



# **RAPID ASSESSMENT ON ENTREPRENEURSHIP DEVELOPMENT AND SUPPORT.**

Final Report



**NATIONAL YOUTH DEVELOPMENT AGENCY  
OUR YOUTH. OUR FUTURE.**

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## Abstract

This study explores how education and development in the skills and knowledge of foresight, innovation and enterprise (FI and E) relate to the empowerment of young individuals with respect to creating a new venture. An evaluation was conducted on NYDA Programme that provided useful insight into the impact of the education design, content and delivery. This research provides deeper insight into the way FI and E education can be used to create empowerment through the derivation of a theoretical framework that addresses entry, process and agency factors.

The first points of consideration might be that of the individual level and human capacities. It seems that programs may focus on developing particular types of human capacity—for instance skills and knowledge—and neglect other aspects of human dimensions that are central to empowerment. Through our analysis, we have encountered three types of human conditions (skills and knowledge, attitudes and motivation, and cognition) that were integral to the empowerment process and possibly have inferences for entry into a program. These also seem to relate to and aid the progression through the first three psychological changes proffered by Hicks (2002). Furthermore, there appears to be some links to the different levels of learning, as portrayed by Burgoyne and Hodgson (1983), and these will be discussed. The teaching of concrete skills that allow participants to express forms of agency can be seen as one pathway toward empowerment. As helplessness has been correlated with hopelessness (Gidley, 2001), we might also say that empowerment may be linked with enabling “agency” or the capacity for youth to be able to help themselves and others. In this sense, the skills and knowledge enables healthy agency among participants—a primary enabling of creative capacity to act upon and shape their future, although the teaching of concrete skills may be necessary, but not sufficient, for empowerment. Learning contained at this level seems to reflect level one learning (Burgoyne and Hodgson, 1983) that is factually significant for an immediate task but of no consequence or effect on views of the world in general. On entry to a program, a requisite level of skills (but not necessarily the same skills) that is equally distributed amongst the group is perhaps ideal in order for each participant to feel the capacity for positive contribution. Inequity in this regard may see some participants becoming disenfranchised or isolated, producing a situation of disempowerment. We feel the broad range of ages in the NYDA Programme produced this evidence.

Following on from the discussion on skills and knowledge, a distinction might also be made between “doing” and “being.” “Doing” can be thought of as skill-based, instrumental learning, while “being” is character-based, associated with attitudes and inner motivations. Attitude has been described as a *predisposition* toward certain behaviors (Athayde, 2003). We see empowerment as both engendering enhanced doing and being, with character-building equally as important as skill-building. Other dualities have also been recognized in learning and especially when learning is experientially-based. For instance, Politis (2005) draws attention to the distinctions between the duality of experiences and the knowledge acquired through experience as espoused by Rueber and Fischer (cited in Politis, 2005) along with the duality of Kolb’s (1984) acquisition and transformation dimensions of learning. Cope and Watts (2000) also indicate cognizance of layers and duality in learning when they remark on Burgoyne and Hodgson’s (1983) fundamental meta-level learning that suggests a gradual erosion of deep concepts that create new frames of reference. However, in our conception of learning for “being” we do not necessarily refer to the learning about an external *something*, but a more *inward* directed learning about self-belief and relationship with the world.

This seems to be aligned with one process of a type-two learning experience articulated by Burgoyne and Hodgson (1983), that of a change in orientation or attitude. The challenging experiences presented by the program at the individual and group levels necessitated dynamic responses from participants to build practical skills and, just as importantly, build character such as self-confidence, foresight, and curiosity. Thus, while empowerment is based on the ability to do, it also seems to incorporate an attitude and disposition toward the world. Ability means little if an individual is filled with a sense of hopelessness and futility. And equally, a lack of ability may be a relatively small obstacle for the person filled with hopefulness, a “can-do” attitude, and who is ready and eager to exercise their agency in the world. Skills and knowledge “abilities” in the latter circumstance may then become enabling devices to enact empowerment. The NYDA case also raised issues about attitudes upon entry into a program and suggested that it may be a central ingredient to achieving empowerment through a program. Attitudes are shaped by expectations and if there is a mismatch between the expectations of the participant and the goals of the program, then an attitude of disdain or dissatisfaction will hamper the progress of the participant toward empowerment. Essentially, participants would be on a journey they did not wish to be on. A fuller understanding of the development of an intervention and the different types of possible participants in empowerment interventions is still required. For instance, what approach and design would be appropriate for an FI and E empowerment intervention developed for convicted youth criminals in preparation for release from jail or for employees in a global business or students through a post-graduate education program? Each of these interventions would have very different participants with starting positions of a vastly different nature and therefore, would it not lead to variations in design principles? Each of these type of participants would also have different perspectives on structures within which empowerment would need to operate. This suggests a focused study on the link between structures (which emerge in futures explorations and innovation) and agency (which emerge in entrepreneurship) — a problematic relationship that has been well-developed for example by Giddens (1984). Where many education interventions for youth seek to focus on an employability outcome, an entrepreneurship education intervention has a far greater need to be interfaced into the greater social spectrum. Holding a principle aim of empowerment brings with it broader responsibilities and potentials. As researchers and academics, we have an imperative to ensure that rigorous theoretical frameworks underpin entrepreneurship education and training for human empowerment in bringing diverse value into the world.

## ***Executive Summary***

The South African government has implemented a number of initiatives aimed at creating jobs and reducing unemployment, as well as ameliorating the impact of high unemployment on individuals and their households. The past 20 years has seen a significant expansion of the existing social grants system that, while not specifically targeting the unemployed, has helped reduce poverty among households impacted by unemployment. Thus, by mid-2013, nearly 16.2 million social grants of various types were being paid by government on a monthly basis, equivalent to over [30 percent of the country's population](#). Further, there is some evidence that social grants have helped facilitate job search among unemployed household members. There is general recognition, though, that government alone cannot resolve the unemployment crisis. As a result, there are now a significant number of ongoing interventions spearheaded by NYDA and other organizations in the non-governmental and non-profit spheres. These interventions range from small business support, to youth training, to the provision of bursaries for education and training, to facilitating the matching process between job seekers and employers.

The teaching of entrepreneurial skills and attributes and behaviors is often not properly integrated into school curricula or not adequately taught on different educational levels. Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance. Moreover, an academic approach to education nurtures skills that are appropriate to working in the public sector or large organizations and companies but not for an entrepreneurial career. Even business study programs at universities in many countries often do not include sufficient entrepreneurial elements. Thus, students are neither encouraged nor educated to become entrepreneurs but rather managers.

In order to form an opinion on the efficiency and effectiveness of the resources applied in implementing the NYDA Entrepreneurship Development and Support programme a review of the available literatures and survey of Forty-five (45) grantees in nine province was conducted.

The data was collected via telephonically-administered questionnaires that were flighted to forty-five (45) respondents, which were randomly drawn from NYDA database of one thousand, one hundred and three (1103) youth entrepreneurs registered on the database as Individual (181), Enterprise (825) and Cooperatives (97) whom were beneficiaries of the entrepreneurship Nationwide. The findings revealed, among others, that a major inhibiting factor to entrepreneurship development is the lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in the country. Interestingly though, this hindrance does not appear to have a negative bearing on the identified growing enthusiasm of the youth to engage in entrepreneurial activities. Overall, on the basis of the challenges and prospects revealed, recommendations to improve the current situation are made. This study is an applied research effort and its relevance is linked to the fact that it provides rare insight into the state of youth entrepreneurship in a large but under-researched township community in the Western Cape. The findings and recommendations therefore bear far-reaching ramifications for all stakeholders who are concerned about developing youth entrepreneurship in this society.

Youth are defined by the International Labor Organization as individuals between the ages of 15 to 24 years. It is important to note, however, that South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years, and its youth-targeting policies focus on this broader age group. However, for the sake of comparison, we use the international definition unless otherwise stated.

The National Treasury (2011) used the ILO and QLFS 2010 to make this assertion for the 18-29 age cohort. The ratio of youth to adult unemployment in Africa is about 2.5 (i.e., the youth unemployment rate is two and half times larger than the adult unemployment rate), and cross-country comparisons indicate that this is broadly in line with other emerging markets such as Morocco, Mexico and Chile. South Africa was an outlier in terms of the magnitude of the unemployment rate. It was just under 40 percent while other emerging markets varied between 10 percent and 30 percent.

# Chapter 1 - Introduction

## 1.1. Background

Ebus-Tech Consulting is contracted by National Youth Development Agency (NYDA) to conduct rapid assessment on entrepreneurship development and support Programme as advertised in their terms of references with the intention(s), to develop a theoretical framework for the entrepreneurship programme. That is, provide an explanation based on findings on why the current implementation model of the programme is not effective and how can we improve it. The theoretical framework should provide a lens through which the programme can be implemented effectively and efficiently, and all recommendation should be measurable so that they can be evaluated to determine progress and/or impact, thereby achieving the following objectives.

- i. To determine if there are effective policies that guide to programme(s) implementation.
- ii. To determine how NYDA can improve its product offerings under Entrepreneurship Programme, to meet the needs of young entrepreneurs and be more impactful.
- iii. To come up with recommendations on how the programmes offered can be impactful in the lives and businesses of the recipients.
- iv. To re-design programmes that are not structured in an impactful manner.
- v. To identify gaps that are inhibiting the youth owned enterprises from being successful and determine the causes of the gaps or lack of performance (if any).
- vi. To outline the possible solutions and recommendations for improving performance of the businesses using NYDA interventions

### **NYDA Background.**

The National Youth Development Agency (NYDA) is a South African based agency established primarily to tackle challenges that the nation's youth are faced with. The NYDA was established by an Act of parliament, act no 54 of 2008. The institution was established to be a single, unitary structure, established to address youth development issues at National, Provincial and Local government level. The existence of the NYDA should be located within the broad context of South Africa's development dynamics. Similar to many developing countries, South Africa has a large population of youth, those between the ages 14-35; represent 42% of the total population. Given the youthful nature of the South African population much of the socio economic challenges faced by the nation, i.e. poverty, inequality and joblessness, poor health etc., are borne by the youth. The gravity of challenges South Africa is faced with, require multi - pronged efforts, that simultaneously promote the development of sustainable livelihoods, reduce poverty, inequality and prioritise the development of policies which create an enabling environment for youth development.

The NYDA plays a lead role in ensuring that all major stakeholder's, i.e. government, private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges. Furthermore, the NYDA designs and implements programmes aimed at improving lives and opportunities available to youth. These programmes could be clustered as follows:

At an individual level (Micro level), the NYDA provides direct services to youth in the form of information provision, career guidance services, mentorship, skills development and training, entrepreneurial development and support, health awareness programmes and involvement in sport.

At a Community level (Meso Level), the NYDA encourages young people to be catalysts for change in their

communities through involvement in community development activities, social cohesion activities, national youth service programmes and dialogue.

At a Provincial and National level (Macro Level), through its policy development, partnerships and research programmes, the NYDA facilitates the participation of youth in developing key policy inputs which shape the socio economic landscape of South Africa.

The National Youth Development Agency derives its mandate from the legislative frameworks, including the NYDA Act (54 of 2008), the National Youth Policy (2009-2014) and the draft Integrated Youth Development Strategy as adopted by the Youth Convention of 2006. The NYDA activities could be summarized as follows:

- a) Lobby and advocate for integration and mainstreaming of youth development in all spheres of government, private sector and civil society
- b) Initiate, implement, facilitate and coordinate youth development programmes
- c) Monitor and evaluate youth development intervention across the board and mobilise youth for active participation in civil society engagements

### **Background to the Programme.**

The NYDA position is that there are persistent challenges faced by entrepreneurs resulting in youth participation remaining low. Early stage of Total Entrepreneurial Activity (TEA) indicate that there's low level of participation in the ages of 25 – 34 years of age cohort due to.

- a) Lack of awareness by youths of government initiatives,
- b) Access to business development support services,

Which are some of the challenges highlighted as affecting youth entrepreneurs, for the NYDA, it is critical to understand the difference between those who “are in it” for making money, and the real practice of entrepreneurship. The terms SME and Entrepreneurship are often used interchangeably. It is critical to differentiate both, because SME's are independent business operators not necessarily specializing in their field, and very stable in approach. Whereas entrepreneurs are more innovative, and growth orientated. Their business activities are mostly known for their innovative approach, and sustainable growth.

Entrepreneurship is understood within the context of generating an idea, taking an initiative, producing resourcing for this idea, taking the risk and persuasive success. Entrepreneurship theory has been developed over centuries. According to author D Kuratka, it has become an important aspect of business in recent time, the concept associated to this theory relate to issues of external locus of control, financial capital and displacement which is unpacked as follows:

**Macro Level:** According to author Bhat (2004), the macro view of entrepreneurship presents an array of factors that relate to external processes that are sometimes beyond the control of entrepreneur, for the factors exhibit a strong external locus of control point of view for the success or failure of entrepreneurial ventures.

- 1) Environmental Factors: Issues that are external and impact on the entrepreneur's lifestyle.
- 2) Financial Capital/Funding: The entrepreneur is forever seeking capital or funding.
- 3) Displacement: A situation where an individual is restrained to become an entrepreneur due to political, cultural or economic situation. This could affect entrepreneurship development of the country.

**Micro Level:** The micro view of entrepreneurship examines the factors that are specific to entrepreneurship and are part of the internal locus of control, this is according to the European Journal of Business



Management. The potential entrepreneur has the ability or control to direct or adjust the outcome of each major influence in this view.

- 1) Internal Locus of Control: Demonstrate the ability to control or direct own success.
- 2) Entrepreneurship Trait: The ability to exhibit certain characteristics that increase success of the entrepreneur.
- 3) Venture Opportunity: Identifying venture opportunities to fund the idea, concept development and implementation of key steps to success.
- 4) Strategic entrepreneurship: ability to plan and leveraging on existing platforms for marketing, product development, resource mobilization and associating with others.

The NYDA has developed entrepreneurship programmes to cater for young people to start or improve their businesses from an idea generation stage to business expansion. First stage is to generate your business idea, followed by start your business and then improve your business. The National Youth Development Agency offer sales Pitch programme and BBBEE trainings and conduct Cooperative Governance training for young people who want to start cooperatives and has trained a lot of people through this intervention.

Business Management Training - It assists small scale entrepreneurs to start and grow their businesses and create employment. These training courses are offered as a 3-6 day training course depending on the specific needs of the young person and the level of the business. They are:

1. GYBI – Generate Your Business Idea
2. SYB – Start Your Business
3. IYB – Improve Your Business

## **1.2. Purpose of Evaluation**

The purpose of the evaluation is to develop a theoretical framework for the Entrepreneurship Programme. That is, provide an explanation based on findings on why the current implementation model of the programme is not effective and how can we improve it. The theoretical framework should provide a lens through which the programme can be implemented effectively and efficiently, and all recommendation should be measurable so that they can be evaluated to determine progress and/or impact.

## **1.3. Objectives of the Evaluation**

The assessment and evaluation aims at investigating the following premise.

- 1) Determine whether there is sound business case for Entrepreneurship Development and Support
- 2) Determine if policies, procedures and processes established for implementing the Entrepreneurship Development and Support, are still applicable and relevant for youth enterprise development.
- 3) Establish efficiency of resources applied in implementing the Entrepreneurship Development and Support.
- 4) Identify gaps that are inhibiting the youth owned enterprises from being successful and determine the causes of the gaps or lack of performance (if any).
- 5) benefit analysis of the programme

## **1.4. Assessment and Evaluation Problems**

The assessment and evaluation aims at investigating the following premise.

- 1) Determine whether there is sound business case for Entrepreneurship Development and Support

- 2) Determine if policies, procedures and processes established for implementing the Entrepreneurship Development and Support, are still applicable and relevant for youth enterprise development.
- 3) Establish efficiency of resources applied in implementing the Entrepreneurship Development and Support.
- 4) Identify gaps that are inhibiting the youth owned enterprises from being successful and determine the causes of the gaps or lack of performance (if any).
- 5) Benefit analysis of the programme

### **1.5. Assessment and Evaluation questions**

The assessment and evaluation aims at investigating the following questions;

- i. What is the role of the National Youth Development Agency in the development and support of entrepreneurs
- ii. What are the factor structure, discriminant validity and the internal consistency of development and support of youth entrepreneurs
- iii. How do the gender groups differ regarding the development and support of youth entrepreneurs
- iv. How does the rural setting vs urban setting differ regarding the development and support of entrepreneurs?
- v. What are the effects of exiting NYDA/Government policies on development and support of youth(s) entrepreneurs?
- vi. What Incentives are there to attract youths to entrepreneurship?

### **1.6. Study Delimitations**

The assessment and evaluation aims at investigating the following questions;

- i. Ways to develop a theoretical framework for the Entrepreneurship Programme.
- ii. How relevant in today's world is the National Youth Development Agency (NYDA) Programme (s) on youth entrepreneurship development and support.
- iii. How can the present programme (s) offering be improve upon?

This afore mentioned objectives will be achieve by interviewing at the NYDA headoffice the officers responsible for the projects/programme(s), and inculcating the brief statement from the Manager/Senior Manager in charge of Projects Monitoring and Evaluation, the CFO office, the Executive Director, reviewing the applicable literatures as identified and telephonically interviewing forty-five (45) programme beneficiaries across the Nine (9) province of South Africa.

## Chapter 2: Research Methodology

### 2.1. Introduction

Entrepreneurship is critical to job creation and economic growth in the world over; however, interest in pursuing entrepreneurial careers is on the decline among young people today. As a means of designing programs that effectively encourage and prepare young people to pursue entrepreneurial careers, this study will focus on how entrepreneurs develop. An understanding of the experiences, opportunities, and interests that lead to successful entrepreneurship.

It is now widely accepted that there are many good reasons to promote entrepreneurship among young people. While caution should be exercised so that entrepreneurship is not seen as a 'mass' or wide-ranging solution which can cure all society's social ills, as many experts such as Tata Foundation and Indian Institute of Management society warn, it has a number of potential benefits. An obvious, and perhaps significant one, is that it creates employment for the young person who owns the business. In this report we would like to focus on promoting Youth entrepreneurship roles for developing nations in creating jobs and wealth. The key questions we will be discussing are: What is entrepreneurship? What is youth entrepreneurship? What is the value of youth entrepreneurship? What are the social attitudes towards youth entrepreneurship? Who are youth entrepreneurs?

In a job-scarce environment, where unemployment is rife the need for fostering entrepreneurship especially among youth is a prime concern. This is arguably the case in South Africa, where despite a number of government-pioneered interventions, the level of youth entrepreneurship, particularly in township areas remains unsatisfactory. This study takes a two-pronged approach to establish specific factors that are inhibiting youth entrepreneurship development, and determine the prospects of youth entrepreneurship development in South Africa.

This study takes a two-pronged approach to establish specific factors that are inhibiting youth entrepreneurship development, and determine the prospects of youth entrepreneurship development in South Africa. The data was collected via administered questionnaires that were telephonically completed by 45 respondents, which were randomly drawn from the NYDA database of youths that benefitted from the entrepreneurship development and support programme.

Five research processes were used to obtain the information to be able to answer the research questions and recommend improvements, the processes are as follows.

- ❖ Inception and Briefing meeting with the NYDA Senior manager and Subordinate in the Monitoring and Evaluation Department.
- ❖ A clarification meeting with the NYDA Executive Director (ED) and Chief Financial Officer (CFO)
- ❖ A review of the NYDA available literature on the Entrepreneurship development Programme and Other Literature on Entrepreneurship development.
- ❖ A branch visit to interview the product owner involved in the programme process.
- ❖ A questionnaire to obtain quantitative information from the grantees
- ❖ A review of business processes and procedures used by grantees.
- ❖ A review of Training Materials used for the training aspect of the programme

## 2.2. Acronyms, Abbreviations and Definitions

### 2.2.1. Acronyms and abbreviations

BCSVP	Business Consultancy Services Voucher Programme
BDO	Business Development Officer
BDS	Business Development Support
BGARC	Branch Grants Approval and Review Committee
BGARC	Branch Grant Approval and Review Charter
BP	Business Plan
CDF	Community Development Facilitation
CRM	Customer Relationship Management
DFI	Developmental Financial Institution
DTI	Department of Trade and Industry
EDP	Entrepreneurship Development Programme
EF	Enterprise Finance
FDD	Functional Design Document
GEM	Global Entrepreneurship Monitor
HO	Head Office
HOGAC	Head Office Grants Approval Committee
IDC	Industrial Development Corporation
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MKL	Market Linkages
MoU	Memorandum of Understanding
NYDA	National Youth Development Agency
OBA	Outcomes Based Approach
PTS	Project Tracking System
RBF	Results Based Framework
SDC	Service Delivery Channel
SEFA	Small Enterprise Finance Agency
SME	Small and Medium Enterprises
TEA	Total Early Stage Entrepreneurial Activity
VAT	Value Added Tax
YAC	Youth Advisory Centre
PDDD:	Programme Design and Development Division
ILO	International Labour Organization
(FI and E)	foresight, innovation and enterprise
ToR's	Terms of Reference

## 2.2.2. Definitions

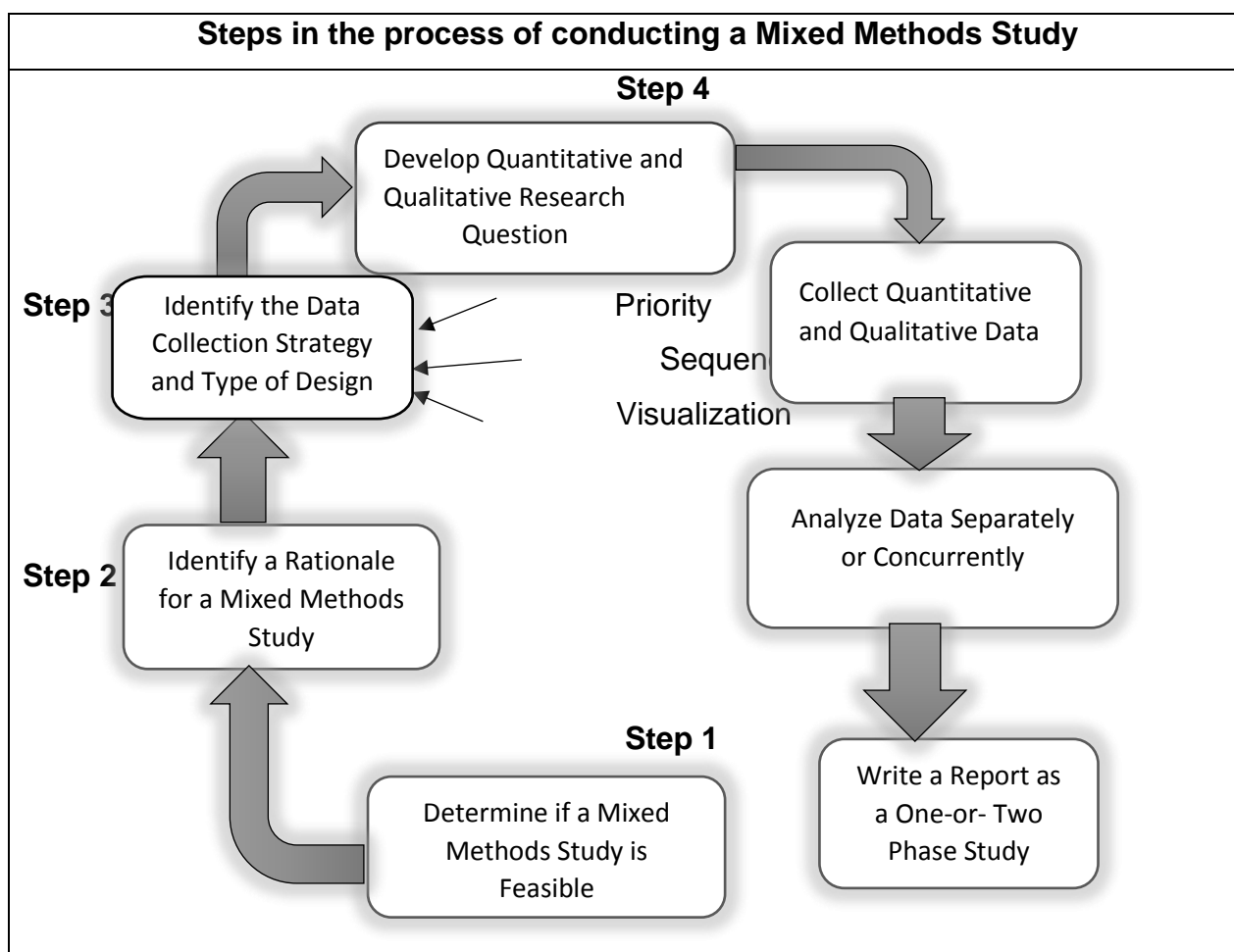
Community Profile Report	It illustrates the make-up of a community and includes information about the diversity within the community, their history, social and economic characteristics, how active people are and what social and infrastructure services are provided. It can also provide information on the available livelihood opportunities and the level of interest community members have in being actively involved in a community project and their preferred method of engagement,
Co-operative	An entity established as per the Co-operatives Act, applying for a grant from the NYDA.
Grant	Non-repayable funds. Money disbursed to a young person between R1 000 and R100 000 for the purpose of business start-up and business growth.
Grantee	A young person to whom the grant is made, between the ages of 18 and 35.
Growth Stage Business	A business that has just reached break-even point and beginning to show signs of sustainability.
Pre-start up	This phase begins when the young person is exploring a business idea, until they are ready to start the business or resolve to other means of earning an income. An informal business (individual) that has no paid employees and generate income below the poverty line and it is considered the lowest level of micro-business
Repeat grant	A business is entitled to a repeat grant on the condition that they can only access grant funding from each threshold once, with a cumulative value of R100 000,00
Special projects	These will be NYDA initiatives applied mainly to cooperatives and programmes identified through the community development facilitation process. The NYDA may opt to partner with one or more public and/or private entities to deliver such projects
Start-up business	A registered business (PTY/CC). For the purposes of the NYDA this is a business that has been in operation for less than 12 months and has not reached break-even point.
Survivalist business	A survivalist business is a business that has no paid employees, generates income below the poverty line, and is considered the lowest level of microbusiness. For the purpose of the NYDA, a survivalist business is an informal business or individual for business purposes that requires funding between R1 000,00 to R10 000,00

### 2.3. Assessment Design.

Identifying and examining the variables relating to youths (youth being define in terms of this assessment and evaluation as anybody between the ages of 18 - 35years), entrepreneurs development and support demands a dynamic assessment and evaluation approach that is firmly rooted in both qualitative and quantitative epistemology. This is necessary to ensure that the respondents (Youths-Unemployed, Colleges Graduate, Business Managers, Business Owners and Human Resources) in a study of this magnitude and complexity are not denied their subjective views on the phenomena being studied, while the objectivity of the entire study is guaranteed. In line with this thinking, this study will be based on a mixed methods assessment and evaluation approach which is explained in detail in the following sections.

The assessment and evaluation process below provides a summary of the important issues that need to be taken into consideration and reviewed before undertaking any assessment and evaluation. The different stages serve as a basis from which to consider the following: the assessment and evaluation approach adopted; appropriate assessment and evaluation strategies; the assessment and evaluation time lines that are under review; and the data collection techniques employed by the assessor/evaluator/researcher.

**Figure 1: Steps in the process of conducting a mixed methods study (Adapted from Cannon, 2004)**



The seven steps indicated in figure1 above is observe from the planning stage of this assessment and evaluation and will continue through to the data analysis stage. We must emphasizes the fact that rather than viewing various other assessment and evaluation methods as part of an incompatible quantitative/qualitative dichotomy, in this study, we will approached them as complementary modes of investigation, resulting in a deeper understanding of the phenomenon being studied (Herman & Egri, 2003). The following section discusses in

detail, the qualitative and quantitative assessment and evaluation methods that were used in this study and, later the phases in the data collection and analysis are tabulated.

## 2.4. Data Collection

Data collection entailed the collection and collation of qualitative data through one-one interviews conducted locally and questionnaires flighted nationally, where applicable. Due to the tight timeline for the evaluation, data collection followed the most efficient format.

Data collection methods included being briefed on the project by NYDA Functionaries, Literature review, conducting one-on-one interviews with Two (2) product owners and telephonically interviewing identified participants using the developed questionnaires.

The Questionnaires were used to collect quantitative data that will provide statistical descriptions, relationships and analysis.

The one-on-one interviews with the two Product Owners provided qualitative and exploratory data. De Vos (1998:358) indicates that when working from a qualitative perspective, the researcher must attempt a first-hand, holistic understanding of the phenomenon and data collection is shaped as the investigation proceeds.

During the data collection phase, a sample of responses were back checked after 10%, 30%, 50% and 70% completion to ensure the credibility of the findings. In total 20% of all respondents are back checked for quality purposes.

Key themes from interviews and discussions were relayed and observations made reported on in response to evaluation questions as part of the findings.

Basic output descriptive statistic in the form of frequencies, relative ranking and importance of perceptions, barriers and success drivers were examined. In addition, inferential statistics were applied to evaluate significance of differences during time periods (to show impact), regression analysis to enable driver analysis.

The questionnaires were administered by telephonically interview, about sixty-four (64) candidates were contacted before we could account for the forty-five (45) require by the ToR's.

The questionnaire, based on the literature review and the study objectives, was designed to extract information about entrepreneurship development and support programmes as indicated on the TOR's. It included direct questions asking what challenges they faced with the *programme policies*; the questionnaire consisted of 23 questions, covering the requirements of the ToR's. The questions were mixed, using open- and closed-formats, such as leading questions, importance questions, Likert-type questions, bipolar, and dichotomous questions.

Interviews provided a way to analyse data through inferences. The interactive nature of the interview process allows flexibility; the questions function as a guide, and enable the Interviewer to probe further when a point arise deem relevant to the objective and worth further exploration (Seale, 2004:184). Wengraf (quoted in Babbie & Mouton, 2001) also credits the interview technique because it enables the Interviewer to entice information from the interviewee that may not be on the list of questions but is pertinent to the study.

The major disadvantage of qualitative interviews is that it limits the study to very few respondents because it is time consuming; consequently the sample size is not representative of the total population and results cannot not be taken as representative of all.

A 25 - 30 minutes, in-depth interviews were conducted with the product owner from the NYDA as the wealth of information they had would be better extracted through a one-on-one process and their input was invaluable to the process of understanding Entrepreneurship Development and Support Programme policies & procedures.

The final assessment and evaluation method adopted was the use of secondary data, extensive review was done on

Youths Entrepreneurship Development and Support through academic and scholarly journals (local and international), political viewpoints and critiques on Entrepreneurship Development and Support implementation, media releases and documented articles and books, all form part of the literature review.

## **2.5. Instrument**

The researchers used the questionnaire to solicit the answers and asked participants for explanations and their responses were captured electronically. The questions consisted of 23 questions and contained both open and closed ended questions (refer to Annexure 1 for the detailed questionnaire). Interviews were also held with youths and graduates.

### **Interviews**

Two types of interviews were used in this study, namely one-one interviews and structured interviews. Interview is define an as a social encounter where speakers collaborate in producing retrospective and prospective accounts or versions of their past or future actions, experiences, feelings and thoughts (Seale, Giampietro, Gubrium and Silverman (2004)).

#### **One-One interviews**

The one-one interview was used to achieve a myriad of objectives in our assessment and evaluation, one-one interviews can be used to obtain general background information about a topic of interest for generating assessment and evaluation hypotheses that can be submitted to further assessment and evaluation and testing using more quantitative approaches; to stimulate new ideas and creative concepts; to learn how respondents talk about the phenomenon of interest which may facilitate quantitative assessment and evaluation tools; and to interpret previously obtained qualitative results.

One-one interviews was conducted first, followed by the structured interviews. The purpose of this exercise is to assist us in formulating relevant questions for the questionnaires.

#### **Semi-Structured interviews**

Semi-structured interviews was conducted telephonically with forty-five (45) beneficiaries and their responses recorded with their permission. This allowed us to get first-hand information from the beneficiaries with regard to their experiences, challenges, frustrations and opinions. The questions were mostly open ended, making it possible for the interviewer to add new questions during the interviewing process, depending on the responses of the participants.

## **2.6. Literature Review:**

To review available literature(s) for the validity of assessment and evaluations done on entrepreneurship development and support programmes and to confirm if the question posed below in method, regarding Youths participation in the economy of South Africa are suitably addressed, if not what is the way forward.

The literature review examines youth entrepreneurship development globally with specific examples where these had been implemented successfully, provides a brief situational analysis of the current situation of young people in South Africa and looks at the Small Medium and Micro Enterprises (SMME) landscape that the programme beneficiaries must constantly navigate.



A review of the Ten (10) identified Literatures on youth entrepreneurship development and support with over three hundred and seventy Five (375+) pages to determine whether they are still applicable and to identify areas that needs to be improved.

The documents reviewed are as follows:

## 2.7. Presentation of Relevant Literature(s) for Assessment and evaluation.

Literature Title	Author(s)	Description
<b>NYDA Impact evaluation of the Entrepreneurship Development Programme</b>	Sibani Consulting	Impact evaluation of the Entrepreneurship Development Programme
<b>An impact evaluation of the NYDA Grant Programme</b>	Dr Amanda Hamilton-Attwell & Ms. Hajera Ebrahim	An impact evaluation of the NYDA Grant Programme for the period April 2014 to September 2014
<b>Impact Evaluation Of The Voucher Programme</b>	NYDA	Impact evaluation programme of the National Youth Development Agency's (NYDA) voucher programme (VP) that was implemented during 2014/15, 2015/16 and 2016/17 financial years.
<b>Rapid Assessment Of The Socio-Economic Benefits Of The Nyda Grant Programme</b>	Imperial Assessment and evaluation & Consultancy.	Rapid Assessment Of The Socio-Economic Benefits Of The Nyda Grant Programme
Entrepreneurship a Theoretical Framework	Unknown	An examination of Entrepreneurship a Theoretical Framework
<b>Importance of Youth Entrepreneurship and Self-employment: Impact on Developing Countries</b>	Dr. Gaurav Khanna - Associate Professor, Dept. of Commerce and Management Madhav University, Pindwara (Sirohi), India.	<b>An article on The importance of Youth Entrepreneurship and Selfemployment: Impact on Developing Countries</b>
<b>ENTREPRENEURSHIP DEVELOPMENT STRATEGY:</b>	Lyubomyr Chorniy, Nataliya Baldych, Ph.D. in Public Administration. Nataliya Khodko, Ph.D. in Social Sciences Yaroslav Glibischuk.	<b>ENTREPRENEURSHIP DEVELOPMENT STRATEGY: EXPERT VISION</b>
<b>Youth entrepreneurship Recommendations for action</b>	YBI:The Prince Youth Business International	How Businesses, Governments And Civil Society Organisations Can Help Young People Get Started In Business
<b>The case for youth Entrepreneurship Education</b>	THE FEDERAL RESERVE BANK of KANSAS CIT Y	<b>The case for youth Entrepreneurship Education</b>
<b>Research On Social Entrepreneurship: Understanding and Contributing To An Emerging Field</b>	Rachel Mosher-Williams, Editor: The Aspen Institute Washington, D.C.	<b>Research On Social Entrepreneurship: Understanding and Contributing To An Emerging Field.</b>
Programme Training Materials.	NYDA	<ol style="list-style-type: none"> <li>1. Life Skills Training Manual.</li> <li>2. EDP SIYB Generate your Business Idea.</li> <li>3. EDP SIYB Start your Business.</li> <li>4. EDP SIYB improve your Business-1.</li> <li>5. EDP SIYB improve your Business-2.</li> <li>6. EDP Co-operative Governance .</li> </ol>

## **Making sense of Entrepreneurship as youth employment instrument**

One potential way of integrating young people into the labour market is to increase youth entrepreneurship. Becoming an entrepreneur potentially offers benefits to the young person through deepening their human capital attributes (self-reliance, skill development) and increasing their levels of happiness (Blanchflower and Oswald, 1998). It also offers societal benefits. Entrepreneurs create jobs, increase innovation, raise competition and are responsive to changing economic opportunities and trends. Entrepreneurship offers other positive externalities. A young person setting up a new business may provide 'demonstration' or learning externalities in that they may act as a role model for other young people. This may be particularly advantageous in deprived communities because setting up a new business – especially if it goes on to be successful – may signal that entrepreneurship is a mechanism for helping disadvantaged people break out of social exclusion. Indeed, one of the reasons why youth entrepreneurship is so attractive is that it offers an indigenous solution to economic disadvantage (De Clercq and Honig, 2011; Greene et al, 2008). For example, if 10 per cent of NEETs were integrated more fully in the EU labour market, estimates suggest that this could save EU taxpayers €10 billion per annum (Eurofound, 2011). There is clearer evidence on the business sector chosen by young people. This largely follows the patterns of businesses set up by older individuals. On average, the typical new business is focused on sectors in which the entrepreneur has prior experience of; tend to be service rather than manufacturing orientated; and have relatively low entry barriers and low capital requirements (Shane, 2008; Parker, 2009) businesses set up by younger people seem largely to follow this pattern. Rosa (2003) finds that the graduate businesses "were not imaginative 'cutting edge' businesses". This also applied to other groups of young people such as the unemployed (see Meager et al, 2003). Moreover, MacDonald and Coffield (1991) and MacDonald's (1994, 1996) studies of young unemployed people who entered self-employment indicate that they tended to set up businesses that were in easy to enter service sectors, consequently faced stiff competition and, subsequently, remained – if they survived – marginal businesses. Given the typical sectoral profile of the business, it is perhaps unsurprising that studies indicate that the performance of young people's business is limited. For example, youth businesses do not necessarily grow, survive or provide sustainable incomes. This reflects the wider difficulties that face most small-scale businesses – whatever the age of the entrepreneur – has in growing<sup>19</sup>, surviving<sup>20</sup> or transferring their skills from self-employment into employment<sup>21</sup>. There is some evidence, however, that if socially disadvantaged individuals do become self-employed that they are more likely to have better outcomes. Overall, the evidence in this section suggests that self-employment rates amongst young people are modest, particularly when contrasted with their latent entrepreneurial rates. The evidence – although limited – points to 'older' young men and those with a family background in entrepreneurship being more likely to be self-employed. There is likely to be heterogeneity in terms of the characteristics of young people (e.g. unemployed, disabled, ethnicity/immigration). The performance of these businesses, though, suggests that young people tend to set up service sector businesses which, because they face stiff competition, are likely to prove transitory.

Although some groups of young people may turn to entrepreneurship out of necessity and other groups are attracted to entrepreneurship by opportunities, there are likely to be a range of both push and pull factors at work in the decision to become self-employed. This reflects that not all individuals in particular groups (e.g. graduates, NEETs) are attracted to self-employment.

## **What is currently been done**

A review of the literature's relating to NYDA implementation of youth entrepreneurship development and support shed some light on the vastness of the programme and its beneficiaries, what was not clear though was how many of these beneficiaries are still in business and the reasons others failed as most of the literature focused on the distribution of grant to beneficiaries

### **Business Development Training – Business Management Training**

Report on: Impact evaluation of the Entrepreneurship Development Programme claim that before the EDP, most of the respondents(57%) were not employed, some were student(18%), while others were either employed in own informal businesses(10%) or in own formal businesses(6%) and on programme completion there was a slight improvement in the employment status of the beneficiaries, unemployment decreased from 57% during the EDP to 46% after the EDP, Employment in both own informal business and own formal business increased to 16% after the EDP compared to 10% in own informal business and 6% in own formal business during the EDP, The percentile of respondents who were students during the EDP decreased from 18% to 7% after the EDP. The Beneficiaries who were getting started during the EDP increased from 2% percent to 5% after the EDP, and the majority of the beneficiaries rated the EDP as highly relevant in its design, conceptualisation and approach. They also regard it as being of good quality and life changing which goes to show that the programme was partial successful and on its way up.

As was noted by the evaluation report the effectiveness of the EDP differs from one province to the other. The beneficiaries in the most affluent provinces and urban areas in general were less affected by logistical and infrastructural issues such as venues and transport to venues, which was the major challenge is in the provinces and branches that have to service the rural areas in large numbers. The fact that no provision was made to cater for transport fare also surfaced in the evaluation report.

The respondents have alluded to the fact that there was lack of or shortage of training materials in some instances when training was conducted. The study showed that this may've being as a result of various factors ranging from lack of planning, the trainer's low confidence (limited knowledge and skills), the red tape on sourcing or procuring funds for the training, etc.... it was equally noted that majority of the respondents are of the view that the application process can be administered electronically.

### **Business Development programme – Grant Programme**

According to the report by **Imperial Research and consultancy** In May 2013, the NYDA shifted its core focus from enterprise finance to skills and education and instead of offering loan finance to young people, it now offers grant finance of between R1000 and R100 000 (I was informed that this figure has equally be scaled up R250,000.00)to individual and youth co-operatives, and it equally partnered with Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency to assist youth-owned businesses with funding and support over a period of five years. This more that R25 million grant programme offers both financial and non-financial support to qualifying young entrepreneurs between the ages of 18 and 35.

Recipients of this grant in their sample, male entrepreneurs were in the majority (58%) and female entrepreneurs (42%), 40% of the businesses they visited for this study are fully owned by women while 49.7% of the visited businesses are owned by men. The remainder 10.3% is owned by females who are co-owners with males in business.

The South African Government has prioritised the advancement of businesses owned by women and youth through various initiatives including policies, preferential funding schemes and targeted support. (Madzivhandila, 2014; Sanyal & Hisam, 2015)

The gap in entrepreneurial participation between male and female entrepreneurs is lessening and this was attributed to initiatives by the Government and other similar initiatives that have started to bear fruit.

Previously some 600 small to medium (2019 figures shown a considerable increase of 503 making 1103) enterprises benefit from the financial portion of the NYDA Grant Programme per year. These businesses consist of individuals, Enterprise and cooperatives. Additionally, many more can benefit from non-financial business support services including branding, marketing and website development. It was equally noted that although South Africa's overall total early stage entrepreneurial activity (TEA) decline from 9.2% to 6.9% in 2016 this was mainly due to decreased entrepreneurial activity among South African men.

The grantees that took part in the study indicated that they had accessed the grant from the three thresholds – Idea generation and survivalist, Start-ups PTY and Cooperatives and Expansion Stage PTY and Cooperatives. It should be noted that a fourth threshold – Expansion Stage PTY and Cooperatives was introduced by the NYDA, but the grantees who were visited either did not know about it or did not qualify.

61.3% (majority) of the grantees qualified for Threshold 2 – Start-ups and Cooperatives (R10,001 – R50,000) an indication that most businesses had endured through the initial stages of the business cycle and are consistently generating revenue and adding new customers. Some of these businesses are maintaining a small profit margin that allows them to continue operating. 24% of the grantees' businesses are at Growth stage which qualified them for Threshold 3 (R50, 001 – R100, 000). These businesses have established their presence in the communities where they operate and have realistic growth strategies in place. They reported experiencing significant growth in revenue and cash flow. The remainder 14.7% of the businesses visited qualified for Threshold 1 – Idea generation and survivalist (R1000 – R10, 000). They had ideas which were worth pursuing, met the grant criteria and made the business entities legal (business registration).

### **Business Consultancy Services – Voucher Programme**

Report on: **Impact evaluation of the voucher programme March 2019** was reviewed and the following discoveries were made, The gender distribution of the beneficiaries of the voucher programme interviewed stand at about 74 % males and 26% females, in Mpumalanga (11% males and 4% females); Western Cape (5% males and 2% females); Gauteng (23% males and 6%); Northwest (14% males and 2% females); Free State (11% males and 4%); Eastern Cape (6% males and 5%). this skewed in favour of males, seems to confirm the historical trend observed in the performance of the voucher programme since its inception that, although females constitute the majority population and experience more unemployment than their male counterparts, the NYDA has not done enough to ensure that more females access the voucher programme. Indeed, there appear to be no change in the number of males and females who access the programme since the last evaluation was conducted in 2007. If the organization is committed to women economic empowerment, some drastic action needs to be taken to ensure that more young women access the programme

Findings from the survey indicate that voucher programme beneficiaries are involved in a variety and wide-ranging businesses, the majority of which are aligned to the business focus of the vouchers issued. According to survey data 28% of the respondents, which constitutes the majority, are in the manufacturing sector.

Manufacturing might be most attractive sector for young people mostly due to its diversity and the sector's massive demand for skilled people. In addition, employment trends in the country show that there is a huge array of career progression opportunities in the manufacturing sector.

The results also indicate that the voucher programme beneficiaries are also involved in mainly ICT (14%) and event planning (14%) sectors. ICT business is an important business, as it enables self-paced learning, provides access to wide range of up-to-date learning materials, and enriches learning through a combination of audio, video, images, text and animation. The other business sectors that voucher beneficiaries are involved in are marketing and communication (4%), printing (4%), hair dressing (4%), courier services (4%), photography (4%), construction (4%), mechanical (4%), production (7%) and transportation (7%).

**Survey data** from the respondents depicts the legal nature of enterprises operated by the voucher beneficiaries, the largest legal nature adopted by the beneficiaries, is the private limited (Pty Ltd) legal entity with 88% of the respondents, close cooperation with 8%, co-operative society (3%).

The huge adoption of Pty LTD might be explained by its advantages that, liability of shareholders is limited to the share capital they have subscribed, and any debts which they may have personally guaranteed. Shareholders and directors can be employed by the company under normal salary and wage conditions and their income taxed at personal rates.

That the partnership is the least adopted form of business ownership might be explained the principle of liability involved in this form of ownership. In a partnership, generally, partners are personally liable for the business debts and liabilities. Each partner is also liable for the debts incurred by the actions of other partners. Overall assessment of the voucher programme revealed that According to the figure, in 2014/15 financial year, the most preferred and in high demand voucher was the business plan voucher (36%), followed by the website development and hosting for one-year voucher (25%). The vouchers with less demand were marketing and promotion (3%), book keeping and financial administration also (3%) and financial account systems (3%).

In the 2015/16 financial year the business plan voucher was again in high demand and followed by the financial management (Accounts & Policies) voucher at 15%. The vouchers that were in less demand were the marketing and promotion vouchers at 4%.

In the 2016/17 financial year, the business plan voucher was, once again, the voucher in high demand at 46%, and followed by the marketing and branding voucher at 13%. The voucher that was in less demand during this financial year was the business operation manuals. with least vouchers received being the Business Operation Manuals.

The consistent high demand for business plan vouchers during the period under review for the programme could be explained by two factors. The first factor is that most of the beneficiaries are first time applicants for the voucher programme. The second is that many young people are increasingly exploring starting their own enterprises and that the first step in this direction, in terms of their own perspective, is to develop a business plan. However, as discussed later in this report, there tends to be low chances of success in getting the business plans financed. Due to the popularity of this voucher and its low return on investment, the NYDA might need to consider setting specific terms and conditions for the service providers involved in the development of these business plans, for example, linking the business plan development voucher with the business feasibility study voucher.

## **Business Advisory Services – Mentorship and Market Linkages Programme**

Report on: **Impact evaluation of the voucher programme March 2019** confirmed intimated that the objectives of market linkages, which is also located within the PDDD and is a non-financial intervention, include the following:

- ❖ Linking young entrepreneurs to emerging procurement opportunities in the private and public sector.
- ❖ Enhancing the competitiveness and supply capacity of the youth owned companies.
- ❖ Facilitating the purchase of equity stakes by youth entrepreneurs (minimum of 26% stake per transaction); into viable businesses. Facilitating the provision of joint venture as well as sub contract opportunities to youth entrepreneurs.

About a fifth (20%), of beneficiaries accessed market linkages in 2014 and 2015 respectively. Another 28% accessed market linkages in 2016 and just under one third (32%), accessed market linkages in 2017. The positive outlook from this information is the fact that, this represented about one in ten (12%), increase in linking NYDA voucher programme beneficiaries to markets. Nonetheless, the data also show that less than 70% of the programme beneficiaries received support to access the market linkage programme. This could also had been attributed to the complexities of the internal administrative NYDA processes, which could have hindered internal integration.

## **Aftercare Programme**

A review of the Report on: **Impact evaluation of the voucher programme March 2019** reveal that the following recommendations were made with regard to the Aftercare Programme

- ❖ The 10 day post disbursement visit should be called that, and not an aftercare visit.
- ❖ The purpose of the visit should be reflected in the content of the report. The purpose of the 10 day post-disbursement visit is to determine the products, stock, equipment, etc. that had to be delivered, were delivered and if the grantee is finding his/her feet in the business with the benefits from the grant. Providing advice to the grantee and ensuring that the business processes are in place are also critical elements of after care
- ❖ The 10-day Aftercare Visit Report should not include the Sales, Stock Purchases and expenses as indicated. The business just received the benefit of the grant and this information would only be available at least a month after the grant funding was activated.

The Grant Administrator ought to prepare the relevant aftercare report form for the Grant Officer before the visit. The detail of the grant ought to be printed on the report form to be completed by the Grant Officer. A detailed list of the items the grant was for should also be printed in the report, with a column to indicate if the grantee received the items as well as if it was installed and/or used.

- ❖ Information regarding sales, orders, profitability, etc. should be included in the quarterly aftercare visits
- ❖ The problems/challenges should be listed in a table and mitigating actions as well as the dates by when it must be actioned ought to be listed in the same line in two different columns
- ❖ Currently the grant officer will complete the document in writing, however it is recommended that an online system be developed where tablets could be used to capture the information in real time and submit immediately
- ❖ It is also recommended that the four of the seven aftercare visits are done telephonically and three,

plus the 10 day post-disbursement visit be done in person

- ❖ When the grant officer visits the grantee again, previous reports should be printed out and used as a discussion document and to determine progress since the previous meeting
- ❖ The last report ought to be called the Close-out report.

It was then concluded that the grant officer discovery on the different businesses should be used as is to compile the monthly report on the grant programme.

## 2.8. Sampling

The Terms of Reference (TOR) clearly indicated the number of beneficiaries that should be interviewed telephonically for the assessment and they are tabulated in alphabetical order as follows.

**Table 1: Sample Composition.**

Province	Total Numbers of Respondents	Individual	Cooperative	Enterprise
Eastern Cape	5	1	2	2
Free State	5	2	1	2
Gauteng	5	1	2	2
Kwa-Zulu Natal	5	1	2	2
Limpopo	5	1	2	2
Mpumalanga	5	1	2	2
Northern Cape	5	1	1	3
North West	7	4	0	3
Western Cape	1	1	0	0

### Sampling Procedures for the Assessment.

The sample was chosen from database of beneficiary nationally provided by the NYDA, which included individual, Cooperatives and Enterprise. The assessment and evaluation team adopted purposive sampling for the interviews, “Purposive” to select Sample’s based on knowledge of the population (Punch, 2005:187) Respondents with expertise and direct involvement with Entrepreneurship Development and Support (i.e. Product Owner’s) Staff of NYDA were selected as key respondents, this selection was done with help from the Manager Organizational performance monitoring.

Completing the survey was voluntary – thus the method used for the survey was a self-selected convenience sample.

**Table 2: Sample Composition and Techniques used.**

Technique	Quantity	Details
<b>Project/Programme Briefs</b>	4	Manager Research Department. Senior Manager Research Department. Chief Financial Officer (NYDA). Executive Director (NYDA).
<b>Interviews</b>	2	Product Owner Entrepreneurship Development and Support. Product Owner Jobplacement
<b>Questionnaires Telephonically applied to respondents</b>	45	Individual, Cooperatives and Enterprise Beneficiaries of the Entrepreneurship Development and Support Programmes

### Sampling Procedures for the Quantitative study

During the initial planning stages of the assessment, we have intended to involve all programme beneficiary in the country, but due to the size of the Database and the time available to complete the assessment and

evaluation, we decided to limit our sample to telephone interviews, we further decided to focus our investigation mostly on the identified beneficiary whose number were on the database provided.

The 45 beneficiary which were identified for this assessment and evaluation have similar backgrounds with regard to their status, the implications and success of the design and related methodology have a bearing on the population and sample size, for example, the elements of the population considered for actual inclusion in the study.

### 2.9. Data Analysis:

The data was collated in MS Word and MS Excel, and analysed using MS Excel. Themes were identified from the survey data and were used as an indication of the key findings. The in-depth interviews were analysed through content analysis, deconstruction of the conversations, reconstruction within the themes and drawing meanings from words and phrases used (Lee, 1999), responses are incorporated in the whole assessment and evaluation to offer and give a balanced view of this assessment and evaluation project.

### 2.10. Validity and reliability

According to Rossouw (2003:122-123), validity and reliability are essential in both quantitative and qualitative research. This means that the findings and conclusions of the study must be credible and truthful in the eyes of readers and users of the research (Somekh & Lewin, 2005:348). In this study, validity and reliability was enriched through the use of the 2 different data collection methods and data analysis methods; reference to the existing body of knowledge and prolonged involvement of the researchers with the respondents, in order to have a clear understanding so as to eliminate misconceptions during data collection/analysis (Rossouw, 2003:123)

The different methodological approaches assist in the triangulation process of the different outcomes. The Mixed Methods approach was used to be able to mix the quantitative approach in a form of a Survey and questionnaire to enhance personal interviews. The questionnaire also had open ended questions to provide qualitative responses. Peer review of the findings is been work on through focus group sampling from the respondents. This will further validate the study's findings.

**Table 3: Seven steps in the data analysis process**

Stages in the mixed methods data analysis process	Description of each stage	Application in quantitative data analysis	Application in qualitative data analysis
1. Data Reduction	Reducing the dimensionality of the qualitative and quantitative data	Via descriptive statistics, exploratory factor analysis and cluster analysis	Via exploratory thematic analysis
2. Data Display	Pictorially describing both the qualitative and quantitative data	Using tables and graphs	Using matrices, charts, graphs, networks, lists, rubrics, and Venn diagrams
3. Data Transformation		Quantitative data are converted into narrative data that can be analyzed qualitatively	Qualitative data are converted into numerical codes that can be represented statistically
4. Data Correlation		Quantitative data is correlated with qualitative data	Qualitative data is correlated with quantitative data
5. Data Consolidation	Both qualitative and quantitative data are		



	combined to create new or consolidated variables		
6. Data Comparison	Involves comparing data from both the qualitative and quantitative sources.		
7. Data Integration	This is a final stage, wherein both qualitative and quantitative data are integrated into either a coherent whole or two separate sets of coherent wholes		

**Ensuring Validity and Reliability**

As this study entails the use of both qualitative and quantitative assessment and evaluation data, the concepts used to express validity and reliability are broader than those traditionally associated with quantitative assessment and evaluation. When working with qualitative data, the concepts of trustworthiness, dependability, transferability, and credibility are also used, so in order to ensure the validity and reliability of the content of the three questionnaires, the questionnaires are to be piloted, and the following processes for ensuring validity and reliability, legitimizing the data, and finally lending credibility to the assessment and evaluation report are to be used for this study.

**Triangulation**

Triangulation is define as the use of two or more methods of data collection to study a particular phenomenon. Cohen, Manion and Morrison (2000:112) triangulation is viewed as a verification procedure whereby researchers search for convergence among multiple and different sources of information to form themes or categories in a study. It is a system of sorting through the data to find common themes or categories by eliminating overlapping areas. Triangulation was employed in this study.

The business managers/owners for the structured interviews were male and female from NYDA, Youths Beneficiaries identify to complete the questionnaires, were from different community backgrounds, thus providing multiple sources of information from which to form themes.

For the purpose of this study, the three sources of data are placed at the points of a triangle, where each data source provides a philosophical starting point for the other data sources. The three data sources for this study, and how they will be triangulated, are represented in the diagram below.

**Figure 2: Representation of the triangulation of Data sources**

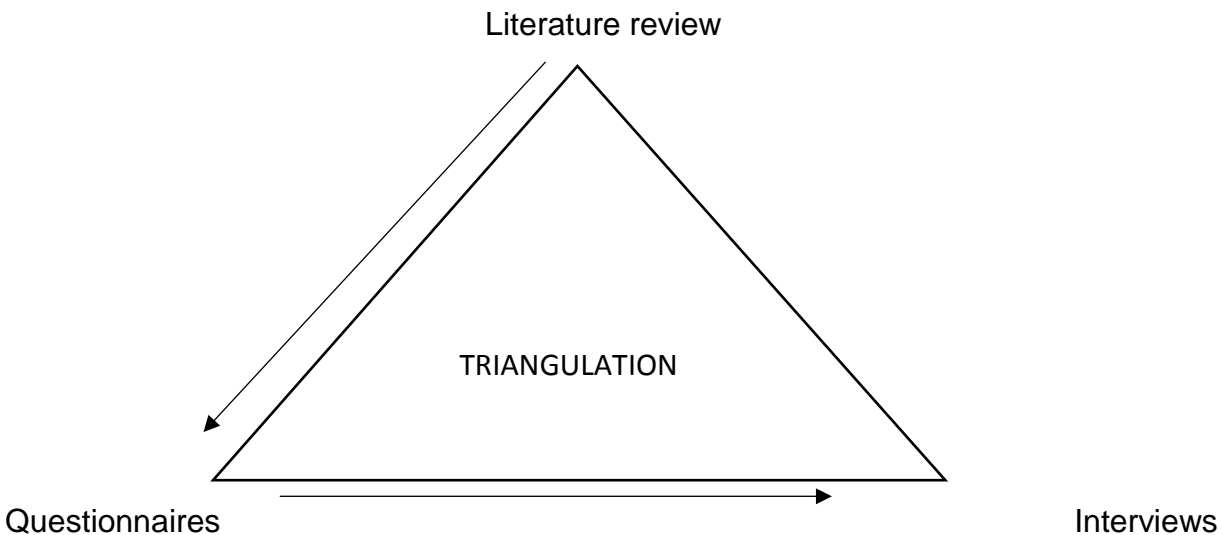


Figure 2. Represents the three data sources that was used in this study, namely: literature review, questionnaires, and interviews. The literature review was used to provide secondary data which assisted the researchers to formulate questions for the questionnaires; the questions for the business managers/owners questionnaires were drawn directly from the literatures and ToR's, the findings from the analyse questionnaires informed the types of questions that were included in the interview schedule for business managers/Product owners.

### **Thick Description**

Thick description is a procedure that is used in qualitative assessment and evaluation to ensure validity and reliability. This procedure is concerned with describing the setting, the participants, and the themes of a qualitative study in rich detail. Thick description has been used in this study in the presentation of the qualitative assessment and evaluation findings where the actual words of the participants have been used constantly. The purpose of thick description is that it creates —verisimilitude, that is, statements that produce for the readers the feeling that they have experienced, or could experience, the events being described in the study.

The purpose of reporting the findings using thick description is to provide as much detail as possible for the readers. It also enables the readers to make decisions about the applicability of the findings to other settings or similar contexts.

### **Peer Review**

The third and last procedure for ensuring validity and reliability in this study will be peer review (Creswell & Miller, 2000). Peer review is the review of the data and assessment and evaluation process by someone who is familiar with the assessment and evaluation or the phenomena being explored. A peer reviewer provides support, plays devil's advocate, challenges the researchers assumptions, pushes the study to the next step, and asks in-depth questions about methods and interpretations (Lincoln & Guba, 1985). This procedure was used during both phases of data collection and interpretation. The peer reviewer will be a researcher choosing by ebus-tech and agreed to by NYDA.

### **2.11. Summary and Conclusion**

In this document we put together the assessment and evaluation design and methodology that underpin this study. detailed information regarding the mixed methods design, its origins, its relevance to this study and its general characteristics, were explored in this document and it build on the methodological propositions made in this document by employing the proposed data presentation and analysis approaches to analyze the quantitative and qualitative data.

In summary, there are certain concerns around South Africa's youth unemployment policy interventions in terms of design, targeting and ability to adequately address the needs of young labor market entrants as well as employers. Perhaps the key constraint in generating impact has been scalability, as many interventions have been too small or too localized to impact aggregate unemployment rates. An important lesson is that supply-side initiatives addressing structural issues

are insufficient on their own to generate sufficient new jobs. Instead, these interventions should interface closely with demand-side incentive programs. There are, also, political economy constraints that need to be resolved. For example, the generalized lack of jobs results in resistance to certain interventions on the part of those who view them as a zero-sum game between the youth and older workers.

When done properly entrepreneurship is critical to job creation and economic growth in South Africa and the world over; however, interest in pursuing entrepreneurial careers is on the decline among young people today. As a means of designing programs that effectively encourage and prepare young people to pursue entrepreneurial careers, this study will focus on how entrepreneurs are developed. An understanding of the experiences, opportunities, and interests that lead to successful entrepreneurship is needed. To that end, this study, in addition to addressing leading process-oriented definitions of entrepreneurship and reviewing relevant empirical studies, will outline promising areas of research on youth entrepreneurship. First, researchers have become increasingly interested in entrepreneurial purposes. Recent research finds that at least some young people seek out entrepreneurial careers as a means of applying their skills and talents to create organizations or businesses that solve personally meaningful problems in the broader world. This leads to the second emerging area of interest in youth entrepreneurship: the distinction between social and business entrepreneurship. The growth of new businesses and organizations that are at once highly profitable and at the same time exist to address social problems has blurred this distinction. Third, researchers are increasingly interested in identifying ways of effectively fostering entrepreneurial interests. This study will highlight key issues regarding the role that educational experiences and institutional support play in supporting the development of successful entrepreneurs.

While challenges within the South African education system might be key structural issues underlying youth unemployment as noted by many researchers. This is because school-leavers do not exit the system with the requisite skills demanded by the labor market. For this reason, a number of funding and policy interventions are already aimed at improving the education system such that it would raise youth employment prospects. In a job-scarce environment, where unemployment is rife the need for fostering entrepreneurship especially among youth is a prime concern, which is arguably the case in South Africa, where despite a number of government-pioneered interventions, the level of youth entrepreneurship, particularly in township areas remains unsatisfactory.

## **2.12. Ethics and Limitations**

Surveys were conducted telephonically, with the expectation that respondents could answer questions in the comfort of their offices/homes and thus would be willing to participate. However, we were only able to account for forty-five (45) beneficiaries after making about sixty-four (64) calls, representing a response rate of about 70%. With this sample, the findings should be seen as representative of the current situation of the programme, being indicative of the situation in which the youth's beneficiary finds themselves.

These findings are generally believed to be credible and trustworthy because of methodological triangulation, the use of peer debriefing, and checking results with a focus group made up of industry experts and representatives of the respondents (Padgett, 1998).

Limitations in this research endeavor need to be noted, especially as the framework has been developed through the review of Literature and a survey with a limited number of participants. This has meant that the basis of the data extraction has been narrow with a weak heuristic and the resulting framework would benefit from testing with a broader range of participants before it could be generalized across cases. The method draws upon the assumptions and values of the primary researchers (**NYDA, Sibani Consulting and Imperial Research & Consultancy**) and was then aimed at the construction of this theory. This suggests the need for a wider investigation involving comparative analysis of educational interventions.

The research method has kept the voice of the participant passive. The findings would have benefited from testing and verification with the participants and perhaps this could be achieved in the future by engaging the participants in participatory approaches to research to develop and extend the conference design. This also suggests the need for longitudinal research that maps the circumstances of individuals against the pressures on empowerment with a closer examination of the role of social context (family/school) as both limiting and enabling participant agency in innovation and enterprise activities. There also may be subtle boundary limitations within specific contexts not yet identified and indeed, boundaries are likely to overlap between social, family and other potentially unidentified structures.

### **Ethics**

Respondents were informed that the information was for assessment and evaluation and that the process was voluntary and confidential. Names of responding individuals would not be divulged.

It was found that the notion of Youths Entrepreneurship Development and Support is supported by a majority of people and institutions.

## Chapter 3: Assessment Findings

### 3.1. Introduction

Entrepreneurship provides numerous benefits to the economy and local communities, including:

- The creation of jobs and an increase in local incomes and wealth (Henderson, 2002).
- A faster and higher ratio of local economic growth (Barth, Yago, & Zeidman, 2008).
- A lower cost associated with creating and growing small businesses (Edmiston, 2007).
- A tool to escape poverty (Barth, Yago, & Zeidman, 2008).

The question lies in the general awareness of key available legislated incentives and their implementation. Are the challenges faced by the Youths in South Africa unique to the nation.....? A comparative analysis of international trends in Youths Entrepreneurship Development and Support is needed.

More than half of the jobs in South Africa are created by small businesses that have 1- 49 employees or less. Smaller firms, those with less than 99 employees make a significant impact. More than 98 percent of all firms in America have 0 to 99 employees and these small companies employ almost one out of every three workers (SBA Office of Advocacy).

Although there are many benefits of entrepreneurship, business creation faces significant challenges in South Africa, studies have found there were more business closures than startups adding entrepreneurship-based education to the core curriculum can positively influence the creation of new entrepreneurs in South Africa. Based upon the traditional role of public education, which in large part is to prepare students for economic competitiveness, a significant shift toward entrepreneurship education should be considered. The positive benefit of entrepreneurship in the South Africa economy and the challenges of creating and maintaining small businesses across the nation make a strong argument for entrepreneurship education.

The term entrepreneurship is most commonly used to describe any individual that seeks to start and own a business. However, there are other useful key definitions as can be seen below.

1. **Jean-Baptiste Say**, a French economist who first coined the word **entrepreneur** in about 1800, said: "The **entrepreneur** shifts economic resources out of an area of lower and into an area of higher productivity and greater yield."
2. **Richard Cantillon**: Entrepreneurship is defined as self-employment of any sort. Entrepreneurs buy at certain prices in the present and sell at uncertain prices in the future. The entrepreneur is a bearer of uncertainty.
3. **Frank Knight**: Entrepreneur attempts to predict and act upon change within markets.
4. **Penrose**: Entrepreneurial activity involves identifying opportunities within the economic systems.
5. **Joseph Schumpeter**: The entrepreneur is the innovator who implements change within markets through the carrying out of new combinations. The carrying out of new combinations can be take several forms;'The introduction of new good or quality thereof' The introduction of new method of production'The opening of new markets' The conquest of new source of supply of new materials or parts'The carrying out any new organisation of any industry.
6. **Israel Kirzner**: The entrepreneur recognises and acts upon market opportunities.
7. **Gartner**: The creation of new organization.

There has been a historic debate as to whether entrepreneurship is learned or inherent. Research suggests

that both the traits and skills entrepreneurs possess can be taught. Not only can it be taught, but entrepreneurship education can affect the overall supply of small businesses.

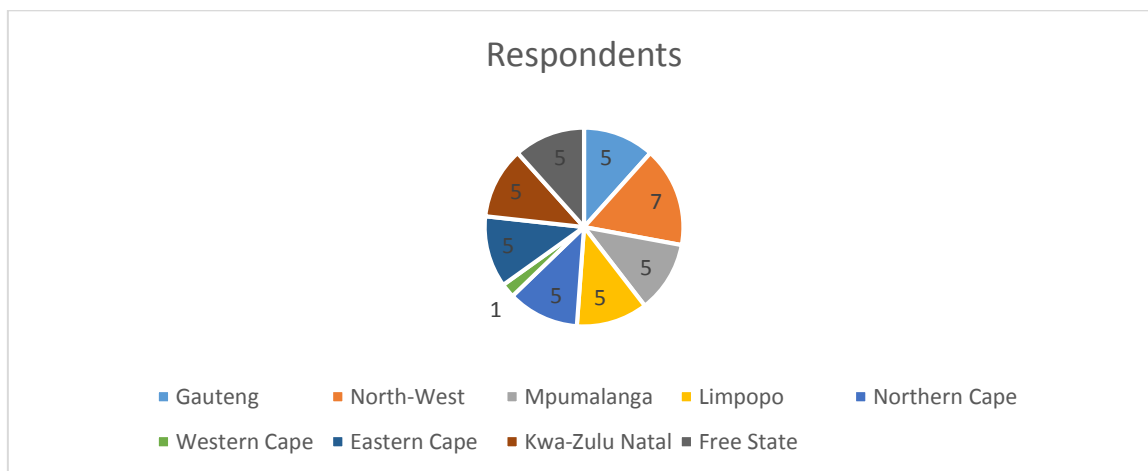
The teaching of entrepreneurial skills and attributes and behaviors is often not properly integrated into school curricula or not adequately taught on different educational levels. Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance. Moreover, an academic approach to education nurtures skills that are appropriate to working in the public sector or large private Company/Organization but not for an entrepreneurial career. Even business study programs at universities in many countries often do not include sufficient entrepreneurial elements. Thus, students are neither encouraged nor educated to become entrepreneurs but rather managers. Youth entrepreneurship education research has showed that:.....students trained in entrepreneurship and who engaged in a classroom-based enterprise also had a higher sense of personal control and self-esteem than a comparable cohort. These factors are very important in the short-term behavior of students and the likelihood of avoiding destructive criminal behavior (here NYDA is on track with its business training programmes).

### 3.2. Profile of Respondents

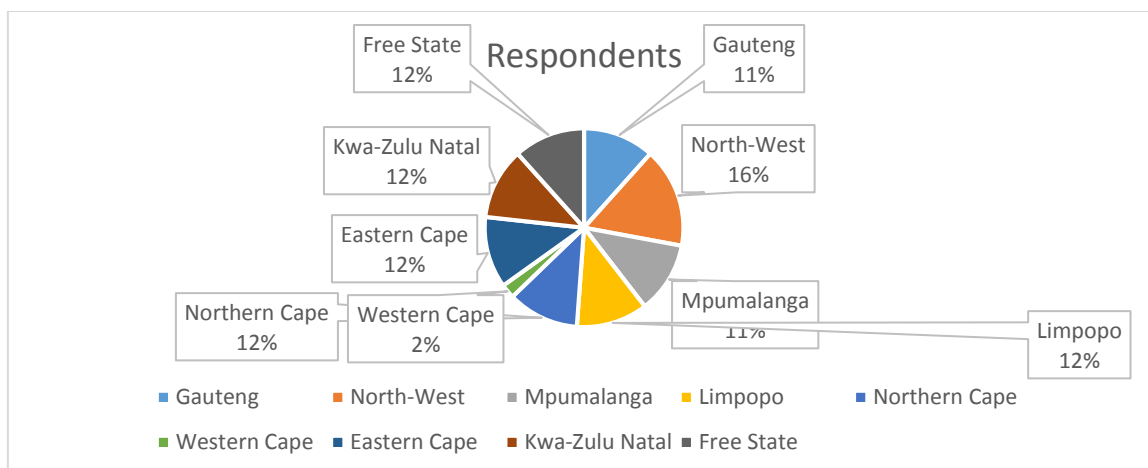
#### Demographics of the youth respondents Province *distribution*

The provincial distribution of the beneficiaries of the Entrepreneurship Development and Support who were interviewed telephonically is show as depicted in **figure 3 & 4** below.

**Figure 3: Province Distribution of respondents by number**



**Figure 4: Province Distribution of respondents by percentage**



### 3.3. Key Findings

In order to form an opinion on the efficiency and effectiveness of the resources applied in implementing the NYDA Entrepreneurship Development and Support programme a review of the available literatures and survey of Forty-five (45) grantees in nine province was conducted.

The data was collected via telephonically-administered questionnaires that were flighted to forty-five (45) respondents, which were randomly drawn from NYDA database of one thousand, one hundred and three (1103) youth entrepreneurs registered on the database as Individual (181), Enterprise (825) and Cooperatives (97) whom were beneficiaries of the entrepreneurship Nationwide. The findings revealed, among others, that a major inhibiting factor to entrepreneurship development is the lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in the country. Interestingly though, this hindrance does not appear to have a negative bearing on the identified growing enthusiasm of the youth to engage in entrepreneurial activities. Overall, on the basis of the challenges and prospects revealed, recommendations to improve the current situation are made. This study is an applied research effort and its relevance is linked to the fact that it provides rare insight into the state of youth entrepreneurship South Africa. The findings and recommendations therefore bear far-reaching ramifications for all stakeholders who are concerned about developing youth entrepreneurship in this society.

Based on the evaluation of the literatures and survey conducted it was then concluded that the followings needed attention:

- a) **Applicant Information Collecting:** The information gathering process to complete the application and to verify the success potential of the business by the grant was time consuming for both the applicant and the grant officer due to the forms that had to be used and the lack of an online process.
- b) **NYDA Data Repository:** Database of beneficiary was inconsistent and difficult to work with (case in point missing beneficiaries Phone number and phone numbers that no longer exist).
- c) **Programme Funding:** Programmes implementation and management are under-resourced and could thus not deliver on all the elements of the grant process and the non-financial needs of the grantees could equally not be met due to a lack of resources, both financial and human
- d) **Market linkages programmes:** there is need for newly minted entrepreneurs to have access to establish market channel.
- e) **Entrepreneurship Development Programme Training:** The EDP training process has not contributed as much to the success of the grantee businesses as it ought to because of its disparate nature, there is need to merge and structured all the training programmes into one course of Study/Learning (i.e. Life Skills Training or Entrepreneurship Development Training).
- f) **Technology Upgrade and Enhancement:** There is a need for an online system where all processing of document from application to approval.
- g) **Needs for Better Marketing Coordination:** the small businesses that the NYDA has helped to establish can only thrive if other stakeholders i.e. retailers are willing to assist, as an example, establish exhibitors can help more rural entrepreneurs display at their expos and actively encourage sales by helping them with e-marketing and online sales, Bigger retailers can put them in their supplier chain and procure from them, so they can have secure target

markets. well established local retailers can take them for experiential learning and mentoring. Industries can build factories and firms in rural communities and link the local small enterprises to their Enterprise Development programmes.

- h) **Organizes Community/Stakeholder Engagement:** All these interventions would need immense stakeholder engagement and a fair amount of co-ordination, this can only be achieved if the NYDA consults widely, gets commitment from key stakeholders, and develops a comprehensive communication strategy for its vision of transformation.
- i) **Resources, Human & Others:** Significant areas that demand urgent attention, therefore, are (i) the NYDA's staffing needs (human capital); (ii) its ability to communicate its transformation agenda with all its stakeholders; (iii) exponentially increasing the number of participants in the Entrepreneurship Development; and (iv) collaborating with other entities to ensure that qualifying participants who complete NYDA-sponsored entrepreneurship development Programmes do indeed become entrepreneur.
- j) **Lobby Government Policies:** This will help with Jobs creation while retaining others as better employee and ensuring their optimal participation within any sector.

### **Student Benefits of Entrepreneurship Education**

Besides creating more businesses and a more competitive economy, entrepreneurship education provides additional benefits. According to the National Foundation for Teaching Entrepreneurship, the additional benefits include:

- ❖ Increased occupational aspirations.
- ❖ Increased interest in attending college.
- ❖ Increased leadership behavior

Youth entrepreneurship education research has showed that students trained in entrepreneurship and who engaged in a classroom-based enterprise also had a higher sense of personal control and self-esteem than a comparable cohort. These factors are very important in the short-term behavior of students and the likelihood of avoiding destructive criminal behavior

### **Employer Benefits of Entrepreneurship Education**

Entrepreneurship education can help increase the total number of future business owners and create the necessary skills employers seek.

A 2013 national survey of business and nonprofit leaders conducted by the Association of American Colleges & Universities found:

- ❖ “Nearly all employers surveyed (95 percent) say they give hiring preference to college graduates with skills that will enable them to contribute to innovation in the workplace.”
- ❖ “Ninety-two percent agree that ‘innovation is essential’ to their organization’s continued success.”
- ❖ “Nearly all those surveyed (93 percent) say that a demonstrated capacity to think critically, communicate clearly, and solve complex problems is more important than [a candidate’s] undergraduate major.”



Employers seek students with entrepreneurial traits. This means that entrepreneurship education creates choice and win-win opportunities for students. Although many students may not start their own business, they will develop the key skills today's employers need.

k) **Monitoring and Evaluation:** Strengthening the implementation of the various NYDA programmes through the establishment of appropriate results-based monitoring and evaluation logical frames will increase efficiency and contribute a lot more to the process of transformation”.

**Conclusion:** A deeper inspection of the key points mention here will alert you to the state of transformational changes require in the sector from ownership, management and cultural perspective there by creating enabling environment for growth and its attendant effect of jobs creation in the National Landscape.

## Chapter 4: Recommendations and Conclusions

### 4.1. Recommendations

The purpose of this section, which constitutes the last part of this Assessment report, is to provide the NYDA with practical and actionable recommendations based on the findings of this evaluation. The recommendations are linked to each evaluation objective and the findings of the study.

Findings Items	<i>Explanations &amp; Recommendations</i>	<i>Case study:</i>
<b>Applicant Information Collecting:</b>	<p>Difficulties in completing the application process or finalizing an application.</p> <ol style="list-style-type: none"> <li>1. An online Application system be develop and made available to applicants.</li> <li>2. A system man by NYDA officer should be placed at each branch offices for assistant and access to those without required capacity.</li> </ol>	<p>CIPC uses the same system for company registration and some of the systems can be found in shopping centers, bank branches and local municipalities' offices.</p>
<b>NYDA Data Repository:</b>	<p>Database of beneficiary was inconsistent and difficult to work with.</p> <ol style="list-style-type: none"> <li>1. The spreadsheets should be replaced with a better data management system with capability to rendered data extraction/reports as when needed.</li> </ol>	<p>NYDA business have grown beyond Small/Medium scale and still growing with this come with the problem of big data management, early development of proprietary data management system that is scalable will greatly assist.</p>
<b>Programme Funding &amp; Resources, Human &amp; Others:</b>	<p>As the NYDA reach continue to expand Project/Programmes implementation and management are becoming strain and under-resourced.</p> <ol style="list-style-type: none"> <li>1. NYDA should make representation to the national Fiscus for additional funding.</li> <li>2. NYDA with its broad mandate could sources funds easily from SETA's to augment its allocations from fiscus.</li> </ol>	<p>Many Government entities have now put in place/contracted out fund raising department that assist with raising funds for projects implementation.</p>
<p><b>Market linkages programmes &amp; Needs for Better Marketing Coordination.</b></p> <ol style="list-style-type: none"> <li>1. <i>More effort is required from the NYDA to create durable Partnership with the retail and wholesale Sector for market linkages Programmes.</i></li> <li>2. <i>Companies should support the Development of effective educational initiatives that include teaching the benefits and opportunities of self-employment.</i></li> </ol>	<p>The value of support through advice, networks and other relationships cannot be overestimated for a new entrepreneur. In addition, business start-ups provide a boost to their local economy, increasing overall market size and potentially contributing to supply and distribution chains of existing companies.</p> <ol style="list-style-type: none"> <li>1. NYDA to intensify its effort in Creating business links between new entrepreneurs and established companies</li> </ol> <p>During the challenging school-to-work transition phase that young people face, business can make a significant contribution:</p> <ol style="list-style-type: none"> <li>1. NYDA to assist in shaping education policies that ensure those leaving full-time education have the skills and qualifications needed for future employment or enterprise.</li> </ol>	<p>Youth Business China's mentoring programme is supported by major Chinese and international companies. Mentors provide advice and support to the young entrepreneurs, as well as access to other business networks. They themselves benefit through Youth Business China's Mentor Clubs that offer forums for the mentors to exchange ideas and explore new trading opportunities. <a href="http://www.ybc.org.cn">www.ybc.org.cn</a></p> <p>The International Youth Foundation's entra 21 programme offers disadvantaged young people in Latin America and the Caribbean employment training and job placement services. Importantly, employers are actively involved in the design of the programme, and training content is drawn from the needs of the labour market. The skills that the young people</p>

		gain have been shown to increase their employability and their enterprise credentials. <a href="http://www.iyfn.net.org">www.iyfn.net.org</a>
3. <i>NYDA should create partnerships with youth enterprise organizations to strengthen their operational capacity and efficiency.</i>	<p>Companies that partner with youth enterprise charities can make a significant impact on the local communities they serve and in which their employees live.</p> <ol style="list-style-type: none"> <li>1. Private and Public companies should be encourage to assist startup through sharing their experience and expertise companies which can make tangible difference to the services that the charities provide.</li> </ol>	<p>As part of a larger collaboration effort, in 2009 Accenture provided The Prince's Trust with a pro bono project team who worked to integrate the Trust's strategic reporting platform with their financial systems.</p> <p>In the process, the Accenture employees also concentrated on imparting invaluable skills and knowledge to The Prince's Trust's internal IT team, enabling it to move the reporting programme forward with minimised dependence on external expertise. <a href="http://www.princes-trust.org.uk">www.princes-trust.org.uk</a></p>
4. <i>NYDA should partner with Banks and microfinance institution community organizations to improve young people's access to financing.</i>	<p>Banks and even some microfinance institutions (MFIs) are unable – or unwilling – to reach vulnerable sectors of society excluded from finance, such as disadvantaged youth.</p> <ol style="list-style-type: none"> <li>1. NYDA to assist startup companies by establishing Partnership with Financial Institution to help these groups' access cheap loans with favorable conditions.</li> <li>2. NYDA closely working with local organisations &amp; financial institutions that better understand the risk profile of young people, will be able to extend services to new sections of society.</li> </ol>	<p>YBI's partner in India, Bharatiya Yuva Shakti Trust (BYST), established a partnership with National Bank of Baroda to enable the bank to manage BYST's loan portfolio. BYST maintains responsibility for all other aspects of its operations, such as selecting and mentoring entrepreneurs. The partnership takes away the portfolio risk from BYST and increases the overall level of financing available for new business loans for young people. <a href="http://www.bystonline.org">www.bystonline.org</a></p>
<p><b>Lobby Government Policies:</b></p> <ol style="list-style-type: none"> <li>1. <i>{Governments and education authorities should include self-employment as a viable alternative within an overall careers advice structure.}</i></li> </ol>	<p>Traditionally, advice to young people about the world of work is biased towards the benefits of working in a large company or within government.</p> <ol style="list-style-type: none"> <li>1. Lobby policies for the benefits of supporting young people into new enterprise.</li> <li>2. For the effectiveness of initiatives deployed. As the United Nation's World Youth Action Plan states: "the challenge is to scale up the successful aspects of [youth] initiatives."</li> </ol>	<p>The Consortium for Entrepreneurship Education was established in the US to bring entrepreneurship experiences to young people through schools and community programmes. Comprising State Boards of Education, student organisations and others, the Consortium aims to: promote entrepreneurship education opportunities; set national curriculum standards; and share resources to train young entrepreneurs to advance their local economies. <a href="http://www.entre-ed.org">www.entre-ed.org</a></p>
2. <i>Governments should utilise existing structures, such as chambers of commerce and other business networks, to support the development of youth entrepreneurship.</i>	<p>Business networks can be valuable to businesses throughout their life cycle, but perhaps especially during the startup phase. Given the economic, social and political benefits of a productive young population,</p> <ol style="list-style-type: none"> <li>1. Lobby the Government's by helping to develop policies that help promote and support entrepreneurship using structures already in place.</li> </ol>	<p>For a decade, Hambantota Youth Business Trust (HYBT) had been successfully supporting young entrepreneurs at the district level. Recognising the strategic importance of strengthening youth entrepreneurship in Sri Lanka, the Ceylon Chamber of Commerce – in collaboration with its regional branch in Hambantota – scaled up HYBT operations and launched Youth Business Sri Lanka across the whole of the country. <a href="http://www.ybsl.lk">www.ybsl.lk</a></p>
	Business plan competitions have been shown to provide an effective and	With the support of all levelsof government, Students in Free

<p>3. <i>Governments should encourage schools and colleges to run business plan competitions that promote start-up opportunities.</i></p>	<p>engaging means to introduce a variety of business-related subjects to new audiences. Competitions can generate even more tangible benefits if winners are given an opportunity to turn their business proposition into reality.</p> <ol style="list-style-type: none"> <li>1. NYDA should look at the possibility of setting up a youth business competitions among its programme graduate.</li> </ol>	<p>Enterprise (SIFE) runs national and global business competitions for university students to develop socially responsible enterprises in their communities that meet local need. It provides hands-on insights into setting up and running a company. Many of the students involved in SIFE competitions go on to develop their own social enterprises. <a href="http://www.sife.org">www.sife.org</a></p>
<p>4. <i>Governments should prioritise investment in youth entrepreneurship initiatives to tackle youth unemployment and as a means to reduce welfare costs.</i></p>	<p>Targeting investment at youth entrepreneurship schemes can bring long-term benefits to governments, both in reducing unemployment and other welfare payments, and in increasing tax revenue.</p> <ol style="list-style-type: none"> <li>1. NYDA should explore the possibility of targeting investment at youth entrepreneurship schemes.</li> </ol>	<p>In March 2009 the Canadian Government invested C\$10 million with the Canadian Youth Business Foundation (CYBF) to support young entrepreneurs, as part of its work to stimulate the national economy. CYBF has calculated that the businesses supported by the grant will generate C\$135 million in sales revenue and C\$32 million in tax revenue for the nation's economy, through the creation of 900 new businesses and an estimated 5,000 new jobs. <a href="http://www.cybf.ca">www.cybf.ca</a></p>
<p><b>Organizes Community /Stakeholder Engagement:</b></p> <ol style="list-style-type: none"> <li>1. <i>Youth enterprise organisations should engage in community outreach and mobilisation to foster a culture and spirit of entrepreneurship.</i></li> <li>2. <i>Non-governmental organizations working in apparently different areas should identify and develop synergies in order to deliver more effective levels of support to young entrepreneurs.</i></li> <li>3. <i>Community organisations should provide volunteer opportunities for young people to work in the community.</i></li> </ol>	<p>Awareness of the opportunities of entrepreneurship is low across many countries. Those organisations that specialise in supporting young entrepreneurs have a valuable role to play in communicating the potential benefits of starting a business to wider audiences.</p> <ol style="list-style-type: none"> <li>1. Community organisations that specialise in supporting should assist in communicating the potential benefits of starting a business to wider audiences.</li> </ol> <p>The combined expertise and outreach of different organisations can have a transformative effect on a local community. Even when the overlap of two organisations does not seem obvious, there can be very useful collaboration – especially in tackling the complex underlying causes of youth unemployment and disenfranchisement.</p> <ol style="list-style-type: none"> <li>1. NYDA should explore working with various community organizations assisting the youths so as to develop effective response to the scourge of unemployment.</li> </ol> <p>Grassroots organisations can benefit from tapping into the resource of unemployed youth. Equally, local voluntary experience can equip young people with useful skills to continue along the path towards employment and entrepreneurship, as well as a sense of commitment to their community.</p> <ol style="list-style-type: none"> <li>1. Grassroots organisations to be encourage to assist in providing volunteer opportunity for</li> </ol>	<p>The Barbados Youth Business Trust (BYBT) has invested in raising the profile of entrepreneurship in Barbados. Through schools, community centres, churches and other institutions, as well as broadcast media, since its inception in 1996 BYBT has come into contact with more than 10,000 young unemployed people, introducing them to self-employment as a career option. <a href="http://www.youthbusiness.bb">www.youthbusiness.bb</a></p> <p>International Alert and Youth Business Sri Lanka (YBSL) work together to assist young people to set up in business in areas vulnerable to violence. Economic and social progress is not possible without peace, and vice versa. Improving the blife chances of young people can make a significant impact on reducing conflict and, most importantly, the causes of conflict. <a href="http://www.ybsl.lk">www.ybsl.lk</a> / <a href="http://www.international-alert.org/srilanka">www.international-alert.org/srilanka</a></p> <p>The Youth Volunteer Network (VNET), established by The Hong Kong Federation of Youth Groups (HKFYG), encourages young people to participate in voluntary services and to serve their community. The volunteers involved are exposed to a range of different organisations, raising their awareness of – and preparedness for – the different work opportunities available to them later in life. <a href="http://www.hkfyg.org.hk">www.hkfyg.org.hk</a></p>

	unemployed youth to at the very least gain work experiences.	
4. <i>NYDA, NGOs should tailor vocational and life skills training according to local community needs – in particular to cater for rural areas.</i>	<p>Many countries face a challenge of developing poor rural communities, to prevent mass migration to urban centres. It is therefore essential that skills training is aimed at those activities most appropriate and relevant for current and future enterprise in rural communities.</p> <p>1. NYDA should tailor vocational and life skills training according to local community needs – in particular to cater for rural areas.</p>	<p>Fundación Paraguaya and the San Francisco Agricultural High School provide a holistic education in agriculture and entrepreneurship to the children of very low-income farmers in Paraguay. The 'farm school' integrates traditional high school subjects with training in small-scale agricultural enterprises. On graduation, students have the skills to start their own rural enterprises (with a business plan and micro-loan in hand), to secure jobs in the modern agricultural sector or to attend university.</p> <p><a href="http://www.fundacionparaguaya.org.py">www.fundacionparaguaya.org.py</a></p>
5. <i>Environmental NGOs should target support to young people to help them capitalise on the opportunities of the low carbon economy.</i>	<p>There is an increasing demand for effective environmental projects in communities to address challenges such as renewable energy, access to clean water and waste management. Many of these are particularly suitable for start-up businesses. Moreover, young people often have a greater awareness of environmental issues and climate change.</p> <p>1. NYDA to assist/educate startup to focus their businesses innovations in the direction of latest business trends</p>	<p>GVEP International (Global Village Energy Partnership) operates a network programme to build the capacity of over 1,800 small and micro energy enterprises in rural areas of Kenya, Uganda and Tanzania. Experts in energy technology, business development and financing provide training, mentoring and access to finance to help turn low carbon initiatives into reality. This support is providing thousands of households with access to renewable energy.</p> <p><a href="http://www.gvepinternational.org">www.gvepinternational.org</a></p>

## 4.2. Final Thoughts.

<p><b>ENTREPRENEUR</b></p> <ul style="list-style-type: none"> <li>• Primary risk taker</li> <li>• Ultimately responsible for all aspects of the business</li> <li>• Income driven by overall profit of the firm</li> <li>• Job creator</li> <li>• Success or failure driven by ability to run and grow the business</li> <li>• Cannot be fired</li> <li>• Independent</li> </ul>	<p><b>EMPLOYEE</b></p> <ul style="list-style-type: none"> <li>• Limited risk</li> <li>• Responsible for defined 'job' role</li> <li>• Income negotiated at hiring, rarely driven by profits</li> <li>• Job consumer</li> <li>• Success or failure driven by ability to perform job and employee's value to the business</li> <li>• Can be fired or laid off</li> <li>• Dependent</li> </ul>
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NYDA offers both financial and non-financial support through the Entrepreneur Development Program (EDP) program aimed at creating a conducive environment for young entrepreneurs to access relevant entrepreneurship skills, knowledge, values and attitudes for their businesses. This programmes already offers a range of well thought out packages for the entrepreneurship development and support trainings and grants that should respond appropriately and adequately to the labour market and business needs of young people.

On examining the two main explanations for the pre and post entrepreneurial outcomes experienced by young people. The first of which is that market failures do exist, making it more difficult for young people to realise their entrepreneurial aspirations. Secondly, because young people lack human, social and financial capital, constraints that again make it difficult for young people to achieve their entrepreneurial goals. It was also identified that even without these barriers, not all young people will seek out entrepreneurial

opportunities. It reflects that there are both 'push' (e.g. self-employment was the only viable route out of unemployment) and 'pull' (e.g. saw a profit opportunity) motivations underlying the decision to become an entrepreneur. In terms of market failure, this perspective suggests that young people face information imperfections both pre and post start up. Young people may simply be unaware of the potential of entrepreneurship, their entrepreneurial aptitude or the skills needed to be an entrepreneur. These information imperfections may help explain the gulf between latent and actual youth self-employment rates. Market failures in the form of access and information available may also impede starting and growing the business. Young entrepreneurs may, for example, be unaware of the provision of expert advice and assistance. This may hamper their attempts to set up or run their business. Financiers may also find it difficult to judge the viability of a young entrepreneur and their business. Typically, young people have a limited credit history. Financiers may judge that they cannot adequately judge the quality of their new or existing business proposition and, therefore, decide not to fund their business proposition. The second explanation offered used to explain youth entrepreneurial outcomes is that young people typically lack human, financial and social capital necessary both to set up and successfully run a new business. Relative to older individuals, younger people are less likely to have sectoral, managerial or prior business experience but are more likely to be unemployed. They may, therefore, lack the skills needed to set up or run their business. Young people are also likely to have less access to financial capital from inheritances or, more typically, from capital accumulated in house ownership or from personal savings. This may be important, particularly as the average cost of a start-up in 2014 was estimated at US\$70,000 (<https://businesstech.co.za/news/internet/60205/how-much-it-costs-to-launch-a-start-up-in-sa/>, June 11, 2014). Hence, if young entrepreneurs are financially constrained, the result might be that the business is not sustainable because under-capitalised businesses are more likely to fail (Storey and Greene, 2010). Young people may also have limited networks (e.g. business contacts), leading to them having limited social capital. This may have consequences for the setting up and running any business because, without adequate levels of social capital, young people may struggle to build 'legitimacy' amongst key stakeholders (e.g. financiers, customers, suppliers).

There is general three types of assistance that can be rendered to potential youth's entrepreneurs' in the form of the followings: enterprise education, 'soft' support (e.g. signposting, advice and assistance, skill development) and 'hard' support (e.g. micro-finance loans and grants). For each of these forms of assistance.

### **Enterprise education**

The aims of enterprise education are to make young people aware of the importance of entrepreneurship; allow them to investigate if it is a desirable option; and equip them with entrepreneurial skills (e.g. opportunity recognition, business planning, running pilot businesses) that will allow them to develop entrepreneurial competencies which, in turn, might be beneficial for their own (future) business or for working as an employee. The rationale for these interventions is that there are market failures present and young people have not developed the necessary knowledge, skills or abilities to make judgements about the desirability and feasibility of entrepreneurship

### **Soft support**

The rationale soft support (e.g. signposting, advice, assistance) is that young people - both pre and post start up - face information imperfections and gaps in their human and social capital. Hence, soft support such as signposting information may be provided to guide young prospective or actual entrepreneurs towards

specialist sources of support. The focus may also be on providing advice and assistance. This may be delivered through the internet, through social networks of young people or by older mentors who may signpost sources of support or use their own social capital to leverage resources for aspiring or actual entrepreneurs. Such assistance may also extend to the provision of particular skills (e.g. opportunity recognition, business planning, financial management, sales and marketing), delivered either informally (e.g. a mentoring scheme) or more formally by attending a course. Typically, the provision of such assistance is designed to help young people make an effective transition into self-employment and increase the sustainability of their business

### **Hard support**

Policy tools that offer micro-finance in the form of loans, grants or funding of their day-to-day living expenses (e.g. replacing or augmenting existing unemployment benefits) to young people are the third policy tool. As with soft support, they are designed to support young people both pre and post start up. The rationale for these programmes is that one of the principal limitations faced by young potential or actual entrepreneurs is that they lack the necessary financial capital to develop or sustain their business. This may be because they have not had, as with human or social capital, sufficient time to build up their financial resources or because they have not been able to access external finance. Again, it is difficult to establish the number or efficacy of such programmes. One reason for this is that the amounts and types of funding vary in the EU from country to country. For example, in France, a young person's living expenses are supported; in Belgium preferential loans (up to €4,500) are provided; whilst Greece offered funding up to €29,000 to young people (source: EEOR, 2010)). It is also difficult to assess these programmes because different micro-finance programmes use different mechanisms to screen potential participants. They may ration support based upon a young person belonging to a particular qualifying group (e.g. the unemployed, offenders, disabled); by ensuring that they meet a selection criteria (e.g. submitting and gaining approval for a business plan); or by requiring young person to commit resources – if they have any – to the new business. One clear example of a micro-finance programme – that also seeks to ration its provision as well as provide soft support (e.g. mentoring) – is the Prince's Trust, which is a scheme focused upon young unemployed people and specific groups in society (e.g. offenders, the disabled). This programme has also been robustly evaluated (Meager et al, 2003). This evaluation suggested that micro-finance support was important in increasing earnings in self-employment but that soft support (mentoring) was negatively associated with self-employment earnings. Meager et al (2003), however, also suggested that the provision of both soft and hard support did little to increase the employability or earnings of participants once they left the programme. Overall, this section has examined three types of policy tools: enterprise education, soft and hard support. It is difficult to establish the extent of such provision, if only because there exists a wide range of providers. It is also difficult to establish the efficacy of these interventions because there are few robust evaluation studies. Nonetheless, of the three policy tools, the evidence does suggest that enterprise education plays a role in developing young people's entrepreneurial intentions. There is less evidence that either soft or hard support increases their likelihood of young people starting or running a successful new business.

South Africa needs entrepreneurs to grow and create new job opportunities. The role of the NYDA grant programme is critical in assisting and developing young entrepreneurs. The evaluation of the grant process indicated that the programme made a positive contribution to the lives of several young people and created several job opportunities.

The grant programme is built on a sound process but it is misaligned, complicated and time-consuming. By applying a few changes the programme could be more effective in optimising the branch resources to assist young entrepreneurs. It is however imperative to review the way the non-financial needs of grantees are met, to ensure that successful young entrepreneurs can grow sustainable business.

### **4.3. Conclusions**

Youth unemployment presents a significant challenge, and future forecasts demonstrate the need for an immediate, robust and coordinated response, Enterprise can provide a long-term route out of poverty for many unemployed young people, and as the recommendations set out in this report show, each sector can play its part in making entrepreneurship work.

The real benefits are derived when sectors work together to create a culture of entrepreneurship, with opportunities open to young people:

- For young people, it helps them achieve economic independence and make a valuable social contribution, and it raises their self-esteem.
- For companies, it encourages the development of a dynamic small business sector, boosts demand in the local economy, and strengthens community involvement.
- For society, it reduces the costs associated with youth unemployment, helps spread prosperity, and reduces youth disenfranchisement and social conflict.
- For governments, it can reduce welfare costs and increase revenue, and it provides opportunities to benefit from the talent, enthusiasm and energy of the young people they serve.

This study draws on best practice from both local and international organizations in order to make cross-sectoral recommendations for creating a culture of youth enterprise. It is not intended to provide complete answers but to give a snapshot of what is working in different parts of the world to give young people a chance to become a successful entrepreneur.

Through sharing of insights, we aim to encourage governments and other organizations to give their support to young people who have a great business idea but lack the means, and the support, to set up their own enterprise.

In pursuing empowerment as a goal through an enterprise-oriented education, an important distinction needs to be made between the overall approach and the discrete techniques in the modules of delivery. Without this distinction, it is easy to focus on the modular aspect of the program and an assumption that empowerment will take place in a rather disaggregated manner. An understanding of the overall program, the approach, is necessary to situate the various techniques. This approach should be formulated to challenge participants in a deep and appropriate way, informed by an understanding of action learning (team project and experientially-based learning by doing) and outward bound (a bold adventure and rugged journey). The individual techniques should be nested in this broader approach, which should assist empowerment.

Beneath this dynamic approach, empowerment should be in evidence beyond the boundaries of the program except where other contextual issues may obstruct the process. External systemic pressures have been shown to have a disempowering and stifling effect on the success of the intervention within at least the time frame of the NYDA programme implementation. Rather than just download pre-packaged content into the minds of participants, the expectations to be created by the NYDA will be for the participants to work with the content



as material and tools in their usual environment to build something close to their hearts. From this view, empowerment cannot so easily be instrumentalized.

Empowerment should not be understood as a construct with a single source of derivation, but as a dynamic process and quality that can be directed toward the development of certain human capabilities and attitudes. It may also be understood in humanistic terms, as the unfolding of the human potential. And it may also be considered as a feeling, an outlook, a human characteristic; empowerment is more than skill. It can be a sense of accomplishment that translates to confidence and also a deepened context that leads to initiative and responsibility taking. Enabling was considered an important approach to empowerment— to give ability in key areas. However, engendering an empowered attitude and fostering self-confidence is also important.

### **The entrepreneurship challenge**

Employment is established as “the major route out of poverty” – and increasingly entrepreneurship is being recognised for the economic and social opportunities it can create.

The World Bank estimates that by 2015 – target year for the Millennium Development Goals (MDGs) – there will be three billion people in the world under the age of 25. However, although this generation will be the most educated ever, International Labour Organization statistics forecast a sustained rise in unemployed youth. They estimate that young people already make up as much as 40% of the world’s total unemployed, and are almost three times as likely to be unemployed as adults – a situation exacerbated by the recent world economic crisis.

The youth unemployment rate is projected to increase from 13% in 2017 to between 13 and 15% in 2019 through. The projected increase in the unemployment rate for adults is between 0.5 to 1%. As the ILO concludes: “young people still suffer disproportionately from a deficit of decent work opportunities”.

The ILO has said that 2009 represented the worst global performance on record in terms of employment creation as at this moment that have already be superseded by succeeding years. Young people are particularly vulnerable to the effects of an economic downturn: “during and after a crisis, it is the youth who are hit hardest in terms of losing jobs and joining the unemployment queues. The increased gap between youth and adult unemployment rates remains, even after the economy has begun to recover.” As much as 89% of the world’s total youth population is born in developing countries (South Africa inclusive).

A global economic crisis makes living conditions – and job prospects – worse in developing countries through a range of impacts: private capital flows and investments slow; export earnings fall through reduced commodity prices; and remittances decline.

### **The entrepreneurship opportunity**

Despite these challenges and vulnerabilities, the transition from childhood to adulthood is a period of great potential for young people to begin making a contribution to family, society and community.

Participation in the job market helps to break the cycle of poverty and unlock the potential of young people, providing a route towards social integration and economic independence. It is vital, both for their own fulfilment as well as in the broader economic interest, that their talents and energies are harnessed in productive work opportunities.

Given estimates that half of the global workforce – seven times more than the number of unemployed – are likely to be in vulnerable employment this year, actions must target the substantial decent work deficits.

Entrepreneurship is not suitable for everyone, but it is vital that opportunities are open to young people – and properly understood by them – on completion of education and training.

Entrepreneurship can provide a successful route to long-term participation in the job market, especially if the entrepreneur receives robust support and advice in the business start-up phase. Furthermore, entrepreneurship can be an engine of economic growth.

In the UK, small and medium-sized enterprises (SMEs) account for 99.9% of all enterprises, and are responsible for 59% of private sector employment and 52% of private sector turnover. In the US more than 87% of all businesses have five or fewer employees. These microenterprises create new jobs on average at a rate of 900,000 per year. Between 2000 and 2006 they created 36% of all new jobs in the US.

In view of this job creation potential, it is particularly important to foster the conditions for an enterprise culture at a time of economic crisis when the job market is stalling.

### **The entrepreneurship impact**

Enterprise has a multiplier effect – both economic and social. As the ILO concludes, “decent work for young people unleashes multiplier effects throughout the economy and society, boosting investment and consumer demand and ensuring more stable and cohesive social ties across generations”.

Halving the world’s youth unemployment rate could add an estimated US\$2.2 to 3.5 trillion to the world economy. This represents 4.4% to 7.0% of the 2003 value of global gross domestic product (GDP). The largest relative gains from supporting youth into decent and productive work would be in Sub-Saharan Africa, with an estimated rise of 12% to 19% in GDP.

Running a business helps young people achieve economic independence, reducing their reliance on state welfare. Young entrepreneurs are more likely to engage in their local community, spreading their experience and energy, and creating additional jobs.

Employment also boosts a young person’s self-esteem, making them more productive members of a family and community. Research has demonstrated a link between youth unemployment and social exclusion: 13 a productive young population is less likely to cause social unrest or even conflict.

Given this generation is the most educated ever, there is huge potential locked in today’s unemployed youth. However, as François Bourguignon, the World Bank’s former Chief Economist and Senior Vice President for Development Economics warns: “The opportunities are great, as many countries will have a larger, more skilled labour force and fewer dependents.

But these young people must be well-prepared in order to create and find good jobs.

## Chapter 5: Cost Benefit Analysis

### 5.1. Introductions

Although the ToRs for this evaluation did not specifically say anything about investigating the cost benefits of the programme, we thought after the briefing that it was a good idea to put it together, but unfortunately with the information at our disposal we find it difficult to put one together for the project as most of the programmes data we received did not come with financial information.

### 5.2. Conclusion

It is worthwhile to mention here that on review of the literatures associated with this programmes /projects we do agree with the cost benefit analysis on the following literature impact evaluation of the voucher programme March 2019 that the benefits of this Programme actually outweighed its costs, as will be shown below in their findings and recommendations.

#### On the costs and benefits of the programme

<b>Findings</b>	<ul style="list-style-type: none"><li>❖ Using an Ex Post CBA, this impact evaluation has found that the <i>sunk</i> benefits of the programme, accrued between 2014 and 2017, outweighed the cost of the programme as indicated by the programme net present value of R106,939,524,42 for the period under review. The contributing variables to this <i>sunk</i> net benefit were jobs created, jobs sustained, and revenue generated.</li><li>❖ That the revenue was, overall, a positive R2,700 and only the investment attracted was a negative R10,700, it can be concluded that the VP did represent the best possible use of resources to achieve results of the greatest possible value to the participants. However, the revenue attracted could have been much higher had the 61% of the 37% (average) of the vouchers that were issued to develop business plans not cancelled or expired.</li></ul>
<b>Recommendations</b>	<ul style="list-style-type: none"><li>❖ The NYDA should set a target for the number of voucher programme beneficiaries who should access the grant, entrepreneurship and market linkages programmes. This target should that 50% of all VP beneficiaries are able to access the grant programme once their business plans have been developed and approved. However, these business plans should within the funding range of the grant programme.</li><li>❖ The NYDA should set annual targets and performance indicators as part of its Annual Performance Plan for the number of young people who voucher are the beneficiaries of the programme who access the grant, market linkages and the entrepreneurial development programme.</li></ul>