Vol. 29, 2022

A new decade for social changes

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Challenges of adopting entrepreneurship education as a strategic approach to unemployed-youth in South Africa

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Abstract. Due to the level of unemployment rate in South African among the young, the paper seeks to assess the adoption of entrepreneurship education as a strategic approach to curb youth unemployment within a District Municipality public high schools in KwaZulu-Natal South Africa. The target population was 489 principals from high schools within the within the District Municipality. A mixed methods approach was used and a questionnaire was constructed and administered to participants via online platform. Also, an online one on one interviews were conducted with principals. All data was analysed using SPSS version 25 that generate data into table and bar graphs. The paper revealed that they are many challenges with the adoption of entrepreneurship and these challenges include financial challenge, lack of entrepreneurship education in public schools and lack of support. Small Enterprise Finance Agency (SEFA), National Youth Development Agency (NYDA), Department of Trade and Industry (DTI), Small Enterprise Development Agency (SEDA) and National Empowerment Fund (NEF) should run more awareness campaigns on media platforms used by students and the youth to promote entrepreneurship.

Keywords. Entrepreneurship education, youth unemployment, Strategy, Economic Growth, entrepreneurial skills

Introduction
The key challenge facing entrepreneurship in South Africa is the lack of entrepreneurial skills both at formal and informal levels. Due to the level of unemployment rate in South African among the young, the paper seeks to assess the adoption of entrepreneurship education as a strategic approach to curb youth unemployment within uMgungundlovu District Municipality public high schools. Entrepreneurship education can be defined as source knowledge production and skilled personnel is very influential manner as supported by (Happe, 2015). Entrepreneurship education can be used as strategic approach to curb the youth unemployment and revive economic growth in the township and rural areas. Literature is available when it comes to youth unemployment however, it is silent when it comes to the challenges upon the adoption of entrepreneurship in semi-and rural areas. As such as the Former President Zuma confirmed this view when he said in his State of the Nation Address (Zuma, 2017, p.2), “the only way to revive growth and accelerate the economy is to empower Small Medium and Micro-Sized Enterprises (SMMEs)”. Govender, (2008:90) on a study explores the
application of ‘Junior Enterprise’ (JE) in South African Higher Education Institutions (Universities) and the research revealed that “In order to promote skilled opportunity-oriented entrepreneurs, learners must be exposed to entrepreneurship activities in schools”.

Govender, (2008) further stated that “South African economy can be rejuvenated and unemployment curbed by appropriate professional and academic training that provides entrepreneurial skills is essential”. Currently, business studies syllabus does include minor entrepreneurship education from grade 10 to grade 12 as supported by (Network for Teaching Entrepreneurship, 2013). A strategy approach is a plan of action to address an opportunity and to achieve goals as supported by (Tidd and Bessant, 2014: 21, 22). In addition, an entrepreneur needs a strategy approach to achieve their vision and mission. Scholars such as Nag, Hambrick and Chen (2007:942) share the similar views that strategic approach indicates an important component of the business strategy and an important factor that has a significant contribution to a company’s competitive advantage. Furthermore, as back as Nag, Hambrick and Chen (2007:942) explain the importance of strategic management process as a mechanism for determining whether the implemented strategy resolve the challenges. Therefore, this paper provides the challenges of the adoption of entrepreneurship education as a strategic curb youth employment in townships and rural areas. The paper calls for the introduction of entrepreneurship education in public schools across all spheres of government as subject. This study will assist the Department of Basic Education to provide learners with relevant skills for entrepreneurship education and Department of Small Business Development (DSBD) to curb the unemployment rate. Future researchers will benefit from the study to understand the adoption of entrepreneurship education as a strategic approach to curb youth unemployment within uMgungundlovu district municipality public high schools. The call for future researcher is to examine the benefits adoption of entrepreneurship education in public schools.

**Literature review**

Entrepreneurship Education (EE) is panacea for developed and developing countries to curb youth unemployment and unemployment, is one of the most persistent and contentious economic challenges in South Africa. In Denmark, advent of entrepreneurship education strategy to train students is supported by Ministry for Science, Technology and Innovation, the Ministry of Culture, the Ministry of Education and the Ministry of Economic and Business Affairs have yield positive results. On the other hand, in the United Kingdom (Wales), the Youth Entrepreneurship Strategy (YES) was launched in 2004 to provide a structure for and entrepreneurship education has benefited the young in Wales. In addition, the education system is divided into basic education and higher education. Post- 1994, the South African (SA) economy is structured such that the small business plays a major role in creating jobs for young and the economy of the country as stated by (Malebana 2017:75). Currently, business studies syllabus does include minor entrepreneurship education from grade 10 to grade 12 as supported by (Network for Teaching Entrepreneurship, 2013). The tables will show the syllabus done in the further education and training (FET) grade 10 to grade 12.

**Table 1. Grade 12 business studies syllabus as per CAPs documents**

<table>
<thead>
<tr>
<th></th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Human Resource Function</td>
</tr>
<tr>
<td>3</td>
<td>Professionalism and Ethics</td>
</tr>
<tr>
<td>4</td>
<td>Business strategies</td>
</tr>
</tbody>
</table>
Moreover, South Africa’s unemployment rate rose to 30.1% in the first quarter of 2020 from 29.1% in the previous period and above market expectations of 29.7%, it is the highest jobless rate on record since quarterly data became available in 2008, as the number of unemployed people increased by 344 thousand to an all-time high of 7.1 million as supported by (Skae 2017:1). On the other hand, youth unemployment rate in South Africa increased to 59% in the first quarter of 2020 from 58.10% in the fourth quarter of 2019. As South Africa’s efforts to attract R1.2 trillion in investment over five years gain momentum. In his State of the Nation Address (SONA), President Cyril Ramaphosa has emphasised the importance of South Africans embracing a culture of entrepreneurship and implement entrepreneurship education in public schools. Contrast to this, country such as Botswana entrepreneurship related programmes is offered to young who have already left school. The social cognitive career theory process is affected by a variety of person inputs and background contextual factors that interrelate and change as a function of time (Schoenfeld et al., 2017:111). Self-efficacy and outcome expectation can be seen as midway cognitive actors in that they mirror the effects of person inputs and background contextual affordance through learning experiences in the career decision making process (Lent & Brown, 2006:114).

**Figure 1. Model of social cognitive career theory**

Consistent with the theory, the stronger the self-efficacy beliefs and outcome expectations learners develop, the more likely they will pursue and remain committed to the achievement of a challenging career goal. There are key aspects that social cognitive career theory factors of
person inputs, learning experiences and outcome expectations applicable to the current study are discussed in section.

- **Person inputs** or influences coming from ‘within’ as it were. Something like ethnicity or gender, which is culturally defined, will influence the social learning experience an individual has.
- **Outcome expectations** refers to the perceived outcomes, effects or consequences of certain behaviours.
- **Goals**, or **personal goals** address the question about how much and how well a person wants to do something (Lent, 2013, p. 119).
- **Interest’s model** – a child’s environment offers an array of activities – children are encouraged to do well in certain selective activities.

A study done by Ndedi, (2013) ‘Challenges and perspectives facing the development of entrepreneurship education and training in South Africa’ the finding was challenge facing entrepreneurship in South Africa is a lack of entrepreneurial skills both at formal and informal levels. Furthermore, challenges which entrepreneurs face in South Africa is access to finance when starting a business and keeping it going through the years, especially with all the prices increasing regularly. However, various studies have highlighted the importance of entrepreneurial intentions (Aulia & Hadi 2018; Barral, Ribeiro & Canener 2018; Ozaralli & Rivenburgh 2016; Palmer et al. 2015; Zhang et al. 2015). In addition, over the past decade the relationship between finance and the SMME’s development has generated an enormous volume of writings in South Africa (Ozaralli & Rivenburgh 2016). The most important source of start-up capital is to seek offering tax incentives and that will be stimulating by the supply of capital (Canener 2018). In addition, bank doesn't want to give a loan people usually go and look at their personal savings or they borrow from friends or relatives just to start-up their business as reported by (Mail, & Guardian 2019). When a business has its finance to open its doors and start the business, it just needs to pull through by growing the business and then getting to a stable phase where the business is financially safe as supported by (Canener, 2018). In South Africa organisations offering youth entrepreneurship education and entrepreneurship has to be introduced and nurtured from school. The focus on empowering high school learners across the country in order for them to see entrepreneurship as a viable avenue of success by the time they matriculate. A study conducted by Ibrahim and Masoud (2016), “Moderating role of entrepreneurial orientation on the relationship between entrepreneurial skills, environmental factors and entrepreneurial intention revealed that the challenges which entrepreneurs face in South Africa is also training and skills. In addition, these aspects are one of the key factors to actually becoming an entrepreneur. Education, training and experience in a field can privilege an entrepreneur to being successful and can contribute him/her to identifying opportunities, starting a business and managing it as supported by (Ibrahim and Mas’ud 2016). Several training facilities and conferences are held to improve the success of entrepreneurs in South Africa. A study conducted by Davey, Hannon, and Penaluna, (2016) on entrepreneurship education and the Role of Universities in Entrepreneurship revealed that the unemployment is a problem to most people it triggers some to becoming entrepreneurs and working on their skills just to better themselves and becoming successful in what they are doing. On the other hand, Challenges which entrepreneurs also face in South Africa are the regulation and the regulatory environment as supported by (Mbiza, 2018). The entrepreneur needs to keep in mind the demand and supply of products to keep the business flowing as reported by (Rogerson, 2008).
Environmental scanning can also be done to assist in finding out figures and knowing if there is any interest in the products the entrepreneur is selling as reported by (Mbiza, 2018).

Moreover, the entrepreneurs to start their own businesses they need capital and skills to actually get everything going and managing it to be and stay successful as supported by (Kuratko, Horns & Hayton 2015). In addition, most SMME’s don’t understand the laws which can cause problems in the long term for the businesses’ financial records they can lose capital, instead of gaining it. Several SMME’s don’t go through all the documentation and regularities of starting and maintaining their business, because its time consuming and can be expensive as reported by (Kuratko, Horns & Hayton 2015). Mbiza, (2018), stated that entrepreneurship is the key to the future success of South Africa’s economy: this much we all know. In addition, “Despite claims that entrepreneurship is being championed vociferously by both private business and government, it has not taken off as it could have in this country. Fuelling this unfortunate state of affairs is an educational system that is not positioned to cultivate entrepreneurial minds. A radical mind-set change in our society is necessary to encourage entrepreneurs to conceptualise and develop solutions, products and services that will elevate and change society for the better rather than to get rich quickly,” as reported by (Mail, & Guardian 2019). In addition, the GEM report (2018) pointed out that the level of entrepreneurial activity as a percentage of the population in South Africa is roughly half where it should be when compared to countries with a similar GDP and levels of economic activity. In addition, GEM report (2018) revealed that due to the fact that South Africans are generally risk averse and intolerant of failure two critical entrepreneurial characteristics. “In Silicon Valley, venture capitalists generally want to see that you’ve failed before they will consider investing in you. We don’t profile, support and celebrate entrepreneurs to the extent we should. We need to identify those people with entrepreneurial characteristics and abilities and then provide them with all the support they need to make their ventures a success,” as reported by (Mail, & Guardian 2019).

**Success on implementing Entrepreneurship Education**

For the international perspectives, Countries like Israel and the Netherlands, which are well regarded for their robust entrepreneurship ecosystems, have been the leaders in making education for young learners widely accessible as reported by (Moores and Hunter, 2018; Nippard, Hitchins and Elliott, 2014). Furthermore, in Israel which has a population of 8 522 000 has over 6 000 start-ups as reported by Uriel Peled who is a co-founder of Israel-based start-up Visualead, put Israel’s success down to the availability of government resources, mentors and education system, in particular universities which provide “a playground for entrepreneurs to meet others with similar interests who may later go into business together.” This early exposure to entrepreneurship, training and resources is what South Africa is lacking as reported by (Lydia Zingoni 2018.) Furthermore, Teen Entrepreneurs, a programme dedicated to fostering a culture of entrepreneurship in young learners.

**Methodology**

A mixed methods design is chosen for this study, to assess the adoption of entrepreneurship education as a strategic approach to curb youth unemployment within the District Municipality public high schools. The reason for using exploratory mixed design for this study it because quantitative data is analysed first using SPSS and then qualitative data is analyse using thematic to identify themes, ideas, perspectives and beliefs supported by (Fusch
and Ness (2015: 1411). The target population was principals from high schools within the District Municipality. There are currently 489 high schools within this district. Microsoft team was used to gain access to the target population. In addition, each school has the box in the circuit, hereby all circulars from the DBE are put to be collected by the principals and it is called pigeonhole and the researcher adopt this strategy to disseminate the questionnaire to the target population. The sample comprised of 10 principals from public high schools within the District Municipality. Hence, the participants for quantitative and qualitative was public schools’ principals. Below is a profile of the participants used in the study.

**Results**

**Table 2: Age group**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 years and less</td>
<td>10</td>
<td>4.63</td>
<td>5</td>
</tr>
<tr>
<td>25 – 29 years</td>
<td>33</td>
<td>15.28</td>
<td>15</td>
</tr>
<tr>
<td>30 – 39 years</td>
<td>22</td>
<td>10.19</td>
<td>10</td>
</tr>
<tr>
<td>40 – 49 years</td>
<td>44</td>
<td>20.37</td>
<td>20</td>
</tr>
<tr>
<td>50 – 59 years</td>
<td>107</td>
<td>49.53</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
<td>100.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 2 reveals that the majority of the participants were between the age of 50-59 years with (49.53%).

**Table 3: Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>80</td>
<td>37.03</td>
</tr>
<tr>
<td>Male</td>
<td>136</td>
<td>62.97</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 3 reveals that the majority of the participants were males with (62.97%).

**Table 4: Race of Participants**

<table>
<thead>
<tr>
<th>Race</th>
<th>Frequency</th>
<th>percentage</th>
<th>valid</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>186</td>
<td>86.11%</td>
<td>86</td>
</tr>
<tr>
<td>White</td>
<td>10</td>
<td>4.62%</td>
<td>5</td>
</tr>
<tr>
<td>Coloured</td>
<td>20</td>
<td>9.25%</td>
<td>9</td>
</tr>
<tr>
<td>Asian</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
<td>100%</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4 reveals that the majority of the participants were Africans with (86.11%).

**Table 5. Challenges associated with the adoption of entrepreneurship education**

<table>
<thead>
<tr>
<th>Public School 1</th>
<th>Public School 2</th>
<th>Public School 3</th>
<th>Public School 4</th>
<th>Public School 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Lack</td>
<td>Barriers</td>
<td>Lack</td>
<td>Lack</td>
</tr>
<tr>
<td>challenge</td>
<td>entrepreneurship</td>
<td>of entry</td>
<td>of support</td>
<td>knowledge</td>
</tr>
<tr>
<td></td>
<td>education in</td>
<td>to business</td>
<td>from departments</td>
<td>about how to</td>
</tr>
<tr>
<td></td>
<td>schools</td>
<td></td>
<td></td>
<td>start a business</td>
</tr>
</tbody>
</table>
Table 5 reveals that the all participants were indicated that their challenges with the adoption of entrepreneurship and these challenges include financial challenge, lack of entrepreneurship education in public schools and lack of support.

Table 6. Challenges of implementing entrepreneurship education programmes in public schools

<table>
<thead>
<tr>
<th>Public School 1</th>
<th>Public School 2</th>
<th>Public School 3</th>
<th>Public School 4</th>
<th>Public School 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Financial support from relevant stakeholders</td>
<td>Lack of Financial support from relevant stakeholders</td>
<td>Lack of Financial support from relevant stakeholders</td>
<td>Lack of knowledge from teachers</td>
<td>Lack of knowledge from teachers</td>
</tr>
</tbody>
</table>

Table 6 reveals that all participants agreed to the question as per table 7 that they are a lack of financial support from relevant stakeholders such as NYDA.

Figure 2: Challenges associated with the adoption of entrepreneurship education as a strategic approach to curb youth unemployment

Figure 2 indicates that educators currently have the knowledge and skills to impart entrepreneurship education in public schools, 100% of participates strongly disagree. The education system caters for entrepreneurship education, 50% of participates strongly disagree. Entrepreneurship education should be mandatory for all learners in public schools. 65% of participates agree. The development of entrepreneurship education should give learners enough chance to choose the courses they like, 100% of participates strongly disagree. Local small businesses are actively involved in the entrepreneurship education at high schools, 100% of participates strongly disagree. Parents are actively involved in entrepreneurship education for their children, 50% of participates strongly disagree.

Discussion

Financial implications
The study findings revealed that the majority of questionnaire respondents about 30% strongly agree that financial implications associated with the adoption of entrepreneurship education and while 10% strongly disagree. These finds are line with the GEM (2016) report which indicated that access to finance is a problem in South Africa. Furthermore, the study shows that the majority of questionnaire respondents from respondents indicated that 100% shows that they are inhibitors for entrepreneurs if they want to state their own business.

*Lack of entrepreneurship education in schools*

In this study, it was also found that public schools do need financial support and proper infrastructure to implement entrepreneurship to learners, to employ educators who are skilled to teach entrepreneurship education, currently they are a lack of textbooks, financial support to assist to buy textbooks. This study further finds that financial support to public schools can yield good result for implementing entrepreneurship and without proper financial support can result to fail. In addition, the findings from the literature review revealed grade 12 learners leaving school without entrepreneurship knowledge cannot venture into business.

*Barriers of entry to business*

A study conducted by Littlewood & Holt (2015) on social entrepreneurship in South Africa revealed that the biggest barrier of entry to business is that entrepreneurs, lack relevant knowledge and relies on mentorship and business coaching that is lacking from reputable industry experts. In addition, barriers of entry to business includes burdensome regulations, inadequate financial skills, lack of information and fierce competition as supported by (Waghid, 2016).

*Lack of support from departments*

This research revealed that Department of Basic Education does not have programmes in place to cater for entrepreneurship education in public schools. A study conducted by Mapfaira & Setibi, (2014) on enterprise and entrepreneurship education, revealed that they are no support in public schools from local small business and NYDA.

*Lack of knowledge about how to start a business*

The study findings revealed that, despite all the policies formulated by the Department of Small Business Development (DSBD) a survey show that young businesses about 60% function less than three years and most part Small Medium Enterprise (SME) owners were operating their first business were 70%. Hence, the lack of fundamental skills and knowledge from youth to operate their business successfully.

*Lack of knowledge from teachers*

All participants agreed to the question as per figure 2, that learners are willing to start their business; the problem is lack of business knowledge taught in business studies. As reported by Gouws (2002:45) explains that the “teachers cannot continue to teach in the old rote memorization style”, and teachers lack entrepreneurship education knowledge to impart to learners.

*Lack of Financial support from relevant stakeholders*

A study done by Ndidi, (2013) ‘Challenges and perspectives facing the development of entrepreneurship education and training in South Africa’, the finding were challenges
which entrepreneurs face in South Africa is access to finance when starting a business and keeping it going through the years, especially with all the prices increasing regularly.

**Challenges associated with the adoption of entrepreneurship education**

The results from figure 2, indicates that educators currently have the knowledge and skills to impart entrepreneurship education in public schools, 100% of participates strongly disagree. The education system caters for entrepreneurship education, 50% of participates strongly disagree. Entrepreneurship education should be mandatory for all learners in public schools, 65% of participates agree. The development of entrepreneurship education should give learners enough chance to choose the courses they like, 100% of participates strongly disagree. Local small businesses are actively involved in the entrepreneurship education at high schools, 100% of participates strongly disagree. Parents are actively involved in entrepreneurship education for their children, 50% of participates strongly disagree. The literature review revealed that the youth unemployment is around 70% in South Africa, so it is critical important for the youth to be entrepreneurship wise so as to build their own future business. People should not be scared to take risk and start their own small businesses in rural and township areas. Information to this end should be communicated through talks, seminars to drive home the importance of business. On the other hand, universities should be encouraged to focus on entrepreneurship education across disciplines. In addition, the GEM report (2018) pointed out that the level of entrepreneurial activity as a percentage of the population in South Africa is roughly half where it should be when compared to countries with a similar GDP and levels of economic activity.

**Conclusion**

In conclusion, the results indicated that they are less of practical knowledge in the curriculum taught in grade 10 to 12, and business studies focus on the theory. In addition, this paper calls for Small Enterprise Finance Agency (SEFA), National Youth Development Agency (NYDA), Department of Trade and Industry (DTI), Small Enterprise Development Agency (SEDA) and National Empowerment Fund (NEF) should place concrete foundation for a short term and long-term in promote entrepreneurship to youth in public schools. Lastly, the Higher Education Department has introduced entrepreneurship seminars to try and instil to students an entrepreneurial spirit, so as to develop a business mind-set that necessitate entrepreneurial goals to the youth. It is recommended that the government initiative on entrepreneurship should be part of the curriculum so that the students be visited regularly to motivate them. The study concludes that the entrepreneurship education programme currently offered at Grade 10-12 level in high schools fails to achieve the goal of entrepreneurship education.

**Acknowledgement**

The authors declare that he has no financial or any other relationship that may have inappropriately influenced in writing this article.

**References**


