the observation that entrepreneurial spirit is low amongst South African youth, compared to their counterparts in other African countries.

Whereas participation in UYF programmes is considerably uneven, and less than expected in regard to the Youth Entrepreneurship Programme, which is critical for business establishment and job creation the coverage of the core entrepreneurial characteristics in the training programmes is also below par. The only characteristics reported by 50% or more of the beneficiaries to be “partially” or “fully” covered were information and communication (50%), initiative (51.7%) and business plan (60.6%). Interestingly, virtually all of the listed characteristics were “partially” or “fully” covered in the training programmes by 50% or more of the “employed” and “unemployed” categories. In contrast the only characteristic indicated by 50% or more “self-employed” beneficiaries to have been “partially” or “fully” covered was “business plan”. This is quite anomalous and difficult to explain. However, the generally low coverage of the characteristics appears to stem from an indirect reference to the characteristics during training rather than their being consciously embedded in the curriculum. If this assumption is correct then UYF programmes or curriculum ought to be designed to fully accommodate the core entrepreneurial characteristics or skills; it is inconceivable to treat them as peripheral in entrepreneurial development, and this is amply elaborated in Timmons’ definition of entrepreneurship (see Chapter 2).

It is clear from the data that UYF beneficiaries are aware of the importance of certain values, especially “hard Work” (91.7%), “honesty” (89.5%), and “responsibility” (89.5%) for success in career and business. However, from the perspective of the sampled beneficiaries values did not appear to be a key component of UYF programmes. This is anomalous and runs contrary to the emphasis placed on human factor development as a prerequisite for

business success and progress in life generally (Adjibolosoo and Soberg, 2000). A Youth Entrepreneurship Programme that drew on the human factor paradigm to demonstrate the relevance of values, attitudes and social capital generally, rather than taking them for granted, is more likely to enhance success in business and job creation.

5.3 Impact of UYF Programmes

Whereas programme content and participation have not been as satisfactory as expected, the impact of UYF programmes on employment status, job creation and the personal lives of beneficiaries and their families is somewhat positive. The analysis showed an improvement in the proportion of the “self-employed” from 28.4% (n=11) before participation in UYF programmes to 47.5% (n=19) after involvement. In essence there was an increase of 19.1% (8) of the number of respondents who went on to establish businesses after benefiting from the UYF programmes. Whereas in some respects this rate may be seen as low, there are several factors that determine the rate of entrepreneurship. In the first place not every individual has the motivation to become self-employed. Even when there is intention, the intention should be backed by desirability, feasibility and conviction (Davidsson, 1995, in Autio, Keeley, Klofsten and Ulfstedt, 1973) Besides there are others who prefer the non-profit kind of business, which is outside the scope of this study. Further, some of the factors that drive changes in the rate of entrepreneurship, e.g., changes in values, attitudes, technology, government regulations, and world economic and social changes, are not likely to be manifest over a short period of time (Gartner and Shane, 1999). (The average number of years that the self-employed had been in business was 3.1 years in this study).

The high proportion of the post-UYF “unemployed” (27.5%, n=11) is of great concern although the statistic seems to reflect the overall level of unemployment in the country. The observation reinforces an earlier conclusion that continuing to produce people for career or paid-job rather than self-employment, either individually or collectively, may not be the best option in a persistent unemployment environment.

There is evidence that the level of job creation actually declined after UYF involvement, compared to the period before, but the difference was not statistically significant. Further to this the mean number of people helped to find a job was low (6.6). Whereas these observations appear to be a logical outcome of the less than satisfactory participation in the

Youth Entrepreneurship Programme, as well as the relatively poor coverage of the core entrepreneurial skills, the dominant type and scale of business of most of the “self-employed” - petty retail trading – did not encourage job creation.

The poor job creation performance of the “self-employed” in this study may be explained in terms of the generally documented observation that employment growth often lags behind economic growth⁵, and this is particularly true in a period of recession, as witnessed in the past two years or so. In the case of the young entrepreneurs in this study it can be speculated that there has been a greater concern for improving their personal lives as well as the quality of life of their families than hiring more labour in this period of recession. Besides most of the businesses, as reported, are relatively young (mean business age of 3.1 years) and, presumably, the young entrepreneurs may have had more to worry about their survival than hiring more workers. Evidently, only a few had also received financial assistance from UYF to establish (18.9%, n=7) or expand (7.5%, n=3) their businesses.

Expectedly, the study has provided evidence that establishing a business or being successful in finding a job has a positive effect on the personal lives of the majority of the beneficiaries as well as the quality of life of their families. Not only do the beneficiaries derive personal satisfaction from starting their own business but are also, *inter alia*, able to increase their disposable income, provide better education for their children and support other families through job creation. Similar observations have been recorded in many other studies. For example, in a study on the impact of entrepreneurial education on entrepreneurial outcomes, Martlay (2008) observes that most of the graduate entrepreneurs appeared to be satisfied with the outcomes of their entrepreneurship education, both in relative and absolute terms. Karlan and Valdivia (2006) also report in their study that the treatment group of female micro-entrepreneurs in a Peruvian village banking programme experienced increase in revenues, besides improvement in business knowledge and practices.

Whereas these findings underscore the rationale for youth entrepreneurship development (see Ahwireng-Obeng, 2002:39), the study identified a few beneficiaries who were somewhat disillusioned, and were struggling to find their feet. Although this is not unusual, targeted

⁵ See Elmendorf, 2010: 2.4

assistance that took the heterogeneity of the youth into account, and ensured equity could remove much of the barriers in youth entrepreneurship development (See Ahwireng-Obeng, 2002: 44).

The study has shown that an overwhelming majority of beneficiaries who did not own businesses had the intention to establish their own businesses. This is expected. A critical moment in the entrepreneurship process is when a person first acquires the drive and motivation or conviction (Davidsson, 1995, in Autio, Keeley, Klofsten and Ulfstedt, 1997:3) to pursue the path of entrepreneurship (Ahwireng-Obeng, 2002: 79). Unfortunately many are constrained by several problems, particularly lack of start-up capital. The young entrepreneurs identified in the study also report of problems associated with UYF programmes including exclusion of rural youth and access to UYF fund. This criticism has long been raised by the Young Communist League (YCL) (SACP (Online), 2003). Whilst UYF officials partly agreed with this criticism they pointed out also that a number of Youth Advisory Centres had been established in the province but the key constraint to further expansion had been inadequate funds, faltering partnerships with FTEs and the failure of municipalities to respond to UYF initiatives.

A snapshot of statistics on beneficiaries' perception of UYF's performance in regard to whether the organisation had done enough to equip the youth in KwaZulu-Natal with the necessary skills to create jobs reflects mixed reactions. The general trend however indicates that UYF has not adequately equipped the youth in KwaZulu-Natal with necessary skills to establish business and create jobs. The problems associated with this observation, e.g., failure to monitor consultants and unequal access to UYF programmes, suggest that UYF would do well to constantly review its progress, identify bottlenecks in its programmatic interventions, and make adjustments where necessary in order to make a difference and/or meet its goals.

5.4 Recommendations

On the basis of the findings of this study, a few recommendations may be made to guide UYF's efforts in youth entrepreneurship development for job creation.

- The generally low indices across the variables surrounding the key question of whether UYF has equipped the youth in KwaZulu-Natal with necessary skills to

establish business and create jobs clearly shows that a lot needs to be done if UYF is to achieve its entrepreneurial development objectives. It is suggested that UYF prioritise a systematic and constant review of its progress, identify any bottlenecks in its programmatic interventions and make necessary adjustments in order to meet its goals.

- The positive impact of UYF programmes on employment and self-employment, and the personal lives of beneficiaries and their families' is commendable. Whilst this finding validates the hypothesis that the three key UYF programmes – Contact, Information and Counselling, Skills Development and Transfer and Youth Entrepreneurship – coexist in mutually reinforcing interactions for results, it might, however, be expedient to step up interventions in regard to the latter.

The following are suggested:

- Opening up of more independent UYF advisory centres in all municipalities; alternatively, UYF desks may be established at the offices of the municipal councils in consultation with the municipal authorities. The modus operandi of such UYF desks may be agreed upon by the municipalities and UYF.
- Liaising with the municipalities to provide entrepreneurship education and training to the youth, especially the out-of-school.
- Stepping up efforts to liaise with further education and training (FET) colleges to introduce entrepreneurship education and training at all levels
- Establishment of state- and/or private sector-sponsored special academies that would focus on entrepreneurship education and training.

The analysis shows that UYF is a well intended programme to support efforts towards youth development in post-apartheid South Africa, and has actually proven to have a positive impact on beneficiaries. Whereas the three-pronged programme approach is appropriate, the content and implementation of the programmes, particularly the Entrepreneurial Education component of the Skills Development and Transfer

programme require a critical review. The review may consider emphasizing the core entrepreneurial characteristics or skills while including extension services and monitoring for the benefit of the young entrepreneurs trying to find their feet in the turbulent business world.

- The notion of entrepreneurial development should not be limited to business entrepreneurship but also include social entrepreneurship and intrapreneurship. This is critical; not every youth is interested in business ventures. Some young people are interested in community-oriented, not-for-profit enterprises that promote societal wellbeing and social cohesion rather than individualistic, self-interest pursuits, with profit as the key motive. Such young people also deserve similar support as provided for those interested in establishing for-profit businesses.
- Young entrepreneurs need extra support, and entrepreneurship programmes need to follow-up programme beneficiaries and provide them with solutions to their problems so that they can grow into viable job creators (see Kauffman Foundation, 2009).
- Notwithstanding the power of the statistical techniques used in the study, there is a probability that the small cell sizes of some of the variables and the relatively small sample size may have compromised the validity of the findings and conclusions of the study. It is therefore recommended that a further research, utilizing a much bigger sample size and a control group, be conducted to authenticate the findings, conclusions and suggested interventions.

5.5 Conclusion

This study aimed at investigating the extent to which UYF has equipped the youth in KwaZulu-Natal with the necessary skills to establish businesses and create jobs. The study probed a range of variables surrounding this issue, namely the content of and participation in UYF youth development programmes, the impact of the programmes and perception of the beneficiaries on the performance of UYF in regard to equipping the youth with the necessary skills to establish businesses and create jobs.

Evidently, from the perspective of the sampled beneficiaries and UYF officials interviewed UYF has not adequately equipped the youth in KwaZulu-Natal with the necessary skills to establish businesses and create jobs. This is partly explained by the limited resources available to UYF, the inability of UYF to reach every youth in the province, particularly the rural youth; inadequacy of entrepreneurship curriculum content and participation, and the low level of entrepreneurial spirit amongst South African youth.

Evidently the impact of the training received by the beneficiaries has only been significant in terms of new firm formation but not in job creation or a reduction in unemployment. In the context of the sampled beneficiaries and officials UYF may not have done much but the potential for improvement is vividly demonstrated by the positive effects of the programmes, especially the birth of new firms and the quality of life of the beneficiaries and their families. It is clear from the study that a lot needs to be done, but this requires concerted efforts of government, business and UYF to overcome the challenges facing the later and the youth in South Africa. Although this has been an exploratory study, it is hoped that the findings and recommendations would guide future work in this field and UYF operations to maximise outcomes of its entrepreneurship education and its ancillary programmes.

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Appendix A

Umsobomvu Beneficiaries Questionnaire

Appendix A

Umsobomvu Beneficiaries Questionnaire

DEMOGRAPHIC DETAILS

1. Area of Residence

Urban	1
Peri-urban	2
Semi-Rural	3
Rural	4

2. Gender

Male	1
Female	2

3. Age (Completed Years)

--

4. Highest Level of Education

No formal education	1
Primary, Up to Grade 7	2
Secondary, did not complete Matric	3
High School, completed Matric	4
Technikon, did not complete Cert., Diploma, Junior Degree	5
Technikon, completed Cert., Diploma, Junior Degree	6
Technikon, did not complete higher degree	7
Technikon, completed higher degree	8
University, did not complete Cert., Diploma, Junior Degree	9
University, completed Cert., Diploma, Junior Degree	10
University, did not complete higher degree	11

University, completed higher degree	12
Currently at school/technikon/university	13
Other (specify)	14

5. Population Group

African	1
Indian	2
Coloured	3
White	4

6. Marital Status

Single	1
Married	2
Divorced	3
Widowed	4
Separated	5
Other	6

7. Number of Dependants

8. State your monthly income

Monthly Income (After Tax)	Before your involvement with UFY	After your involvement with UFY
No Income	1	1
< R800	2	2
R801 – R1500	3	3
R1501 – R2000	4	4
R2001 – R3000	5	5
R3001 – R5000	6	6
R5001 – R10000	7	7
R10001 – 15000	8	8

R15001 - R20000	9	9
>R20000	10	10

EMPLOYMENT STATUS

8. What is your current employment status?

Self-employed	1
Employed	2
Unemployed	3
Studying	4

9. If employed or self-employed

(a) What is the nature of your work/business?

.....

(b) How long have you been employed or self-employed (completed years)?

10. Have you ever received any financial assistance from UYF to?

	Yes	No
Find a job	1	1
Start a business	2	2
Expand your business	3	3
Other (Specify).....	4	4

(Tick as many as applicable)

11. If self-employed

(a) How many people do you employ?

--

(b) What is your average turnover in the last three years?

Amount	
R<100 000	1
R100 001 - R300 000	2
R300 001 – R500 000	3
R500 001 – R1000 000	4
R1000 001 – R2000 000	5
R2000 001 – R3000 000	6
R3000001 – R5000 000	7
R>5000 000	8

12. Have you ever helped anyone to establish a business or get a job after UYF training?

	Yes	No	Don't Remember
Establish a business	1	2	3
Find a job	2	2	3

(b) If 'Yes' how many people have you helped to ...

(i) Set up a business?	
(ii) Find a job	

(c) Explain how you helped the person(s) to find the job or establish the business.

.....
.....

13. If you are currently employed

(a) What is your monthly income (after tax)?

No Income	1
< R800	2
R801 – R1500	3
R1501 – R2000	4
R2001 – R3000	5
R3001 – R5000	6
R5001 – R10000	7
R10001 – 15000	8
R15001 - R20000	9
>R20000	10

(b) What has prevented you from setting up your own business?

.....
.....
.....

(c) Do you intend to set up your own business in future?

Yes	1
No	2
I don't know	3

(a) If 'Yes' what kind of business do you intend to set up?

.....
14. If you are currently unemployed

a. For how long have you been unemployed?

--

b. Why is it that other people like you, i.e. of your age and background, have been successful in finding a job or starting a business but you haven't?

.....
.....
.....

PREVIOUS EMPLOYMENT STATUS

15. What was your employment status before your involvement in UYF programmes?

Self-employed	1
Employed	2
Unemployed	3
Studying	4

16. If employed or self-employed

(a) Was your work or business different from what you are doing now?

Yes	1
No	2

(b) If 'yes' what was the nature of the work/business you did?

.....
.....

17. If self-employed

(a) How many people did you employ?
.....

(b) What was your average turnover over the period that you had the business, i.e. before your involvement in UYF programmes?

Amount	
R<100 000	1
R100 001 - R300 000	2
R300 001 – R500 000	3
R500 001 – R1000 000	4
R1000 001 – R2000 000	5
R2000 001 – R3000 000	6
R300 0001 – R5000 000	7
R>5000 000	8

18. If employed what was your monthly income (after tax)?

No Income	1
< R800	2
R801 – R1500	3
R1501 – R2000	4
R2001 – R3000	5
R3001 – R5000	6
R5001 – R10000	7
R10001 – 15000	8
R15001 - R20000	9
>R20000	10

PERSONAL DEVELOPMENT

19 In what ways has setting up your business or finding employment affected your life?

.....

20 In what ways has setting up your business or finding employment affected members of your family's lives?

.....

UYF PROGRAMMES

21. Which of these UYF programmes did you do?

- A. Contact, information and counselling
- B. Skills Development and Transfer, and
- C. Youth Entrepreneurship

A Only	1
B Only	2
C Only	3
A and B Only	4
A and C Only	5
B and C Only	6
A, B and C	7
Other (Specify)	8

22. How important to you is each of the UYF programmes listed below in establishing a business or finding a job?

		Extremely Unimportant	Not Important	Somewhat Important	Important	Very Important	Extremely Important
1	Contact, information and Counselling	1	2	3	4	5	6
2	Skills development and transfer	1	2	3	4	5	6
3	Youth entrepreneurship programme	1	2	3	4	5	6

23. Which one of the programmes listed below is most significant to you in establishing a business or finding a job?

Programme	Establishing a Business	Finding a Job
Contact, information and counselling	1	1
Skills Development and Transfer	2	2
Youth Entrepreneurship	3	3

24. Which one of the programmes is least significant to you in establishing and running a business effectively or finding a job?

Programme	Establishing Business	a Finding a Job
Contact, information and counselling	1	1
Skills Development and Transfer	2	2
Youth Entrepreneurship	3	3

25. Indicate if each of the listed skills and knowledge sectors below was fully covered, partially covered or not covered at all (Nil) by the UYF entrepreneurial skills development programme.

Core Entrepreneurial and Employee Skills	Nil	Partially	Fully
Research & Analysis	1	2	3
Communication	1	2	3
Idea generation & Creativity	1	2	3
Networking	1	2	3
Management	1	2	3
Negotiation	1	2	3
Leadership	1	2	3
Financial Literacy	1	2	3
Political & Commercial awareness	1	2	3
Initiative	1	2	3
Team Building	1	2	3
Risk Taking	1	2	3

26. Besides the three key UYF programmes (in Questions 21-23) what other programmes do you think UYF should be running to assist young entrepreneurs?

.....

.....

.....

27. Is UYF doing enough to equip young people with skills to establish businesses and create jobs?

Yes	1
No	2
Don't Know	3

28. If 'no' in Q26

(a) What do you think is preventing them from doing so?

.....

.....

.....

(b) What else do you think they should be doing to sufficiently equip young people with skills to establish businesses and create jobs?

.....

.....

.....

29. "The extent to which young entrepreneurs touched by UYF programmes create jobs is very limited".

Indicate the extent to which you agree or disagree with this statement.

Very strongly agree	1
Strongly agree	2
Agree	3
Neutral	4
Disagree	5
Strongly disagree	6

Very strongly disagree	7
------------------------	---

30. If you answered 1, 2, or 3 in Q28, why do you think so?

.....

.....

.....

31. If you answered 5, 6 or 7, why do you think so?

.....

.....

.....

32. Are you currently studying?

Yes	1
No	2

33. If 'yes', what course are you doing?

.....

34. Does the UYF entrepreneurial skills development programme emphasise the importance of values as a guiding principle to being successful in establishing a business or finding a job?

Yes	1
No	2
To some extent	3

35. How important to you is each of the values listed below, as a guiding principle, to being successful in finding a job or starting a business?

NOTE:

It is acceptable for you to give the same rating to more than one value, but we encourage you to try to distinguish as much as possible between the values by using the full range of numbers. We appreciate your truthful response to each of the values.

	Values	Extremely Unimportant	Not Important	Somewhat Important	Important	Very Important	Extremely Important
1	Drive	1	2	3	4	5	6
2	Knowledge of one's environment	1	2	3	4	5	6
3	Trust	1	2	3	4	5	6
4	Honesty	1	2	3	4	5	6
5	Courage	1	2	3	4	5	6
6	Risk taking	1	2	3	4	5	6
7	Foresight	1	2	3	4	5	6
8	Reputation	1	2	3	4	5	6
9	Hard work	1	2	3	4	5	6
10	Tolerance	1	2	3	4	5	6
11	Good looks	1	2	3	4	5	6
12	Spiritual development	1	2	3	4	5	6
13	Networks and contacts	1	2	3	4	5	6
14	Aggressiveness	1	2	3	4	5	6
15	Creativity	1	2	3	4	5	6
16	Inventiveness	1	2	3	4	5	6
17	Confidence	1	2	3	4	5	6
18	Vision	1	2	3	4	5	6

19	Perseverance	1	2	3	4	5	6
20	Money (Capital)	1	2	3	4	5	6
21	Appropriate skills and experience	1	2	3	4	5	6
22	Assertiveness	1	2	3	4	5	6
23	Choosing own goals	1	2	3	4	5	6
24	Loyalty	1	2	3	4	5	6
25	Moderation	1	2	3	4	5	6
26	Intelligence	1	2	3	4	5	6
27	Responsibility	1	2	3	4	5	6
28	Respect	1	2	3	4	5	6
29	Influential	1	2	3	4	5	6
30	Capable	1	2	3	4	5	6
31	Equality (equal opportunity)	1	2	3	4	5	6
32	Wisdom	1	2	3	4	5	6
33	Commitment	1	2	3	4	5	6
34	Luck	1	2	3	4	5	6
35	Humble (Humility)	1	2	3	4	5	6

Appendix B

Informed Consent

Informed Consent Form:

Iunderstand the nature and purpose of this research, and voluntarily accept the invitation to participate. I also understand that I can withdraw at any time.

.....

Signature

.....

Date

Witness:

.....

Name

Signature

Date

The researcher is doing a Masters Degree in Social Policy and the contact details are 082 497 6631 or email address is sshezi@africavukani.co.za. The research project supervisor is Dr. E.Cebekhulu who is available on 031 260 7480.

Thank you very much for your cooperation.

Researcher signature

Participant signature

Date of interview
