



University of Fort Hare  
*Together in Excellence*

An innovative approach to growing youth entrepreneurship in  
Raymond Mhlaba Municipality, a poorly resourced South Africa region.

By

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Submitted in fulfilment of the requirements for the degree of Master of Administration, in  
the Faculty of Management and Commerce, at the University of Fort Hare

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### **Declaration on previous submission**

I, Hani Sikanyisele, 201821388, declare that this Dissertation, titled “An Innovative Approach to growing youth entrepreneurship in poorly resourced areas in South Africa: A case of Raymond Mhlaba Local Municipality”, and submitted for the award of the Degree Master in Administration (Public Administration) in the Faculty of Management and Commerce at the University of Fort Hare, is my own work and has never been submitted for any other degree at this or any other university



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## **Dedication**

I want to dedicate this research study to my loving family, Ms. N.O Hani, Ps. L.L Kapoyi, Qaqamba Hani, Kamvelihle Hani, Phumza Calana, and my beautiful niece Lungaka Hani. They have supported me from the onset and throughout the research.

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## Contents

|                                                                  |           |
|------------------------------------------------------------------|-----------|
| <b>Declaration .....</b>                                         | <b>2</b>  |
| <b>Dedication .....</b>                                          | <b>5</b>  |
| <b>ACKNOWLEDGEMENTS .....</b>                                    | <b>6</b>  |
| <b>CHAPTER 1: INTRODUCTION AND BACKGROUND .....</b>              | <b>13</b> |
| <b>INTRODUCTION.....</b>                                         | <b>13</b> |
| 1.1.1 Overview of Raymond Mhlaba Local Municipality .....        | 14        |
| <b>LEGISLATIVE FRAMEWORKS.....</b>                               | <b>22</b> |
| 1.1.4.1 Cooperatives Act No. 6 of 2013 .....                     | 22        |
| 1.1.4.2 The National Small Business Act of 1996 .....            | 22        |
| 1.1.4.3 Local Economic Development (LED) Policy Frameworks ..... | 23        |
| 1.1.4.4 The Municipal Bylaws .....                               | 23        |
| The Department of Small Business Development .....               | 24        |
| Support for Youth .....                                          | 25        |
| <b>1.2 PROBLEM STATEMENT .....</b>                               | <b>26</b> |
| <b>1.3 RESEARCH OBJECTIVES .....</b>                             | <b>28</b> |
| <b>1.4 RESEARCH QUESTIONS .....</b>                              | <b>28</b> |
| <b>1.5. SIGNIFICANCE OF THE STUDY .....</b>                      | <b>29</b> |
| <b>1.6 RESEARCH METHODOLOGY .....</b>                            | <b>30</b> |
| 1.6.1 RESEARCH PHILOSOPHY .....                                  | 30        |
| 1.6.2 RESEARCH APPROACH .....                                    | 31        |
| 1.6.3 RESEARCH DESIGN .....                                      | 31        |
| 1.6.4 DATA COLLECTION METHOD .....                               | 31        |
| 1.6.5 POPULATION AND SAMPLING .....                              | 32        |
| 1.6.6 RESEARCH INSTRUMENT .....                                  | 32        |
| 1.6.7 DATA ANALYSIS .....                                        | 32        |
| <b>1.7. DELIMITATION OF THE STUDY .....</b>                      | <b>33</b> |
| <b>1.8. PRELIMINARY FRAMEWORK FOR THE RESEARCH .....</b>         | <b>33</b> |
| <b>CHAPTER 2: LITERATURE REVIEW .....</b>                        | <b>35</b> |
| <b>2. INTRODUCTION .....</b>                                     | <b>35</b> |
| <b>2.1 CONTEXTUALIZING THE PROBLEM .....</b>                     | <b>35</b> |
| 2.1.1 International Trends .....                                 | 35        |
| 2.1.2 Regional Trends .....                                      | 36        |
| 2.1.3 Overview of Youth Entrepreneurship in South Africa .....   | 36        |

|                                                                            |           |
|----------------------------------------------------------------------------|-----------|
| 2.1.4 Youth Entrepreneurship and the South African economy .....           | 38        |
| 2.1.5. Challenges Faced by Entrepreneurs in South Africa .....             | 39        |
| 2.1.6 Importance of Youth Entrepreneurs to the South African Economy ..... | 42        |
| 2.1.7 Determinants of Entrepreneurs' Performance .....                     | 44        |
| 2.2 The Role of Local Municipalities in Entrepreneurship Development ..... | 45        |
| <b>2.2 CONCEPTUAL FRAMEWORK .....</b>                                      | <b>47</b> |
| 2.2.1 ENTREPRENEURSHIP .....                                               | 47        |
| 2.2.1.1 Types of Entrepreneurship .....                                    | 48        |
| 2.2.1.2. Benefits of Entrepreneurship .....                                | 48        |
| 2.2.2 YOUTH.....                                                           | 51        |
| 2.2.3 YOUTH ENTREPRENEURSHIP .....                                         | 52        |
| 2.2.4 INNOVATION .....                                                     | 52        |
| 2.2.5 POORLY RESOURCED AREAS (PRA) .....                                   | 54        |
| <b>2.3 THEORETICAL FRAMEWORK .....</b>                                     | <b>54</b> |
| 2.3.1 RESOURCE-BASED ENTREPRENEURSHIP THEORY .....                         | 55        |
| 2.3.2 SCHUMPETER'S THEORY OF CREATIVE DESTRUCTION .....                    | 56        |
| <b>2.4 LEGISLATIVE AND INSTITUTIONAL FRAMEWORKS.....</b>                   | <b>57</b> |
| 2.4.1 Cooperatives Act No 6 of 2013 .....                                  | 57        |
| 2.4.2 The National Small Business Act of 1996 .....                        | 58        |
| 2.4.3 Local Economic Development (LED) Policy Frameworks .....             | 58        |
| 2.4.4 The Municipal Bylaws .....                                           | 59        |
| 2.4.5 The Department of Small Business Development.....                    | 60        |
| Chapter Summary.....                                                       | 62        |
| <b>CHAPTER 3: RESEARCH METHODOLOGY .....</b>                               | <b>63</b> |
| 3.1 INTRODUCTION .....                                                     | 63        |
| 3.2 RESEARCH PHILOSOPHY .....                                              | 64        |
| <b>Figure 1: 'Research onion' .....</b>                                    | <b>64</b> |
| 3.3 RESEARCH APPROACH .....                                                | 65        |
| 3.4 RESEARCH DESIGN .....                                                  | 65        |
| 3.5 RESEARCH METHOD .....                                                  | 66        |
| 3.5.1 Qualitative methods .....                                            | 66        |
| 3.6 DATA COLLECTION METHOD .....                                           | 68        |
| 3.7 RESEARCH PROCESS .....                                                 | 69        |
| 3.7.1 Semi-structured Interviews .....                                     | 69        |
| 3.7.2 Focus group discussion .....                                         | 70        |
| 3.8 POPULATION AND SAMPLING .....                                          | 71        |

|                                                                                         |            |
|-----------------------------------------------------------------------------------------|------------|
| <b>Table 1; Study Sample .....</b>                                                      | <b>72</b>  |
| <b>3.9 TRUSTWORTHINESS AND RIGOUR.....</b>                                              | <b>72</b>  |
| <b>3.10 DATA ANALYSIS .....</b>                                                         | <b>73</b>  |
| <b>3.11 ETHICAL CONSIDERATIONS.....</b>                                                 | <b>74</b>  |
| <b>3.12 DELIMITATION OF THE STUDY.....</b>                                              | <b>75</b>  |
| <b>Chapter Summary.....</b>                                                             | <b>76</b>  |
| <b>CHAPTER 4: PRESENTATION OF EMPIRICAL RESEARCH RESULTS .....</b>                      | <b>77</b>  |
| <b>4.1 Introduction.....</b>                                                            | <b>77</b>  |
| <b>4.2 Demographic Information of the Research Participants.....</b>                    | <b>77</b>  |
| <b>Table 2: The participants' profiles and biographical data.....</b>                   | <b>78</b>  |
| <b>4.3 Responses to Questions and participant's Opinions .....</b>                      | <b>79</b>  |
| <b>4.4 Objectives and Sub-themes emanated from the study.....</b>                       | <b>91</b>  |
| <b>Table 2: Objectives and Sub-themes emanated from the study.....</b>                  | <b>91</b>  |
| <b>Chapter Summary.....</b>                                                             | <b>92</b>  |
| <b>CHAPTER 5: DISCUSSION OF RESEARCH FINDINGS .....</b>                                 | <b>94</b>  |
| <b>4.2 FINDINGS AND DISCUSSION .....</b>                                                | <b>94</b>  |
| <b>CHAPTER 6: SUMMARY AND RECOMMENDATION .....</b>                                      | <b>98</b>  |
| <b>5.1 SUMMARY.....</b>                                                                 | <b>98</b>  |
| <b>5.2 Discussion .....</b>                                                             | <b>99</b>  |
| <b>5.3 Recommendations.....</b>                                                         | <b>100</b> |
| <b>5.4 Areas for further research .....</b>                                             | <b>103</b> |
| <b>Conclusion .....</b>                                                                 | <b>104</b> |
| <b>REFERENCES.....</b>                                                                  | <b>105</b> |
| <b>APPENDICES .....</b>                                                                 | <b>113</b> |
| <b>Appendix A: Ethical Clearance .....</b>                                              | <b>113</b> |
| <b>Appendix B: Letter to conduct study from Raymond Mhlaba Local Municipality .....</b> | <b>116</b> |
| <b>Appendix C: Interview Guide .....</b>                                                | <b>117</b> |
| <b>Appendix D: Individual information sheet and Consent Form .....</b>                  | <b>123</b> |
| <b>Appendix E: Turnitin Report .....</b>                                                | <b>128</b> |
| <b>Appendix F: Editing Certificate .....</b>                                            | <b>129</b> |

## ABSTRACT

In this study, the researcher examined the innovative approaches that can be used in growing youth entrepreneurship in poorly resourced areas in South Africa, in particular Raymond Mhlaba Local Municipality (RMLM) in the Eastern Cape Province. Specifically, this study examined theoretical and conceptual foundations underpinning youth entrepreneurship development in poorly resourced areas in South Africa. It assessed the role of the government and other sectors in establishing innovative approaches to growing youth entrepreneurship globally. Subsequently, identified and assessed strategies and challenges of young entrepreneurs in poorly resourced areas in South Africa and finally drew up recommendations and innovative solutions; the municipality can focus on to improve youth entrepreneurship in poorly resourced areas in South Africa.

The research process was guided by the formulated research objectives and questions that strive to bring innovative approaches to growing youth entrepreneurship in poorly resourced areas. This study employed a qualitative research technique to gather innovative approaches to growing youth entrepreneurship in poorly resourced areas, especially in Raymond Mhlaba Local Municipality. Thematic analysis was utilized for data analysis.

The study's findings revealed challenges entrepreneurs face when growing their businesses, such as limited access to funding, market access due to poor infrastructure, load-shedding, and upgrading marketing strategies. The study also found that an innovative approach to growing youth entrepreneurship in underserved areas is required, if effectively implemented when needed, to combine all resources or place all resources under the control of a single entity to ensure effective coordination and proper resource control.

More importantly, the findings indicate that no practical innovative technique has been taken to enhance youth entrepreneurship in RMLM. Finally, recommendations were made for the municipality on how to bring more innovative approaches to growing youth entrepreneurship in poorly resourced areas.

**Key Words:** *Innovation, Youth entrepreneurship, Entrepreneurship, poorly resourced areas, Local Government, South Africa.*

## **List of Abbreviations**

|        |                                                                                |
|--------|--------------------------------------------------------------------------------|
| 4IR    | Fourth Industrial Revolution                                                   |
| BIS    | Black Industrialists Scheme                                                    |
| DBSA   | Development Bank of Southern Africa                                            |
| DEDEAT | Department of Economic Development, Environmental Affairs & Tourism            |
| DFIs   | Development Financial Institutions                                             |
| DSBD   | Department of Small Business Development                                       |
| EC     | Eastern Cape                                                                   |
| ECDC   | Eastern Cape Development Corporation                                           |
| GSMA   | Groupe Speciale Mobile Association                                             |
| IDC    | Industrial Development Corporation                                             |
| IDP    | Integrated Development Plan                                                    |
| IFREC  | Inter-Faculty Research Ethics Committee                                        |
| ISPESE | Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises |
| LED    | Local Economic Development                                                     |
| NBSC   | Nkonkobe Business Support Centre                                               |
| NDP    | National Development Plan                                                      |
| NEDA   | National Economic and Development Authority                                    |
| NEF    | National Empowerment Fund                                                      |
| NQF    | National Qualifications Framework                                              |
| NSB    | National Small Business                                                        |

|        |                                                    |
|--------|----------------------------------------------------|
| NVC    | New Venture Creation                               |
| NYDA   | National Youth Development Agency                  |
| PRA    | Poorly Resourced Areas                             |
| RBE    | Resource-Based Entrepreneurship                    |
| RMLM   | Raymond Mhlaba Local Municipality                  |
| RSA    | Republic of South Africa                           |
| SAMAFs | South African Micro Finance Apex Fund              |
| SEDA   | Small Enterprise Development Agency                |
| SETAs  | Sector Education and Training Authorities          |
| SEZET  | Special Economic Zones and Economic Transformation |
| SME    | Small Medium Enterprise                            |
| UYF    | Umsobomvu Youth Fund                               |

# CHAPTER 1: INTRODUCTION AND BACKGROUND

## INTRODUCTION

One of the worst youth unemployment rates in the world is found in South Africa. In 2022, 65.5% of young people were unemployed (Stats SA, 2022). The most disadvantaged young people are those between 15 and 24 years old. Their unemployment rate in the first quarter of 2022 was around 63.9%, whereas the official national average is 34.5% (Stats SA 2022). The unemployment rate among graduates is lower than that of young individuals who lacks or with little formal education. This is an indication that South Africa's escalating unemployment rates among the youths are still a cause for concern especially among those without formal education. In essence, age is seen as a key factor in the segmentation of the labor market in South Africa (Chinomona & Popoola, 2020).

Youth have lower confidence levels in their abilities, lower financial resources for job hunting, and weaker social networks, all of which limit their employability (Lam et al. 2008). On the other hand, individuals who manage to find employment typically earn higher reservation salaries, making them less appealing to employers than their adult counterparts (Mlatsheni 2007; Bhorat et al. 2016). However, this is due to young people's lack of experience and limited skills. Therefore, growing youth entrepreneurship in South Africa is viewed as a solution to youth unemployment.

South Africans have been relying on the government and the private sector for job opportunities (Potwana, 2017). However, because the formal and public sectors are increasingly unable to meet the number of job seekers, the country must create an atmosphere that promotes job creation and economic growth. Since the late 1990s, the South African government has invested heavily in improving its youth's entrepreneurial skills and learning what it takes to provide a conducive environment for entrepreneurs (Potwana, 2017).

Over the years, the South African government has used various policies to balance greater work opportunities, improved pay, and gender equality through education, skills development, and training. As a result, many have turned to entrepreneurship as a means

of escape and an alternative for reducing the rapid rise of unemployment. Entrepreneurship refers to the process of generating or extracting economic value is called. From this definition, entrepreneurship is a change that typically entails greater risk than is typical when starting a business and may also involve values other than just financial ones (Chipeta, Kruse & Surujlal, 2020).

Therefore, in this study, entrepreneurship is defined as the process of establishing, launching, and managing a new business, which is typically comparable to a small business, or as the capacity and willingness to plan, organize, and run a business endeavour, taking any risks involved, to make a profit. Entrepreneurship has been hailed as an effective means of generating income (Luca & Cazan, 2011; Sambo 2016), creating new jobs, decreasing crime rates, economic insecurity, and inequality and promoting economic independence and development (Alvarado, Penarreta, Armas & Alvarado, 2017).

### **1.1.1 Overview of Raymond Mhlaba Local Municipality**

The Raymond Mhlaba Local Municipality, which is Category B as defined in Chapter 1 of the Municipal Structures Act of 1998, was founded by amalgamating the now-defunct Nkonkobe and Nxuba Local Councils (No. 117 of 1998). This merger took place in 2016, giving rise to the Raymond Mhlaba Local Municipality. As a rural municipality, Raymond Mhlaba's economy heavily depends on the agricultural sector, which produces crops, livestock, citrus, and forestry products (RMLM Annual Report 2021/2022). According to the 2020 IHS Market Regional eXplorer, Raymond Mhlaba Municipality houses a total of 163,000 residents overall.

The Municipality contains 23 wards, most of which are comprised of poor people. Almost 70% of Raymond Mhlaba's population lives in villages and farms, with the remaining 20% living in urban homes. The major centres of urbanization are Alice, Fort Beaufort, Adelaide, and Bedford (RMLM IDP 2022/2027).

### **1.1.2 YOUTH ENTREPRENEURSHIP AS A RESPONSE TO YOUTH UNEMPLOYMENT**

According to Gedeon (2010), the term "entrepreneurship" does not have a consistent definition. However, several definitions have been developed to explain entrepreneurship. The competence and potential of the entrepreneur to create and execute an innovation independently from the industry and branch of the activity makes them the crucial agent for innovation and entrepreneurship (Gedeon,2010). The latter may be viewed as a unique resource allocation in a traditional viewpoint or as a set of social and economic adjustments that the entrepreneur encourages and drives the economy toward an effort to increase its ability to adapt (Potwana, 2017) This study adopted Nieman and Nieuwenhuizen (2009)'s definition that an entrepreneur as someone who discovers a market opportunity, gathers the necessary resources, and then starts and grows a business to address social needs or solve societal problems. He or she carries all of the business's risks while reaping all of the benefits if it succeeds. Entrepreneurs start, grow, and manage their businesses to make a profit enduring all the difficulties by starting something new or difficult to do (Pittaway et al., 2007). They bear all the business's risks and benefits if it succeeds (Mwatsika, 2015).

Nevertheless, for this research, entrepreneurship is perceived as the practice of envisioning, planning, implementing, and, through innovation, developing a business opportunity into a potentially high-growth business in a challenging and unsettling environment. There is no single, generally accepted definition of what constitutes youth, with significant regional and national variances (Ansell, 2005:1). For example, the United Nations defines youth as those aged 15 to 24 (Stats SA, 2022), (Udensi et al., 2013:61; Phaswana, 2009:1; DFID-CSO Youth Working Group, 2010). Youth in South Africa are classified as those aged 18 to 34. Thus, in practice, the operational definition varies from one country to the other (Mathivha, 2012:13; Marina et al., 2011:6; Phaswana, 2009:2).

The term "entrepreneurship" now refers to any form of self-employment where the business owner assumes risk and makes investments in products or services for which the eventual selling prices are unknown. By highlighting the fact that entrepreneurs are innovators, Schumpeter (1934) introduced a crucial dimension to this. The Global Entrepreneurship Monitor states that an entrepreneur needs several skills (knowledge, experience, and talents) to be able to develop an idea into a business. (Herrington and Kelley in Brixiova, Ncube and Bicaba,2014: 3). However, entrepreneurship is viewed as way to

assist and encourage youth economic participation in the context of the youth (Musengi-Ajulu, 2010:1; Nafukho and Muyia, 2010: 100).

Youth entrepreneurship can solve many of the world's most challenging economic, environmental, and social issues. This study reviewed international trends in youth entrepreneurship based on empirical review. According to Yudaeva (2013), entrepreneurship will be a major source of the jobs needed to support the expanding population in the 21st century.

Entrepreneurship has been acknowledged as an essential economic resource for addressing inequality, unemployment, and poverty globally (Kayat et al., 2016; Debnath, 2017; Lang, 2017). This resource has been used by numerous nations around the world to boost job saturation, economic expansion, and prosperity. For instance, in America, the drive is so strong that more than 51% of the working population believes that there are good prospects for starting a business (Buchanan, 2015). About 14% of the 27 million Americans who were working age as of 2015 were started new businesses, with approximately 24% were planning to hire 20 or more people. Therefore, it is acceptable to claim that if such an entrepreneurial orientation and culture are maintained, unemployment will be at a minimum since people will be independent, driven, and determined to generate their own jobs rather than relying on the government.

According to Bjorvatn (2015), the empowerment of the underprivileged can be partially achieved through entrepreneurship. This is confirmed by (Chigunta, Schnurr, James-Wilson, and Torres, 2005), they discovered that most Africans depend on entrepreneurship as a source of income. Because of this, the capacity of youth entrepreneurship as a strategy for securing a living as well as, as a method for encouraging social development using economic growth cannot be underestimated.

Hlungwani and Mohamed (2018) studied the policy context for youth entrepreneurship in Zimbabwe as a driver of economic growth. Investment is required to increase the adaptability of people who engage in entrepreneurship, especially in Zimbabwe, where it has emerged as a significant economic driver (Edoho, 2015). In this sense, it has been argued that policy support can significantly assist communities in overcoming unemployment and poverty. Nwokolo and Olunkwa (2020) examined entrepreneurship

support intervention in Nigeria and further stated that employment is vital for every economy.

It is important to emphasize that Nigeria's ability to grow its human capital would significantly impact how quickly it can address the problems of widespread unemployment and poverty. Since chances for employment in the formal/private sectors of the economy are becoming scarce in the 21st century, entrepreneurship and self-empowerment have emerged as the main interests of most youth. However, young people have developed various strategies for self-determination (Nwokolo and Olunkwa, 2020).

According to Gross Domestic Product (GDP,) South Africa is Africa's second-largest economy, and its markets and supply networks are well-established. However, it not easy to operate a business due to entrepreneurship limitations the economy's structural problems include an excessive concentration of ownership and control in a few big industries and a lack of participation by all South Africans (GEM 2021/2022).

Mkhothi and Adrisha (2021) conducted a study on the initiatives by young entrepreneurs that were in operation during the COVID-19 pandemic and those that were impacted by COVID-19 and restrictions were highlighted as one of obstacles and opportunities they faced. Even the COVID-19 restrictions impacted the businesses of young South African entrepreneurs; some could stay innovative and weather the storm, while others encountered difficulties that ultimately destroyed their enterprises. The study's findings also show that the Fourth Industrial Revolution (4IR) significantly influenced the plans taken by young South African entrepreneurs. Adopting the Fourth Industrial Revolution (4IR) technologies allows young entrepreneurs' businesses to adhere to COVID-19 standards.

Consequently, Mbuya and Mphahlele (2016) assert that due to the high unemployment rate in South Africa, youth entrepreneurship development plays a crucial part in the establishment of South African government policy. They further state that “government alone should not be concerned with youth entrepreneurship; instead, all parties engaged, including universities and the business sector, should be. Initiatives for youth

entrepreneurship should prioritize a partnership between these parties (Mbuya and Mphahlele, 2016).

The purpose of encouraging young people to start businesses is to ensure they can support themselves financially, grow their capacity to become employers, and contribute to the country's social and economic growth (Simpson & Christensen, 2009). For most developing nations, including South Africa, encouraging young entrepreneurship has become the most important policy choice.

To promote youth entrepreneurship, which is highly regarded as a source of employment as well as a driver of economic growth and social change, South Africa, which has a high young unemployment rate of over 40% (Stats SA, 2022), primary focuses at mentoring and training programs as a strategy.

### **1.1.3. TOWARDS AN INNOVATIVE APPROACH TO GROWING YOUTH ENTREPRENEURSHIP IN POORLY RESOURCED AREAS IN SOUTH AFRICA**

Theories are an important foundation in expressing new ideas. They are designed to clarify, anticipate, and understand events and examine and extend present knowledge within the boundaries of essential limiting presumptions. They are referred to as theoretical frameworks in various instances (Roberts, 2004). However, the researcher will review relevant literature to gain a broader understanding of what has already been documented by different writers regarding the innovative approaches to growing youth entrepreneurship in poorly resourced areas. Moreover, the study will also present inhibiting factors on entrepreneur growth. These theories and issues are used as the basis for the case being made in this study towards an innovative approach to growing youth entrepreneurship in poorly resourced areas in South Africa.

The key concepts of innovation and youth entrepreneurship in poorly resourced areas are critical towards seeking an approach that grows youth entrepreneurship in underserved communities. These concepts and application of theories that support them are presented as the foundation for this study. These concepts and theories will be expanded further in the literature chapter.

**Resource-poor or underserved areas:** Baumol and Blinder (2009:448) proposed two basic strategies for identifying underserved locations. The first is the fundamental approach, which defines the subsistence level as the minimum standard of living necessary to maintain one's health and ability to work. The absolute approach views lack of resources as a failure to meet needs, which impedes an individual's or a family's ability to function properly in society. In addition to just sustaining health and the capacity to work, certain minimum needs must be addressed to participate in social life and maintain a family (Lose, 2021).

The second approach, known as the relative method, views the concept of poorly resourced as being relative. According to the relative perspective, poorly resourced can only be understood as a component of a certain society, and the poor's status is influenced by how isolated they are from the other social classes. According to the relative perspective, the poor belong to the lowest economic category (Lose, 2021).

**Innovation:** Entrepreneurs use innovation as a special tool to exploit opportunities to launch new businesses or services because of change. It has the potential to be taught as a discipline, practiced, and learned. The concept of incremental innovation is to expand or enhance a business by adjusting current commodities, services, procedures, and equipment (De et al., 2020; Maier et al., 2020; Wanniarachchi et al., 2020). These small changes are meant to improve the effectiveness and customer experience of the business's products and services while increasing corporate performance and efficiency. Businesses can use incremental innovation to save costs and differentiate themselves from competitors (Maier et al., 2020).

The development and coordination of the market are two of each organisation's top priorities, and innovation plays a mandatory role in both (Chinomona & Popoola, 2020). Innovation can be used for all elements of human existence, such as product development, management strategies, and workplace procedures. The definition of innovation includes some process or product modification or improvement. Innovation is a process that begins with bringing a concept into a plan before expanding into a new function, distinguishing it from creation (Chinomona & Popoola, 2020).

**The resource-based entrepreneurship theory** is a development of the firm growth theory (Barney, 1991; Grant, 1991). This theory portrays business resource performance as a source of long-term competitive advantage (Wernerfelt, 1984). Tembe (2018) asserts that resource-based entrepreneurship theory clarifies how and why businesses use and deploy resources. According to Penrose, a firm's resources encompass numerous capabilities and assets that can be employed to capitalize on opportunities, as stated by Tembe (2018). Firms can produce economic value if they can manage their resources effectively and creatively to exploit market opportunities (Tembe, 2018).

The resource-based model's basic idea is that organisations differ in terms of the resources they own and regulate (Azhar, 2009). Resources are the most important aspect of Resource Based Entrepreneurship (RBE) research and can be defined as the firm's partially permanently secured possessions (Maziti, 2018). Traditional competitive advantages such as financial and natural resources, equipment, economies of scale, and human resources can all be utilized to create value (Gruber, Heinemann, & Brettel, 2010). Thus, the resource-based perspective theory emphasizes opportunities for competitive advantage based on resource uniqueness (Grewal, Iyer, Javalgi, & Radulovich, 2011). In terms of management, the study improved understanding of the framework and methods for long-term franchising development (Shamsudin et al., 2019).

A resource-based perspective is important for business owners in their route to growth. Business organisations can efficiently accomplish their goals by considering their available resources and selecting the appropriate growth strategy. Managers may reduce growth problems and refocus, where appropriate. However, based on the definition of resources and capacities, the theory is appropriate for this study. The influence of human resources is based on their ability to design sound strategies (Gruber et al., 2010). More specifically, an organisation's capability to assign human resources to each element of the strategic leadership process is an aspect of dynamic capability. Therefore, the Resource-Based Entrepreneurship theory is relevant to the study because it is development-oriented. The theory also helps shape entrepreneurship's direction and growth by guiding entrepreneurs in choosing the right growth plan.

In his **theory of creative destruction**, Schumpeter (1991) defined an entrepreneur as someone who finds a business to manufacture a new product or reuse an existing one. In his initiatives, the entrepreneur places socioeconomic advancement in the foreground. Because he has the power to decide, give instructions, and advance causes, he assumes the role of socioeconomic leader. The Schumpeterian entrepreneur sets themselves apart from imitation by implementing revolutionary production methods and venturing into untapped markets (Schumpeter, 1991).

Entrepreneurs with innovative skills can build up reserves, but this possibility is lessened when importers utilize the same strategies to enter the market. As a result, the profits the entrepreneur made from a temporary monopoly serve as an example of both the dynamic character of capitalism and the reality that each cycle of entrepreneurial innovations serves as the core factor for economic cycles. It takes a certain kind of talent to be an entrepreneur, and running your own business is very risky (Schumpeter, 1991). Because entrepreneurs engage in economic activities outside the scope of their regular responsibilities and do these in socially and economically unfavourable environments, their actions should be encouraged, some protection should be provided, and the risk they take should be reduced.

Big companies and restrictive legislation like patents constrain entrepreneurial risk and uncertainty. Therefore, the Schumpeterian analysis is the most accurate regarding the operation of the market system and the production of profit. Schumpeter overvalues individual innovations, ignoring the effects of preceding generations and the failures to find those innovations. In this respect, Schumpeter views all innovations as exogenous rather than system generated. (Schumpeter, 1991). In essence, the theory of Creative destruction was utilized by the researcher to derive an innovative approach to growing youth entrepreneurship in poorly resourced areas, , to understand how entrepreneurs managed to create destruction or rather find new ideas while ignoring distractions to make a living and growing their businesses.

#### **1.1.4. SOUTH AFRICAN LEGISLATION AND INSTITUTIONS SUPPORTING YOUTH ENTREPRENEURSHIP**

##### **LEGISLATIVE FRAMEWORKS**

According to the Municipal Systems Act, municipalities must have systems and procedures in place to develop their communities (Act 32 of 2000).

##### **1.1.4.1 Cooperatives Act No. 6 of 2013**

A single National Apex Cooperative must be established in accordance with the Cooperatives Act, No. 6 of 2013, to influence both the public and private sectors on proposals for policies that would encourage the progress and extension of cooperatives in the economy. At least three functioning tertiary cooperatives at the national level and at least five operational multi-sectoral cooperatives at the provincial, district, or local levels could make up the National Apex Body. In the 2018–19 budget year, it was planned to establish a Cooperatives Development Agency and Tribunal for management and oversight. The following was made possible by the Cooperatives Act:

- A major cooperative that seeks to improve community development by providing jobs and services.
- An additional cooperative is created when two or more primary cooperatives join forces to offer services.
- A Tertiary Cooperative is an organization that advocates for public policy with the government and the business sector. It is made up of multi-sectoral cooperatives that are secondary cooperatives.
- In order to pursue the joint objective of labour with relation to self-managed businesses, worker cooperatives are made up of main cooperatives.

##### **1.4.4.2 The National Small Business Act of 1996**

The National Small Business (NSB) Act of 1996 replaced the Small Business Act of 1981 (which has since been abolished). It establishes a framework for state agencies to support small businesses and to take corresponding actions. However, this act entails the implementation of the National Small Business Advisory Council (NSBAC), which states that the key business of NSBAC is to represent and promote the interests of small businesses in

South Africa, as outlined in the National Strategy for the Development and Promotion of Entrepreneurship.

#### **1.1.4.3 Local Economic Development (LED) Policy Frameworks**

Municipalities in South Africa have been charged with identifying and supporting local economic development opportunities and creating a link between these opportunities and entrepreneurship development. It can be argued that local government administration uses Local Economic Development (LED) as a strategy to achieve the above. Botes (2004) defined LED as initiatives a local community takes to alleviate poverty, foster entrepreneurship, and distribute resources and opportunities in a way that benefits the residents. South Africa's LED policy framework consists of the following:

- The National Framework for Local Economic Development (LED) 2006-2011
- the Constitution of the Republic of South Africa Act 108 of 1996
- the Integrated Sustainable Rural Development Strategy of 2000
- No. 32 of 2000 Municipal Systems Act
- Local Government White Paper, 1998
- The LED Guidelines to Institutional Arrangements and
- a policy paper on Integrated Development Planning, and the IDP Guide Pack, both from 2000.
- Discussion document for the South African LED policy and implementation (2005).

This research relies on key LED provisions in these documents as points of departure for operationalizing important discussions and empirical data collection.

#### **1.1.4.4 The Municipal Bylaws**

Municipal planning regulations allow municipalities to control land use and development at the same time protecting the environment under the Planning and Development Act of 1983 (the Act). The Act and local planning bylaws confine the Crown. Provincial interests, on the other hand, include enabling the use of provincial resources and economic development, as well as environmental protection, especially in environmentally sensitive

areas. Mahambehala, (2017:10) asserts, “Municipal bylaws add to the administrative work faced by entrepreneurs.

Municipal regulations may be restricted in character and may not be necessary to promote entrepreneurship development. Residential homes, for example, cannot be utilized for businesses unless they are perceived as such” (Mahambehala, 2017). In essence, most business owners conduct their businesses out of their homes, which is against the municipal bylaws. Therefore, entrepreneurs must verify that their business premises comply with the municipal standards. They will be subjected to fines and penalties when they fail to conform to these regulations.

However, entrepreneurs, on the other hand, believe they are exposed to an overly rigid and punitive regulatory system. This Act will be relevant to the study because it allows the researcher to better understand the challenges entrepreneurs encounter and acquire information on how they survived COVID-19 under these constraints as well as how they complied with the Health and Safety regulations.

#### **1.1.4.5 INSTITUTIONS:**

**The Department of Small Business Development** has many programs geared towards building entrepreneurship some of these are innovative, such as:

##### ***Small Enterprise Development Agency (SEDA).***

This Development Agency (SEDA) oversees promoting policies that help small businesses stay competitive and grow, as well as creating and developing initiatives that improve job creation, entrepreneurship, and economic growth. This Act defines a small business organisation as any group, whether it is incorporated or registered under any law, made up primarily of people running small business concerns in any economic sector and created with the intention of promoting or advocating for small business concerns. This definition includes any federation made up entirely of small business concerns (Mahambehala, 2017).

According to the definition given, a small enterprise is an exclusive commercial entity, along with any subsidiaries, cooperative enterprises run by the owner or more frequently

engaged in any area or sub-sector of the economy (as per schedule), and which meets the requirements for classification as a micro, very small, or medium enterprise. The Board ensures that the Public Finance Management Act (PFMA) Act No. 1 of 1999 and SEDA's administrative and oversight responsibilities are carried out (Mahambehhlala, 2017)

### ***Khula Enterprise Finance Ltd***

The South African economy's growing Small and Medium Enterprises (SME) sector has been supported financially for more than ten years by Khula Enterprise Finance Limited, the country's leading development finance institution with a concentration on small enterprises. As a wholesale financial institution, the company has strong connections to both the public and private sectors. The company operates as a complementary financial institution filling in the funding gaps left by commercial financial institutions which include commercial banks, retail financial institutions, specialty funds, and joint ventures in which Khula has equity shares (Mbuya and Mphahlele, 2016). Khula was established in 1996 as a stand-alone department of trade and industry agency, and since then it has maintained its position as a driving force behind the expansion of the SME market. It has done this by adjusting to sector-specific market dynamics and altering its strategy to fulfil demand in a sector that has grown in importance to the development and expansion of the South African economy. Khula Enterprise Finance Ltd is playing a significant role in increasing access to financing for the growth of small businesses in South Africa (Mbuya and Mphahlele, 2016).

### **Support for Youth**

#### ***National Youth Development Agency (NYDA) Framework***

The initiative aims to encourage active citizenship, volunteerism, and widespread participation in national endeavours. By giving young people a voice in society, the National Youth Service encourages social integration, fights exclusion, and supports youth development. The NYDA is collaborating with public, business, and civil society players to develop institutional delivery systems that facilitate the successful coordination and implementation of National Youth Service Programmes across all spheres of society as a response to coordination. As a result, the NYSP will be able to oversee the delivery of 250,000 active participants over the next five years, making it the single-largest Youth Service Programme (NYDA 2022/2025).

The NYDA's projected performance for the next five years is concentrated on offering a full set of interventions through its network of Full-Service Branches and regional Satellite Offices across the nine Provinces that will result in good employment, skills development, education, and entrepreneurship for all young people in the age range of 14 to 35. These outcome areas focus on developing a mainstreamed, evidence-based, integrated, and result-oriented youth development strategy by providing monitoring and evaluation services, as well as lobbying and advocating for the inclusion of key stakeholders in implementing youth development programs (NYDA 2022/2025).

### ***Umsobomvu***

The Umsobomvu Youth Fund (UYF) was established by the South African government in 2001 as a national youth development project to support youth entrepreneurship and employment possibilities for long-term livelihoods (Shezi, 2011). The three areas the UYF concentrated on were youth entrepreneurship, contact information, and counselling. The Umsobomvu Youth Fund gives young people the entrepreneurial skills they need to launch and expand their businesses. The following programs are offered by Umsobomvu:

- The Franchise Fund assists young people in starting and operating their own enterprises. It intends to encourage and empower young entrepreneurs to run their own franchise businesses through loans and a voucher system.
- Training in Entrepreneurship Education: This training aids young people in understanding business and entrepreneurship.
- Co-operative training is introductory instruction for young people to build up and manage youth cooperative enterprises.
- Graduate Development Training: A training program designed to help unemployed graduates develop their interpersonal and professional competencies and;
- Voucher for Business Consulting Services: Services to support young people in starting, expanding, or developing their enterprises.

## **1.2 PROBLEM STATEMENT**

The government initiatives to grow entrepreneurship among the youth have increased over the years. For instance, the Small Enterprise Development Agency (Seda), a division of the Department of Small Business Development (DSBD), offers non-financial assistance to

cooperatives and small businesses, while the Small Enterprise Agency (SEFA), offers blended financing to businesses in the manufacturing sector and its primary objective is to assist early-stage businesses that operate in the localized market. Yet despite these important government developments, the rate at which youth in South Africa are starting their own business projects is still lagging (GEM, 2022). For instance, the Total Entrepreneurial Activity (TEA) for South African youth has increased from 10.8% in 2019 to 17.5% in 2021, according to GEM (2021/2022). This is still a slow rate compared to other African economies.

Fatoki and Chindoga (2011) argued that the persistent high rate of youth unemployment in South Africa poses a significant barrier to meaningful economic participation by young people. Their concern remains pertinent, as recent statistics reveal a worsening trend. According to Statistics South Africa (2025), in the first quarter of 2025, the unemployment rate among individuals aged 15–34 stood at 46.1%, with youth aged 15–24 experiencing an even higher unemployment rate of 62.4%. These figures underscore the enduring structural challenges within the South African labour market, particularly in integrating young people into the formal economy. According to Sandrock (2011), university graduates and matriculants should be equipped with entrepreneurial skills to prevent job seeking and encourage job creation. According to Varblane and Mets (2010), educational institutions are not providing learners with the skills they need to launch, maintain, and expand their enterprises. In addition, access to financing has been identified as one of the key barriers to an enterprise's development (Mazanai & Fatoki, 2011:212; Herrington et al., 2009 & Maas & Herrington, 2008). Poor or absent of credit history make it difficult for young people to get financial support, especially from mainstream financial institutions. In essence, the majority of young people do not have their own financial resources (Llisterri, Kantis, Angelelli & Tejerina, 2006).

The trends show that youth entrepreneurship is declining in South Africa, despite multiple assessments acknowledging the significant challenges that need to be addressed to promote young entrepreneurs in the country, including evidence of numerous government interventions to advance youth entrepreneurship initiatives there. This study is focused on exposing innovative strategies that the government can utilize in rural areas to reduce youth unemployment.

According to Turton and Herrington (2012), unemployed youth are prone to participate in disruptive behaviours and may turn to misconduct. However, anecdotal evidence shows that young people in RMLM are increasingly starting their own small enterprises to make a decent livelihood. The youths in this area have adopted an entrepreneurial culture, which has resulted in visible changes in their individual behaviours and attitudes, reducing poverty by improving household income and stimulating the importance of assessing youth contributions to poverty reduction in RLM (Potwana, 2017). This study hopes to delve into this phenomenon and possibly isolate important themes to present a workable model for the government to consider. Thus, the problem is that, despite government initiatives in growing youth entrepreneurship, South Africa is still lagging behind compared to other countries and thus, may require disruptive or innovative approaches to grow youth entrepreneurship. What innovative approaches can be used in growing youth entrepreneurship in poorly resourced areas in South Africa?

### **1.3 RESEARCH OBJECTIVES**

The study's main aim is to examine the innovative approaches that can be used in growing youth entrepreneurship in poorly resourced areas in South Africa, particularly the Eastern Cape Province.

The study's objectives intend to:

- To examine theoretical and conceptual foundations underpinning youth entrepreneurship development in poorly resourced areas in South Africa.
- To critically assess the role of the government and other sector in establishing innovative approaches to growing youth entrepreneurship globally.
- To identify and assess strategies and challenges of young entrepreneurs in poorly resourced areas in South Africa.
- To draw out recommendations and innovative solutions, the municipality can focus on to improve youth entrepreneurship in poorly resourced areas.

### **1.4 RESEARCH QUESTIONS**

What innovative approaches can be put in place to assist in growing youth entrepreneurship and alleviate poverty in Raymond Mhlaba Municipality?

This study will be guided by the following questions:

- What are the theoretical and conceptual foundations underpinning growing youth entrepreneurship in poorly resourced areas in South Africa?
- What is the role of government and other sectors in establishing innovative approaches to growing youth entrepreneurship on a global scale?
- What are the challenges that young entrepreneurs face, and what strategies do they take to counter these challenges?
- What recommendations and solutions can the municipality put in place to improve youth entrepreneurship in poorly resourced areas?

### **1.5. SIGNIFICANCE OF THE STUDY**

Evidence shows that there is a lack of research that focuses entirely on innovative approaches for growing youth entrepreneurship in poorly resourced areas in South Africa. Lack of capital, skill, support, market opportunities, and risk have been highlighted as the main barriers to youth entrepreneurship (Malaj & Dollani, 2020). According to several research, youth should be trained by the government and other non-governmental organizations, have access to funding, and strengthen their entrepreneurial capacity. However, some literature shows that studies are silent on innovative approaches that can enhance the growth of youth entrepreneurship in poorly resourced areas.

Many studies focus on youth entrepreneurship education, mainly teaching and training youth to become entrepreneurs. However, there is a lack of studies on innovative approaches to growing youth entrepreneurship in poorly resourced areas in South Africa, particularly Raymond Mhlaba Local Municipality. This research study will contribute to a wide body of academic knowledge available. Therefore, regarding government initiatives, this study will bring out an innovative approach to growing youth entrepreneurship in poor areas in South Africa.

This research generally contributes to the municipality's various interventions to boost youth entrepreneurship and to municipal governments' efforts to build youth entrepreneurship in rural South African and township areas. The significance of the study is to execute innovative approaches to growing youth entrepreneurship in poorly resourced areas, particularly Raymond Mhlaba Municipality.

## **1.6 RESEARCH METHODOLOGY**

This study employed a qualitative methodology due to the complex, nuanced issues that may not be best observed using a quantitative method. Additionally, the qualitative approach allows the researcher to explore the participants' experiences while focusing exclusively on specific information instead of generating conclusions. This study employed a qualitative research methodology to explore areas with little or no information and discover behaviours, trends, attitudes, and needs crucial to evaluating units (Du Plooy, 2004, p. 83).

Therefore, qualitative research methodology is suitable for this research because it permits the researcher to gain insight into innovative approaches to growing youth entrepreneurship, and it will also help to understand the obstacles that might limit youth entrepreneurship growth in Raymond Mhlaba Local Municipality. Using this methodology, the researcher can recommend strategies for encouraging youth entrepreneurship and improving the policy framework for young entrepreneurs. Reliability and validity were also tested based on qualitative method provisions.

### **1.6.1 RESEARCH PHILOSOPHY**

The study employed the interpretivism philosophy as guided by the research onion because it primarily concentrates on the comprehension and perception from the research participants' point of view to understand why a phenomenon exists (Ryan, 2018). Thus, enabling the researcher to investigate different innovative approaches to growing youth entrepreneurship in poorly resourced areas in Raymond Mhlaba Local Municipality (RMLM).

### **1.6.2 RESEARCH APPROACH**

In this study, the researcher employed an inductive approach that applies to the research philosophy. In addition, with inductive research, patterns and observations found in the data are used to inform the researcher's collection and analysis of ideas, concepts, and hypotheses. Wyse (2011) argues that this type of approach is used to gain an understanding of underlying motivations, opinions, and research participants. The topic required an in-depth exploration of youth entrepreneurship in poorly resourced areas.

### **1.6.3 RESEARCH DESIGN**

This study employed an explorative case study method by conducting interviews and focus groups with the informants of the Raymond Mhlaba Municipality to investigate the innovative approaches used to grow youth entrepreneurship in poorly resourced areas in South Africa. According to research design guidelines, researchers must be as specific as possible about what and they learn. Considering this, the settings for data collection and analysis are set up in a way that strives to maintain procedural efficiency while attempting to maintain relevance to the study purpose, according to Kothari (2004: 31).

### **1.6.4 DATA COLLECTION METHOD**

In this study, interviews were conducted using an interview guide. Semi-structured interview questions enabled a thorough analysis of the data included in the interview guide. The interviews were recorded using a recording device. The main participants in qualitative interviewing were engaged in a flexible manner. This means that the researcher was open to accommodate their concerns in terms of meeting places, communication, and probing questions to the extent that these did not interfere with the goals of the research.

Due to the limited sample size, interpretative studies, semi-structured interviews, and document analysis were the main methods used by the researcher to collect information from the participants. The information gathered during these interviews was used to either support or build a fresh understanding of the phenomenon in question. As auxiliary instruments, a notepad and a pen were used to take down some notes. According to Mitchell and Joley (2007), semi-structured interviews remove interviewer bias because respondents are not required to react by predetermined guidelines.

### **1.6.5 POPULATION AND SAMPLING**

A population target is a collection of individuals, records, occasions, or specimens about whom or for which the researcher seeks to collect information or data (Moule, and Goodman, 2016). This study targeted small businesses and youth from Raymond Mhlaba Local Municipality (RMLM). Subsequently, the study consisted of youth entrepreneurs between the ages of 18-35, local government employees, Nkonkobe Business Support Centre (NBSC), National Economic and Development Authority (NEDA), and ward committee members as they are more familiar with the day-to-day activities of the Raymond Mhlaba Local Municipality.

Sampling is one of the most crucial factors to consider when conducting research. The term "sample" refers to the number of participants in the study (McCombes, 2019). Purposive sampling was used by the researcher to select a sample of the study population that participated in the study.

### **1.6.6 RESEARCH INSTRUMENT**

In this study, semi-structured interviews were used as a research tool. However, the researcher developed an interview guide with a list of questions for the research participants and used it to conduct an open-ended interview. According to Barrett and Twycross (2018), the interview is the most prevalent method for gathering data in qualitative research. To collect data, the researcher (interviewer) and participant (interviewee) engage in conversations. Interviews can be conducted in person or electronically using phone and video conferencing.

### **1.6.7 DATA ANALYSIS**

This section included a comprehensive review of the viewpoints of the study's participants, which involved Raymond Mhlaba business owners and government representatives who served as the study's local community representatives. In this study, a thematic analysis approach was utilized. However, the research findings were examined regarding themes found in the study participants' responses and analyzed under the research questions.

The researcher took field notes during the interviews. As a result, the notes were converted to a Word document for data analysis. The researcher organized the data into themes, examined thematic patterns, and presented the study's findings using main themes. In

essence, the information gathered was analyzed to identify innovative approaches to growing youth entrepreneurship in poorly resourced areas as well as the obstacles encountered by the youth.

## **1.7. DELIMITATION OF THE STUDY**

The research was within the field of Public Administration. Therefore, except for the Eastern Cape (EC) province, no other provinces in South Africa were included in the study. This is because of resources and time constraints, the research focused on Raymond Mhlaba Local Municipality from the entire district. The study used a sample of 25 individuals.

## **1.8. PRELIMINARY FRAMEWORK FOR THE RESEARCH**

### **Chapter 1: Introduction**

The chapter entails an introduction, the context of the study, its objectives, and its research questions. This chapter explains the problem statement, the significance of the study, and the study's delimitation.

### **Chapter 2: Preliminary Literature Review**

Theoretical, conceptual, empirical, and legislative frameworks are the main components of this chapter's literature study.

### **Chapter 3: Research Methodology**

The study's methodology is outlined in this chapter, including the research method and design, sample techniques, and data collection methods. The chapter details the procedures and approaches used to gather and analyse data.

### **Chapter 4: Analysis of Data**

The analysis of data and result interpretation are covered in this chapter.

### **Chapter 5: Conclusion and Recommendations**

This chapter offers recommendations emanating from the results of the study as well as concluding remarks.

## **Chapter Summary**

The adopted definition of youth entrepreneurship was presented in this chapter. Youth entrepreneurship is defined as the ability and willingness to plan, organize, and manage a small business and, through innovation, transform a business opportunity into a potentially high-growth business in a demanding and unsettling environment. Furthermore, this chapter provided a brief overview of the global and South African contexts for young entrepreneurship. It examined how youth entrepreneurship evolved over time to gain popularity in the development industry. The chapter then articulated the problem of youth entrepreneurship in poorly resourced areas before emphasizing the significance of the study. The study examined an innovative approach to growing youth entrepreneurship using the case of Raymond Mhlaba Local Municipality (RMLM).

## **CHAPTER 2: LITERATURE REVIEW**

### **2. INTRODUCTION**

To ensure that entrepreneurs can financially sustain themselves, develop their capacity to become employers, and contribute towards the economic and social development of the nation, young people are encouraged to start businesses (Simpson & Christensen, 2009). For most developing countries, including South Africa, encouraging young entrepreneurship has become the most important policy choice. To promote youth entrepreneurship, as it is considered a source of employment and a driver of economic growth and social change, South Africa, which has a high youth unemployment rate of over 40% (Stats SA, 2022), broadly looks at mentoring and training programs as a strategy. Therefore, this section will present an analysis and review of the literature, first by developing a theoretical framework and then providing an empirical review of literature relevant to the innovative approaches in growing youth entrepreneurship in poorly resourced areas.

### **2.1 CONTEXTUALIZING THE PROBLEM**

#### **2.1.1 International Trends**

Youth entrepreneurship can solve many of the world's most challenging economic, environmental, and social issues. This study will review international trends in youth entrepreneurship based on empirical review. According to Yudaeva (2013), entrepreneurship will be a significant source of the jobs needed to support the expanding population in the 21st century.

Entrepreneurship has been acknowledged as an essential economic resource for addressing inequality, unemployment, and poverty globally (Kayat et al., 2016; Debnath, 2017; Lang, 2017). This economic resource has been leveraged by numerous nations to enhance job creation, economic growth, and prosperity. In the United States, recent data shows that just over 50% of working-age adults believed there were good opportunities to start a business in 2023. Moreover, around 14.8% expected to launch a business within the next three years, with nearly 15–19% already engaged in entrepreneurial activity. These figures suggest sustained entrepreneurial optimism, even if they differ from the 51% figure reported by Buchaman (2015). Therefore, it is acceptable to claim that if such an entrepreneurial

orientation and culture are maintained, unemployment will be minimal. People will be independent, driven, and determined to create their own employment rather than relying on the government.

### **2.1.2 Regional Trends**

According to Bjorvatn (2015), empowerment of the underprivileged can be partially achieved through entrepreneurship. This is supported by (Chigunta, Schnurr, James-Wilson, and Torres, 2005) who indicated that most Africans depend on entrepreneurship as a source of income. Because of this, the importance of youth entrepreneurship as a strategy for securing a living as well as a method for encouraging social development by means of economic growth cannot be ignored. Hlungwani and Mohamed (2018) studied the policy context for youth entrepreneurship in Zimbabwe as a driver of economic growth. They discovered that Investment is required to increase the adaptability of people who engage in entrepreneurship, especially in Zimbabwe, where it has emerged as a significant economic driver (Edoho, 2015). In this sense, it has been argued that policy support can significantly assist communities in overcoming unemployment and poverty.

Nwokolo and Olunkwa (2020) examined entrepreneurship support intervention in Nigeria and further stated that employment is a vital lifeline for every economy. It is imperative to emphasize that Nigeria's ability to grow its human capital will determine how fast it can address the problems of widespread unemployment and poverty. Since chances for employment in the formal/private sectors of the economy are becoming scarce in the 21st century, entrepreneurship and self-empowerment have emerged as the main interests of most youth. However, young people have developed various strategies for self-determination (Nwokolo and Olunkwa, 2020).

### **2.1.3 Overview of Youth Entrepreneurship in South Africa**

Youth entrepreneurs are those under the age of 30 and are motivated to start their own business for a variety of reasons, including a desire to be their own boss, find an alternative path for growth from what is perceived to be a dead-end career, gain greater control over their work and life, provide competitive or creative products and services, demonstrate their abilities, and earn additional income (Chauke and Obadire, 2020).

South Africa is Africa's second-largest economy in terms of GDP, with well-established supply networks and markets. However, entrepreneurship constraints make it difficult to operate a successful business. The unequal concentration of ownership and control in a few critical businesses, as well as the absence of engagement by all South Africans, are still fundamental shortcomings in the economy (GEM 2021/2022).

Mkhothi and Adrishia (2021) conducted a study on the initiatives of young entrepreneurs who were in operation during the COVID-19 pandemic, and those who were impacted by COVID-19 restrictions were highlighted, along with the obstacles and opportunities they faced. Even the COVID-19 restrictions impacted the businesses of young South African entrepreneurs; some became innovative and weather the storm, while others encountered difficulties that ultimately destroyed their enterprises. One effect of COVID-19 has been that young people who started businesses were forced to continue with their businesses even though they were not profitable enough to sustain themselves over the long term (McKinsey & Company, 2020).

Furthermore, Kuckertz, Brändle, Gaudig, Hinderer, Reyes, Prochotta, and Berger (2020) noted an increased probability of youth entrepreneurs closing their startups. Wekesa (2020) stated that young entrepreneurs produced and sold personal protective equipment to overcome the impact of COVID-19. This is because all South Africans were required by COVID-19 regulations to wear face masks or face shields and to sanitize their hands regularly. As a result, young entrepreneurs seized the opportunity and benefited from these regulations.

The study's findings also show that the Fourth Industrial Revolution (4IR) significantly influenced the plans taken by young South African entrepreneurs. For instance, blockchain technology has completely changed the way that buyers and sellers communicate with one another. For this reason, the South African government prioritized installing Wi-Fi in urban areas before moving on to rural areas. The Tshwane initiative is already operational. As a result, young entrepreneurs can launch internet companies as social media influencers (IOL, 2020).

Adopting the Fourth Industrial Revolution (4IR) technologies, such as solar and wind harvesting technologies, greywater recycling technology, and LED lighting, makes it possible for young entrepreneurs' businesses to adhere to COVID-19 standards. Mbuya and

Mphahlele (2016) assert that, due to the high unemployment rate in South Africa, youth entrepreneurship development plays a crucial part in the establishment of South African government policy. And further state that “government should not be concerned with youth entrepreneurship; instead, all parties engaged, including universities and the business sector, should be concerned”.

Initiatives for youth entrepreneurship should prioritize a partnership between these parties (Mbuya and Mphahlele, 2016). Entrepreneurship has been touted as one of the solutions to these issues such as economic growth which are prevalent in many developing nations and are exacerbated by poverty and high unemployment rates.

Therefore, entrepreneurship is crucial since it helps to create innovative businesses, which in turn helps to lower unemployment and spur economic growth. However, education and training programs typically fall short of fostering entrepreneurial attitudes and abilities. Rather, the OECD (2021:7) states that among the difficulties young entrepreneurs encounter is a shortage of role models who are aware of the possibilities of entrepreneurship, which can lead to discouragement or even unfavourable social views. Therefore, the Umsobomvu Youth Fund (UYF) was established in South in 2001 specifically to focus young entrepreneurs.

The main aim was to inspire young people to adopt an entrepreneurial mindset by giving them access to markets and finance, among other things. The National Youth Development Agency (NYDA) was established to "address difficulties and obstacles faced by the South African youth, including lack of economic involvement and participation in entrepreneurial activities" (Mbele, 2016:10). It was formed through the merger of the United Youth Foundation (UYF) and the National Youth Commission (NYC).

#### **2.1.4 Youth Entrepreneurship and the South African economy**

The economy in South Africa is the primary concern for the country's development, and entrepreneurship is becoming the main factor in ensuring economic growth. In South Africa, the percentage of adults who ventured into new business increased significantly during the early phases of the pandemic, rising from 11% in 2019 to 17% in 2021 before declining to 8% in 2022. Similar swings in intention to establish a business were observed, with 12% of adults planning to do so in 2019, climbing to 20% in 2021, then dropping back to 6% in

2022. Thus, the Established Business Ownership (EBO) was 3.5% in 2019, rose to 5.2% in 2021, and fell further to 1.8% in 2022. Naturally, the state of the entrepreneurial sector reflects that of the whole economy. According to more than three in five South Africans, the pandemic has caused a decrease in household income in 2022 (GEM, 2023/2023).

Caled (2020) asserts that there are several settings in which economic development and entrepreneurship are regarded. However, in the context of this study, economic growth can be understood as local government's efforts to leverage their authority and effectively use their limited resources to strengthen local economies and raise inhabitants' quality of life (Caled, 2020). Additionally, Caled (2020) asserts that one of the three strategies can be used to advance economic development are improving current firms, luring new businesses, and spurring the expansion of new enterprises. Therefore, for this study, local government plays a crucial role in developing youth entrepreneurship in South Africa to address unemployment and reduce poverty.

#### **2.1.5. Challenges Faced by Entrepreneurs in South Africa**

Young business owners worldwide encounter various challenges as their companies expand, including a lack of resources and primary assistance. Youth entrepreneurship has drawn some attention in several industrialized and developing nations. However, the situation of young people participating in entrepreneurship in South Africa is still precarious and at the grassroots level. Although South African teenagers are now encouraged to pursue business endeavours, difficulties remain widespread. More opportunities must be provided to enable youth participation in the nation's economy (Chinomona, Popoola et al., 2020).

#### ***Lack of Research and Development***

Limited exposure to appropriate information channels remains challenging for young (youth) entrepreneurs. Both entrepreneurial research and education have proven pivotal for acquiring information, whether independently or through formal training. Due to a lack of infrastructure, finance, education, and other forms of support, young people in developing nations face numerous obstacles, particularly when starting their businesses and other innovative ventures. Therefore, these difficulties represent a severe threat to the youth in these nations' ability to maintain their new initiatives and businesses during and after the crisis. According to a study by Radebe and Vezi-Magigaba (2021), two of the major

obstacles to the growth of young engagement in entrepreneurial activities are the lack of rigor in the entrepreneurship school curricula system and society's attitude towards entrepreneurship.

Youth participation in entrepreneurship is also hindered by a lack of financial resources, rigorous rules and regulations, bureaucracy, high labour costs, and the entrepreneurial culture (Radebe, 2019). The consolidation of entrepreneurship is considered a key to this goal in South Africa's most current macro policy, "the New Growth Path," which states that the government seeks to build active measures to minimize poverty, inequality, and unemployment (Maskaeva and Msa vani, 2021). Most young people are unaware of the government-created programs that encourage the growth of youth entrepreneurship (Mago and Toro, 2013; Dlamini and Bimha, 2017; van der Veen and Datzberger, 2020). Thus, the government must inform the public about these initiatives and make them accessible to and transparent to society.

### ***Poor Infrastructure***

Poor working conditions, inadequate electricity supply, inadequate roads, and water shortages are common in developing nations like South Africa. The adolescents' ability to work during the epidemic was hampered by a lack of resources. Poor infrastructure is closely embedded in the issue of inaccessible or inadequate resources, mainly preventing aspiring entrepreneurs from growing their businesses. Subsequently, the lack of appropriate infrastructural provision hinders the ability of entrepreneurs to contribute to the improvement of the socio-economic hurdles in respective communities. However, Rust, Smit & Amod (2021) maintain that an efficient built environment and a well-functioning infrastructure is essential to socio-economic development and poverty alleviation. Thus, it is indispensable that young entrepreneurs have access to appropriate and efficient infrastructure.

### ***Lack of access to finance***

The introduction and growth of businesses are significantly constrained by insufficient capital (Alvarado et al., 2017). Numerous studies have consistently demonstrated the importance of having access to capital for operating a business (Rupeika et al., 2017), and this is regarded as a significant constraint for entrepreneurship (Fowowe, 2017). Chen et al. (2018) and Rupeika-Apoga (2014) also highlighted the negative consequences of limited

access to capital on young entrepreneurs., Finding business financing has been a major problem to young entrepreneurs. Malaj and Dollani (2018) presented the significant challenges that young people face when trying to finance new businesses. The authors indicated that young business owners struggle to accumulate and save the capital needed to launch their ventures and frequently rely on support from close friends and family members. Typically, this is not enough; similarly, Roodt (2018) stated that one of the most severe issues preventing South African youth from starting businesses is a lack of access to financing. Lack of financing has been a significant barrier to the construction of new venture initiatives for young entrepreneurs in South Africa and other developing countries (Shibru, 2017). To thrive and expand, businesses must access internal and external financing (Shibru, 2017).

Access to cost funds is scarce for young entrepreneurs who run small enterprises, which limits their ability to expand. About 90% of the cash is given to businesses that are already established and had been operating for more than five years. Lack of financial access results from difficulties in managing cash flows and earnings (Kalidas, Magwentshu, & Rajagopaul, 2020). Even though financing is available, receiving the required support is significantly hampered by the youth's lack of financial support and knowledge of opportunities.

In South Africa, there has never been a guarantee that young people will have access to finance. Due to a lack of funding for sustainable development, many youth-owned enterprises have failed poorly in their first year of operation. The country suffered significant financial losses with the outbreak of COVID-19, which affected young entrepreneurs since they experienced losses. In terms of growth, established entrepreneurs have been more successful. This is briefly discussed in the next subtopic.

### ***Covid-19***

The COVID-19 pandemic had a significant impact on millions of people worldwide, resulting in substantial socio-economic problems as well as adverse effects on physical and mental health (Chauke, 2020; Dy & Jayawarna, 2020). Young people have been forced out of business by the COVID-19 pandemic. In addition to the pandemic's shocks, South African young entrepreneurs have previously suffered from the country's economic decline (Kalidas, Magwentshu, & Rajagopaul, 2020). African countries such as Zimbabwe, South Sudan, Somalia, etc, have also suffered from a lack of infrastructure and ineffective

governance. As a result, there was a global surge in the loss of businesses run by young entrepreneurs, particularly in South Africa. The disparities in distribution and demography are now global, as well. Demographic differences across nations further exacerbated the already detrimental effects of COVID-19 on the allocation of wealth and income between countries.

All businesses worldwide are experiencing the effects of the Covid-19 pandemic, according to KPMG (2021). Business executives now must navigate a wide range of interconnected difficulties and, in some cases, possibilities resulting from the pandemic's effects (KPMG, 2021). Thus, the lockdowns and restrictions imposed severely affected most businesses across all sectors, forcing some to reduce their operations or close drastically. Despite these obstacles, numerous chances can be taken advantage of in the current crisis through creative ventures.

#### **2.1.6 Importance of Youth Entrepreneurs to the South African Economy**

Youth entrepreneurship is essential in both first and third-world nations. This is so because young people are the world's future, and what they do today will determine what will happen in future. Young entrepreneurs have received much attention from the South African government and policymakers because they failed to integrate into the nation's economy and the economy's failure to take them in. The absence of assets that can be used as collateral, however, makes it difficult for young entrepreneurs to obtain capital for their businesses (DTI, 2013; Majola, 2017). Nieman and Nieuwenhuizen (2018) claim that the South African government recognized the potential importance of business to the country's development as early as 1994. The government subsequently acknowledged that fostering entrepreneurship was one of the tactics that might be used to solve problems such as inequality, poverty, and unemployment.

According to Echezona (2015), entrepreneurship indirectly promotes independence and technological advancement by reducing dependency on antiquated systems while also offering social transformation through its innovative production of new products and services. Unfortunately, South Africa's economy is not expanding quickly enough to accommodate the growing young labour population to help young South Africans become self-employed, so the South African government decided it was appropriate to put policies into place (Majola, 2017).

According to Zwane (2021), entrepreneurship encourages capital growth, improves wealth creation and distribution, raises people's standards of living, stimulates a nation's export trade, and advances global development. Welkessa (2015) also indicated that entrepreneurship helps identify new growth strategies, boosts economic activity across several industries, and hastens the creation of job prospects. Furthermore, it aids in balancing regional growth, reducing social problems, fostering financial independence, and boosting capital formation. The following are the significant advantages of youth entrepreneurship in South Africa:

**Self-employment creation:** Youth can create jobs through entrepreneurship by turning their abilities and skills into reality. A lack of employment prospects in the public sector has always been a concern in Africa, leaving millions of young people without support for themselves and their families (Sumaworo, 2022).

If governments and other development partners encourage youth-initiated businesses, there would be a dramatic reduction in the alarming unemployment rate in many African countries. In addition, youth entrepreneurship also helps lessen the employment load on the public sector as it creates jobs for many employable skilful young people. And, of course, entrepreneurship is one of the most effective strategies to create millions of job opportunities in Africa as a bridge to shared economic happiness and prosperity (Sumaworo, 2023).

**Development Acceleration:** There is no question that the private sector plays a substantial role in providing and constructing infrastructure, including roads, airports, railways, hospitals, schools, and recreation facilities. The private sector, which includes entrepreneurship, may provide support for these development initiatives (Odey et al., 2022). Because, in the absence of an effective and strong private sector, recurrent expenditures (REs) consume a large portion of the annual budget of the nation. In essence, if entrepreneurship is encouraged, well invested in, and supported, there could be a decline in government spending on Recurrent Expenditure (RE).

Consequently, public investment will be raised, and business-friendly infrastructures will be built and made available. In other words, considering the government's most significant employer will be dramatically reduced as a robust private sector will be home to thousands

of employees, the pressure of recurrent expenditures on the nation's annual budget will be minimized and economically diverted to other development projects (Sumaworo, 2023).

**Promotion of Skills and Unveiling Potentials:** Promoting and encouraging entrepreneurship is a technique to unlock latent abilities that might help any nation's development efforts and economic transformation. If young people are supported, they can easily start their own businesses, leading to an explosion of untapped abilities and talents for sustainable growth. By encouraging and supporting youth entrepreneurship, especially in Africa, where there are enormous and probably still untapped company potentials, future millionaires and successful CEOs may be produced.

**Security and Reduction in Crime Rate:** One of the main factors and intangible elements in maintaining public safety and lowering crime rates is youth employment. Massive unemployment rates contribute to several social ills; young people have wishes and demands, and if there is no proper method to meet them economically, they will turn to illicit means (Sumaworo, 2023). Nonetheless, suppose, the governments and development partners care about, support, fund and encourage. In that case, the situation will help create incomes for millions of young people across the continent allowing them to thrive in economic growth.

### **2.1.7 Determinants of Entrepreneurs' Performance**

Entrepreneurship has been viewed as one of the solutions to the poverty and high unemployment rates that plague many developing countries. Thus, entrepreneurship is essential as it aids in the creation of new businesses, which in turn reduces unemployment and fosters economic growth (Zwane, Radebe, and Mlambo, 2021). Building on these observations, Raza et al. (2018) stated that it is impossible to overstate the beneficial effects of entrepreneurship and a profoundly ingrained entrepreneurial culture. Entrepreneurs generate new markets, technology, products, and services while also creating job opportunities. According to Mbete and Pellegrini (2018), entrepreneurship is an internationally recognized method for alleviating poverty. It is also a key engine for economic expansion and job creation (Echezona 2015; Mkhize 2010). According to the United States (US) Small Business Profile (2018), 240,000 new firms were founded in the US in the third quarter of 2016, creating 872,000 new jobs. As a result, entrepreneurship helps people find a source of income, find employment prospects, and escape poverty

(Karimi et al. 2010; Venter et al. 2015). However, for it to thrive, entrepreneurship needs sufficient government assistance. This was supported by Maziriri and Chivandi (2020), who indicated the government has a crucial role in correcting societal inequities and must promote initiatives that lead to inclusive development.

## **2. 2 The Role of Local Municipalities in Entrepreneurship Development**

Entrepreneurship is vital to any polity, especially local government, as it boosts the economy of the local government. Raymond Mhlaba Local Municipality is the primary focus of this study. Therefore, the study argues that in South Africa, entrepreneurship is an instrument for growing the socio-economic capacity of local government.

Governments and other stakeholders, such as non-governmental organisations, educational institutions, and financiers/investors, are responsible for fostering the growth of rural entrepreneurship. For instance, Bangladesh, China, Kenya, and Mozambique promote an entrepreneurial culture by showcasing role models, encouraging a robust venture capital and private equity industry, and providing support for entrepreneurial education and skills development (Fal et al., 2010). This, however, drives the promotion of entrepreneurship in homes, schools, and universities. Despite the critical role of rural entrepreneurship, its prospects within the South African context need to be further explored.

The South African government is making significant investments in funding and helping entrepreneurs as they launch and expand their businesses. According to the South African government, establishing and maintaining small-to medium-sized companies will lower unemployment, ease poverty as well as reducing crime rate (Chivandi, 2020). The government frequently provides free information to businesspeople, but financial aid is typically reserved for non-profits, social services, educational endeavours, and specific types of research. In this case, government policy is defined by Akinyemi and Adejumo (2018) as policies that apply to the activities of entrepreneurs rather than those that direct internal mechanisms. This, however, may be in business registration, tax, laws that regulate union activities, minimum wage, access to financial support, etc (Akinyemi and Adejumo, 2018).

In the past, the South African government has encouraged commercial development and sustainability. This also includes the Integrated Strategy for the Promotion of Entrepreneurship and Small Enterprises (Department of Trade and Industry, 2007), the National Youth Development Agency (NYDA), and the Small Enterprise Development Agency (SEDA). Other topics covered in the Department of Trade and Industry's (2019) report include Business Process Outsourcing (BPO), the Companies Act (2008), Special Economic Zones and Economic Transformation (SEZET), the Black Industrialists Scheme (BIS), National Development Plans (NDP), and the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (ISPESE) of 2005.

Following this, the South African government, despite the Covid-19 pandemic, which devastated the global economy, R3 billion was allocated to entrepreneurial activities in the second quarter of 2020 through Industrial Development Corporation Distressed Funding and the Essential Suppliers Intervention not only to sustain them but also to reduce any potential unemployment caused by the pandemic (Patel 2020). A local government's roles and responsibilities include ensuring regional economic growth and supporting economic progress. The Local Municipal Systems Act (Act No. 32 of 2000) and the Constitution of the Republic of South Africa (Act 108 of 1996) have given local governments extensive jurisdiction to manage Local Economic Development (LED) initiatives.

According to the National Framework for LED, the local government engages stakeholders. It provides a platform for them to adopt plans and activities to enhance their community rather than create jobs. Additionally, local government is critical in attracting other important stakeholders in the development process. It further solidifies agreement and commitment between the public and private sectors as well as regional community interest organisations.

## **2.2 CONCEPTUAL FRAMEWORK**

### **2.2.1 ENTREPRENEURSHIP**

According to Croci (2016), entrepreneurship is a discipline. Being a discipline, entrepreneurship is distinctive. Additionally, according to Croci (2016), entrepreneurship is an independent, interdisciplinary field that can function independently. Barot (2015:163) described entrepreneurship as "practice begins with action and the creation of a new organization." According to Barot (2015), everybody who starts a new organization or company enters a new paradigm of entrepreneurship. Success requires entrepreneurship, but entrepreneurship is a disciplined, independent action that changes old habits into new ones. Entrepreneurship is a skill that can be learned (Chang, 2015).

According to Gedeon (2010), the term "entrepreneurship" does not have a consistent definition. However, several definitions have been developed to explain entrepreneurship. The competence and potential of the entrepreneur to create and execute an innovation independently from the industry and branch of the activity make them the crucial agent for innovation and entrepreneurship (Gedeon, 2010). The latter may be viewed as a unique resource allocation from a traditional viewpoint or as a set of social and economic adjustments that the entrepreneur encourages and drives the economy toward an effort to increase its ability to adapt (Potwana, 2017).

The definition chosen for this study is that of Nieman and Nieuwenhuizen (2009), who defined an entrepreneur as an individual who recognizes a market opportunity, accumulates the appropriate resources, then creates and expands a venture to meet society's needs or solve societal problems. He or she shoulders all the business's risks while receiving all the benefits if the company prospers. Entrepreneurs begin, expand, and manage their enterprises to make a profit, taking on difficulties by starting something new or challenging to do (Pittaway, 2007). They bear all the business's risks and get the rewards if the business succeeds (Mwatsika, 2015).

Thus, there is a perspective of an entrepreneur as a self-employed economic agent, such as a businesswoman, who decides to start or run an independent activity in the private sector. However, there is another perspective of the entrepreneur as one who establishes or controls a private economic activity, creating jobs for herself and others. In this view, entrepreneurship is linked with job creation and establishing of a business, regardless of

their innovativeness (Potwana, 2017). Nevertheless, for this research, entrepreneurship is perceived as envisioning, planning, implementing, and, through innovation, developing a business opportunity into a potentially high-growth business in a challenging and unsettling environment.

### **2.2.2 Types of Entrepreneurship**

According to Barot (2015), there are two types of entrepreneurships. Opportunity-based entrepreneurship is the first. In this case, an entrepreneur dedicates his entire life to starting a business when the opportunity presents itself. Baptista et al. (2013) claim that opportunities-based entrepreneurship drives venture activity due to fresh concepts and individual amplifications is rejected (Jinjian et al., 2019). Second, a need motivates entrepreneurship. Barot (2015) adds that young entrepreneurs cannot support themselves. Because there is no alternative option in the labor market and people in this stage do not respect entrepreneurship, being an entrepreneur is a necessity rather than a choice (Gries, 2011).

Aulet and Murray (2013) in their study divided entrepreneurs into two groups. The first category is led by innovation. This type of innovation-driven entrepreneurship shares the idea of innovation in business to explore global opportunities. Second, small-medium business (SME) entrepreneurship is a subgroup that often focuses on local markets and has limited access to the worldwide market. These two commercial endeavours are very dissimilar from one another. Why? Given the fact that innovation requires outstanding teams who are more focused on the business organisation's business strategy, procedure, and technology than on sales, cash flow, and long-term employment chances (Aulet and Murray, 2013).

### **2.2.2 Benefits of Entrepreneurship**

Youth entrepreneurship has been connected to several opportunities. Youths gain economic independence, are less dependent on social assistance, become more economically productive, possess greater self-esteem, and can pay taxes, which improves political and national security (Fatoki & Chindoga, 2011). Youth entrepreneurship has also proven to be

an effective strategy to reduce crime, drug use, poverty, and income inequality (Boateng et al., 2014). According to Boateng et al. (2014) Youth entrepreneurship can be useful if young people possess key entrepreneurial traits like a thirst for success, the courage to take calculated risks, commitment, perseverance, and innovation, among others.

### ***A. Innovation***

Innovation is widely perceived as an indispensable source of productivity and growth. The primary drivers of innovation and entrepreneurship are creativity, ambition, risk-taking, and the capacity to recognize opportunities. These antecedents of entrepreneurial innovation are reviewed subsequently. Creativity is the driving force of invention. It is the concept of making something new by mixing current concepts or producing something unique (Shankar et al., 2023).

In support, Ferreira et al. (2019:174) assert that "this is an essential element of entrepreneurship because it allows entrepreneurs to develop new products, services, or processes that can be used to create value". As a result, creativity is essential for ensuring innovation in the enterprise. Entrepreneurs can use creative thinking to develop solutions for overcoming obstacles and expanding profitable businesses. Furthermore, innovation is critical for staying ahead of competitors since it promotes the development of new products and services that give the company a competitive advantage.

According to Gordon et al. (2023), ambition is the desire to achieve something great. Entrepreneurs must possess this trait to stay motivated and drive the business ahead. To achieve their goals, they must be willing to push themselves by taking risks and making difficult decisions. Ambition is an essential component of successful entrepreneurship, and it can drive an entrepreneur to continuously pursue innovation and advancement in their business.

Ambition motivates and drives entrepreneurs to take chances and push the boundaries to achieve their goals. It can also motivate entrepreneurs to work hard and develop better products and services (Shankar, 2023). Furthermore, ambition drives entrepreneurs to think outside the box and try new ideas and solutions that will help their businesses succeed. As a result, through ambition, an entrepreneur may ensure that their business evolves and flourishes, leading to greater innovation.

This study recognizes incremental innovation as an element that enables businesses to stand out from competitors more quickly and swiftly, thus, maintaining or even enhancing their market position. For instance, in this 4<sup>th</sup> Industrial Revolution era, businesses can safely move from manual work to digital work. This 4IR makes it easy for entrepreneurs to grow because through digital technologies they can reach their target market more effectively and efficiently. In essence, the growth of entrepreneurs can benefit the country's innovation and development.

### ***B. Risk Taking***

According to Hisrich (1990), an entrepreneur takes the initiative and thinks creatively, organizes social and economic systems to make resources and situations function and is prepared to take risks even if they can fail. Entrepreneurs are those who either find and operate existing businesses or start new ones. They are accountable for the actions and financial success of their small and medium-sized businesses and are seen as key players in the entrepreneurial process (Antoncic et al., 2012; Gantar et al., 2013; Antoncic et al., 2015).

According to several scholars (Knight, 1921 and, Schumpeter et al., 1934), taking risks is a key characteristic of being an entrepreneur because new businesses typically have a high failure rate, hence, investing entrepreneurial energy into a new venture conception can be risky (Antoncic, 2003). Entrepreneurs face a variety of financial, social, and psychological risks when starting a new business (Hisrich & Peters, 1998). Risky decisions can be influenced by an individual's inclination toward risk (Bromiley & Curley, 1992).

Consequently, in entrepreneurship, risk-taking entails pushing oneself beyond one's comfort zone, questioning the status quo, and seizing opportunities that others may overlook. Any type of entrepreneurship can appear unachievable from the outside. Many people have wanted to leave their nine-to-five jobs to establish their businesses, but many have never taken the first step. Some entrepreneurs might be hesitant to operate their own businesses. Furthermore, startups might not succeed if they lack strong leadership.

### ***C. Opportunity Taking***

An entrepreneurial opportunity is a combination of thoughts, beliefs, and behaviors that make it conceivable to produce goods and services in the future, even in the lack of

established markets (Venkataraman, 1997). For instance, the notion of user-friendly Web browsers, the conviction that the internet could be made commercially, and the collection of choices and actions that came together to form Netscape are part of entrepreneurial opportunity. In support, the existing literature concurs that finding and developing a feasible business opportunity that is open to the market is the first step in entrepreneurship (Kuratko, 2001:171; Baron 2004b:221; Timmons, 1999:250; Bhav, 1994:224).

The entrepreneurial process is likely to fail if an opportunity is not recognized (Kodithuwakhu & Rosa, 2002:434; McCline et al., 2000:83). Entrepreneurs require competencies to recognize opportunities for growing their core market share (Man et al., 2002:134); raising sales volume (Gundry & Welsch, 2001:462); creating new products (Wickham, 2001:304); breaking into new markets (Erikson, 2002:281); diversifying; integrating (Robertson et al., 2003:311); forming strategic alliances; growing distribution channels (Perks & Struwig, 2005:182) and advancing technical applications (Gruber, 2002:193). Wickham (2001:38) defined a market opportunity as one in which incumbent market participants create a gap in the market, allowing new entrants to add unrealized value by outperforming them and creating new possibilities. The Oxford Dictionary (2005) defined opportunity as a favorable moment or set of circumstances for action. The term opportunity is synonymous with chance, opening, and promise.

### **2.2.3 YOUTH**

The concept of what institutes youth lacks a universally recognized definition. Regional and national variances abound (Ansell, 2005:1). Young people are those who are between the ages of 15 and 24, according to the United Nations (Stats SA, 2022; Udensi et al., 2013:61; Phaswana, 2009:1; DFID-CSO Youth Working Group, 2010). In South Africa, a group of persons between the ages of 18 and 34 form the youth group; the operational definition, therefore, varies in practice from nation to the other (Mathivha, 2012:13; Marina et al., 2011:6; Phaswana, 2009:2).

Youth is perceived as transitioning from dependent infancy to independent adulthood. Youth are transitioning from a world of relatively secure growth to one of choice and danger (Eurostat, 2009:17). When a person is young, their hopes and aspirations for the future start

to take shape and have an impact on their decisions (Bignotti & Le Roux, 2016:2). The definitions of youth are predicated on the ability to distinguish between nations that have acknowledged youth through their constitutions. These nations have acknowledged youth through laws or other legal acts, and nations that have acknowledged youth through strategic or other programmatic documents (Perovic, 2018:5). Thus, the study defines youth as people who are between the age of 18-35 years and independent people who move away from living under their parents' shadow. The study also views youth as custodians of their own development and people who are contributing to the promotion of the economic development of South Africa by placing their intellectual and physical abilities at its service.

#### **2.2.4 YOUTH ENTREPRENEURSHIP**

The term "entrepreneurship" now refers to any form of self-employment where the business owner assumes the risk and makes investments in products or services for which the eventual selling prices are unknown. By highlighting that entrepreneurs are innovators, Schumpeter (1934) introduced a crucial dimension. The Global Entrepreneurship Monitor states that an entrepreneur needs several skills (knowledge, experience, and talents) to develop an idea into a business (GEM,2022). On the other hand, in the context of youth, entrepreneurship is seen to support and stimulate young economic engagement (Musengi-Ajulu, 2010; Nafukho and Muyia, 2010). Youth entrepreneurship, according to Edoho (2015), can help combat youth unemployment and underemployment on the continent by releasing their economic potential and providing them with viable living options.

#### **2.2.5 INNOVATION**

Innovation is a process (and its outcomes) that is based on a deliberate combination of insights, creativity, organization and/or technology, and serendipity. Its goal is to develop improved products, services, and processes with a sustainable business model for problems that are currently facing or that may arise in the future and have the potential to be economically or socially beneficial (D'Alessandro, 2022). In support of this, innovation and entrepreneurship go hand in hand since great ideas are frequently the basis of prosperous businesses.

The concept of "disruptive innovation," founded on replacing current technology or goods with something new and more effective, is one theory on innovation and entrepreneurship. This innovation is frequently disruptive since it can upend established markets, requiring

businesses to adapt rapidly or risk becoming outdated. This type of innovation may be seen in the evolution of the automobile industry, with electric vehicles replacing petrol-powered vehicles, and in the advancement of digital technology, with the introduction of smartphones. Disruptive innovation is seen as a vital economic growth driver since it frequently forms new sectors and market segments (Kraus, 2023).

Disruptive innovation theory is a business concept developed by Harvard professor Clayton Christensen that describes how a new, low-cost product or service can disrupt an industry by creating a new market or disrupting an existing one. Disruptive innovations are typically defined as new technologies or processes that create new products or services that can replace existing ones, frequently at a lower cost. This can result in a new market development or a significant shift in an existing market (Odey, 2022).

Entrepreneurs use innovation as a special tool to exploit opportunities to launch new businesses or services because of change. It has the potential to be taught as a discipline, to be practiced, to be learned. The concept of incremental innovation is to expand or enhance a business by adjusting current commodities, services, procedures, and equipment (Wanniarachchi et al., 2020). These minor adjustments are intended to improve corporate performance and efficiency while simultaneously enhancing the efficacy and customer experience of the business's products and services. Incremental innovation is a tool that businesses can employ to reduce expenses and set themselves apart from competitors (Maier, 2020).

The development and coordination of the market are two top priorities of any organisation, and innovation plays a mandatory role in both (Chinomona & Popoola, 2020). Innovation can be used in all facets of daily life, including working practices, management strategies, and product development. All definitions of innovation include a modification or enhancement of a process or a product. Innovation differs from creation in that it is a process that begins with adding an idea to a plan before developing into a new function (Chinomona & Popoola, 2020).

Gault (2015,2016) perceives innovation as the utilization of a new or significantly altered product or procedure. Products can be either supplies or services. Processes in marketing, organization, and production are all included. When a product is made accessible to potential customers, it is deployed as new or considerably altered. Implementing new or

dramatically altered procedures occurs when they are put into practice during the operation of the institutional unit, including providing a product to potential customers (Gault, 2015,2016). The study defines innovation as developing and turning a new idea into a new product, service, or process. This process creates jobs and stimulates the economy while generating profit for innovative businesses. This study perceives innovation as not a one-time event; it results from numerous organisational decision-making processes over an extended period, from the idea generation to the implementation stage.

#### **2.2.6 POORLY RESOURCED AREAS (PRA)**

According to Baumol and Blinder (2009:448), two primary methods exist for defining poorly resourced areas. First is the fundamental approach, which considers the subsistence level as the minimum standard of living required to sustain one's health and ability to work. The absolute approach sees a lack of resources as a failure to meet needs, which hinders an individual's or a family's ability to operate well in society. In addition to just sustaining health and the capacity to work, particular minimum needs must be addressed to participate in social life and maintain a family (Lose, 2021).

The second approach, known as the relative method, views the concept of poorly resourced as being relative. According to the relative perspective, poorly resourced can only be understood as a component of a particular society, and the poor's status is influenced by how isolated they are from the other social classes. According to the relative perspective, the poor belongs to the lowest economic category (Lose, 2021). The study perceives poorly resourced as an underdeveloped area with low economic activity. A poorly resourced area has a high proportion of poverty and a lack of education, limiting young people's career options. With South Africa's high unemployment rate, many young people are unable to find formal employment in the government's economy.

### **2.3 THEORETICAL FRAMEWORK**

Theoretical frameworks are theories that are designed to clarify, anticipate, and understand events, as well as to examine and extend present knowledge within the boundaries of essential limiting presumptions (Roberts, 2004). The researcher will review relevant literature to gain a broader understanding of what has already been documented so far by

different authors regarding the innovative approaches to growing youth entrepreneurship in poorly resourced areas. Literature pertaining to inhibiting factors on entrepreneur growth as well strategies that have been implemented to enhance the growth and development of entrepreneurs, including the theoretical framework adapted by different researchers was also reviewed.

### **2.3.1 RESOURCE-BASED ENTREPRENEURSHIP THEORY**

The resource-based entrepreneurship theory is an extension of business development theory (Barney, 1991; Grant, 1991). This theory recognizes corporate resource performance as a source of long-term competitive advantage (Wernerfelt 1984). Tembe (2018) asserts that resource-based entrepreneurship theory clarifies how and why businesses use and deploy resources. According to Penrose, a firm's resources comprise numerous capabilities and assets that can be employed to capitalize on opportunities. Firms can produce economic value if they can manage their resources effectively and creatively to exploit market opportunities (Tembe, 2018).

The resource-based model's basic idea is that organisations differ in terms of the resources they own and regulate (Azhar, 2009). Resources are the most critical aspect of Resource Based Entrepreneurship (RBE) research and can be defined as the firm's partially permanently secured possessions (Maziti, 2018). Traditional competitive advantages such as financial and natural resources, equipment, economies of scale, and human resources can all be utilized to create value (Gruber, Heinemann, & Brettel, 2010). Therefore, the resource-based view theory highlights opportunities for competitive advantage based on the uniqueness of resources (Grewal, Iyer, Javalgi & Radulovich, 2011). In terms of management, the research increased understanding of the study's framework and practices focusing on long-term franchising development (Shamsudin et al., 2019).

Therefore, the Resource-based Entrepreneurship theory is relevant to the study because it is development-oriented, and it can be a basis to show how local government can shape the direction and growth of entrepreneurship by guiding entrepreneurs in choosing the right growth plan. Indeed, a resource-based perspective is essential for business owners in their route to growth. With the many avenues for entrepreneurial support available through government agencies, local government can through their Local Economic Development programs help entrepreneurs efficiently accomplish their goals by considering their

available resources by selecting the appropriate growth strategy, work to reduce growth problems and changes in direction. Therefore, based on the definition of resources and capacities provided, the theory is appropriate to this study.

### **2.3.2 SCHUMPETER'S THEORY OF CREATIVE DESTRUCTION**

Schumpeter (1991) defined an entrepreneur as someone who manages to find a business to manufacture a completely new product or to reuse an already existing one. In his initiatives, the entrepreneur places socioeconomic advancement in the foreground. Because he has the power to decide, give instructions, and advance causes, he assumes the role of socioeconomic leader. The Schumpeterian entrepreneur sets themselves apart from imitation by implementing revolutionary production methods and venturing into untapped markets (Schumpeter, 1991). Entrepreneurs with innovative skills can build up reserves, but this possibility is lessened when imposters utilize the same strategies to enter the market. As a result, the profits the entrepreneur made from a temporary monopoly serve as an example of the dynamic character of capitalism and the reality that each cycle of entrepreneurial innovations serves as the core factor for economic cycles.

It takes a particular talent to be an entrepreneur, and running your own business is very risky. Because they engage in economic activities that are outside the scope of their usual responsibilities and do so in socially and economically unfavourable environments, their actions should be encouraged, some protection should be provided, and the risk they take should be reduced. Entrepreneurial risk and uncertainty are constrained by big companies and restrictive legislation like patents. Therefore, regarding the operation of the market system and the production of profit, the Schumpeterian analysis is the most accurate. He overvalues individual innovations, ignoring the effects of preceding generations and the failures to find those innovations. In this respect, he views all innovations as exogenous rather than system generated (Schumpeter, 1991).

In essence, the theory of Creative destruction will be used by the researcher to investigate an innovative approach to growing youth entrepreneurship in poorly resourced areas, considering the disruptions caused by Covid-19, to understand how entrepreneurs managed to find new ideas while ignoring distractions in order to make a living and grow their businesses. The triangulation of Schumpeter's Theory of Creative Destruction and the

Resource-Based Entrepreneurship Theory is employed to provide a comprehensive and multidimensional perspective on the dynamics of entrepreneurship. Schumpeter's theory emphasizes innovation-driven disruption as the core of entrepreneurial activity, highlighting how entrepreneurs revolutionize markets by replacing old systems with new ones. However, this perspective alone may overlook the internal capabilities and strategic resources entrepreneurs require to sustain such innovation.

The Resource-Based Entrepreneurship Theory addresses this gap by focusing on how access to and deployment of unique firm-specific resources such as knowledge, networks, and capital enable competitive advantage and entrepreneurial success. By combining these theories, the study captures both the transformative role of innovation and the foundational role of resources in entrepreneurship. This theoretical triangulation strengthens the analytical framework by integrating macro-level change with micro-level strategic capability, thereby ensuring a more holistic understanding of entrepreneurial development, particularly in resource-constrained and evolving economic contexts.

## **2.4 LEGISLATIVE AND INSTITUTIONAL FRAMEWORKS**

According to the Municipal Systems Act, municipalities must have systems and procedures to develop their communities (Act 32 of 2000).

### **2.4.1 Cooperatives Act No 6 of 2013**

The Cooperatives Act must establish a single National Apex Cooperative, No. 6 of 2013, to influence the public and private sectors on proposals for policies that would encourage the progress and extension of cooperatives in the economy. At least three functioning tertiary cooperatives at the national level and five operational multi-sectoral cooperatives at the provincial, district, or local groups could make up the National Apex Body. In the 2018–19 budget year, it was planned to establish a Cooperatives Development Agency and Tribunal for management and oversight. The following was made possible by the Cooperatives Act:

- A central cooperative that seeks to improve community development by providing jobs and services.
- An additional cooperative is created when two or more primary cooperatives join forces to offer service.

- A Tertiary Cooperative is an organization that advocates for public policy with the government and the business sector. It is made up of multi-sectoral cooperatives that are secondary; and
- To pursue the joint objective of labour concerning self-managed businesses, worker cooperatives comprise primary cooperatives.

#### **2.4.2 The National Small Business Act of 1996**

The National Small Business (NSB) Act of 1996 succeeded the Small Business Act of 1981 (which has since been repealed). It provides a framework for state authorities to support small enterprises and take appropriate action. However, this act mandates the establishment of the National Small Business Advisory Council (NSBAC), whose primary responsibility is to represent and promote the interests of small businesses in South Africa, as outlined in the National Strategy for the Development and Promotion of Entrepreneurship.

#### **2.4.3 Local Economic Development (LED) Policy Frameworks**

An economic development strategy known as LED encourages and enables communities to work together for sustainable economic growth and development, benefiting the municipality's citizens by improving their financial well-being and quality of life (Leigh and Blakely, 2016). One of the most crucial strategies for eradicating poverty is LED. The aim of boosting the local economy is to create jobs (Leigh and Blakely, 2016).

International experiences have demonstrated that LED is a nuanced concept that can occasionally be challenging to define (Abrahams, 2018). LED has been understood in many ways throughout the Republic of South Africa, confusing policymakers (Rogerson, 2018). However, there is a general consensus that among its fundamental components, LED encourages the expansion of regional economies and reduces poverty (Rogerson, 2018). In agreement with this line of reasoning, Abrahams (2018) describes LED as a deliberate process in which local communities attempt to raise the standards of economic and social life with the help of more developed institutions. In conclusion, LED works to promote regional economic expansion and fight poverty. LED is locally produced, involves partnerships, must be sustainable, and aims to enhance the quality of life for its users (Abrahams, 2018).

Municipalities in South Africa have been charged with the responsibility of identifying and supporting local economic development opportunities as well as creating a link between these opportunities and entrepreneurship development. It can be argued that the key regional government administration strategy to do this is through Local Economic Development (LED). Botes (2004) defines LED as initiatives taken by a local community to alleviate poverty, foster entrepreneurship, and distribute resources and opportunities in a way that benefits the residents. South Africa's LED policy framework consists of the following:

- Local Government White Paper, 1998
- National Framework for Local Economic Development (LED) 2006–2011
- Constitution of the Republic of South Africa Act 108 of 1996
- Integrated Sustainable Rural Development Strategy of 2000
- No. 32 of 2000 Municipal Systems Act
- Discussion document for the South African LED policy and implementation (2005).

This research relies on the crucial LED provisions in these documents as points of departure for operationalizing meaningful discussions and empirical data collection.

#### **2.4.4 The Municipal Bylaws**

Municipal planning regulations allow municipalities to control land use and development while also protecting the environment under the Planning and Development Act of 1983 (the Act). The Act and local planning bylaws confine the Crown. Provincial interests, on the other hand, include enabling the use of provincial resources and economic development, as well as environmental protection, especially in environmentally sensitive areas.

Mahambehhlala, (2017:10) asserts, "Municipal bylaws add to the administrative work faced by entrepreneurs. Municipal regulations may be restricted in character and may not be necessary to promote entrepreneurship development. Residential homes, for example, cannot be utilized for businesses unless they are perceived as such". In essence, most business owners conduct their businesses out of their homes, which is against the municipal bylaw. As a result, entrepreneurs are required to ensure that their business premises comply with these standards, failure to do so may attract fines and other penalties. On the other hand, entrepreneurs feel they are subjected to an overly rigid and punitive regulatory

system. By laws are relevant to the study as it enables the researcher to have a better understanding of what challenges entrepreneurs face and to gather some information regarding how entrepreneurs survived during Covid-19 under these constraints. Also, an understanding of how they managed to comply with different local municipality regulations in the process of growing their business will be enhanced.

**2.4.5 The Department of Small Business Development** has many programs geared towards building entrepreneurship some of these are innovative such as:

**a. Small Enterprise Development Agency (SEDA)**

This Development Agency (SEDA) oversees promoting policies that help small businesses stay competitive and grow, as well as creating and developing initiatives that improve job creation, entrepreneurship, and economic growth.

This Act defines a small business organisation as any group, whether it is incorporated or registered under any law, made up primarily of people running minor business concerns in any economic sector and created to promote or advocate for minor business concerns. This definition includes any federation of minor business concerns (Mahambehla, 2017). According to the description given, a small enterprise is an exclusive commercial entity, along with any subsidiaries, cooperative enterprises run by the owner or more frequently engaged in any area or sub-sector of the economy (as per schedule), and which meets the requirements for classification as a micro, small, or medium enterprise. The Board ensures that the Public Finance Management Act (PFMA) and SEDA's administrative and oversight responsibilities are carried out (Mahambehla, 2017).

**b. Khula Enterprise Finance Ltd**

The South African economy's growing Small and Medium Enterprises (SME) sector has been supported financially for more than ten years by Khula Enterprise Finance Limited, the country's leading development financial institution concentrating on small enterprises. A wholesale financial institution, the Company has strong connections to the public and private sectors. The Company operates as a complementary financial institution filling in the funding gaps left by commercial, financial institutions in the growth of the small

company sector through these channels, which include commercial banks, retail financial institutions, specialty funds, and joint ventures in which Khula has equity shares.

Khula was established in 1996 as a stand-alone department of trade and industry agency, and since then, it has maintained its position as a driving force behind the expansion of the SME market. It has done this by adjusting to sector-specific market dynamics and altering its strategy to fulfil demand in a sector that has grown in importance to the development and expansion of the South African economy. However, Khula Enterprise Finance Ltd is playing a significant role in increasing access to financing for the growth of small businesses in South Africa.

#### **2.4.6. Support for Youth**

##### **a. National Youth Development Agency (NYDA) Framework**

The initiative encourages active citizenship, volunteerism, and widespread participation in national endeavours. The National Youth Service promotes social integration, fights exclusion, and supports youth development by giving young people a voice in society. In response to coordination, the NYDA is partnering with governmental, private, and civil society stakeholders to build institutional delivery structures that support the successful coordination and implementation of National Youth Service Programmes throughout all levels of society. As a result, the NYSP will be able to manage the delivery of 250,000 active participants over the next five years, making it the single-largest Youth Service Programme (NYDA 2022/2025).

The NYDA's projected performance for the next five years is concentrated on offering a complete set of interventions through its network of Full-Service Branches and regional Satellite Offices across the nine Provinces. This will result in suitable employment, skills development, education, and entrepreneurship for all young people in the age range of 14 to 35. These outcome areas focus on building a mainstream, evidence-based, integrated, and result-oriented youth development strategy by analyzing and monitoring services, lobbying, and advocating for the inclusion of critical stakeholders in program implementation (NYDA 2022/2025).

## **b. Umsobomvu**

The Umsobomvu Youth Fund (UYF) was established by the South African government in 2001 as a national youth development project to support youth entrepreneurship and employment possibilities for long-term livelihoods (Shezi,2011). The three areas the UYF concentrated on were youth entrepreneurship, contact, information, and counselling. The Umsobomvu Youth Fund equip young people with the entrepreneurial skills they need to launch and expand their businesses. Umsobomvu offers the following programs:

- This Funding assists young people in starting and operating their enterprises. It intends to encourage and empower young entrepreneurs to run their franchise businesses through loans and a voucher system.
- Training in Entrepreneurship Education: Young people get assistance in understanding business and entrepreneurship through training.
- Co-operative training is introductory instruction for young people to build up and manage youth cooperative enterprises.
- Graduate Development Training: A training program designed to help unemployed graduates develop their interpersonal and professional competencies and;
- Voucher for Business Consulting Services: Services to support young people in starting, expanding, or developing their businesses.

## **Chapter Summary**

In this chapter it has been shown that youth entrepreneurship is pivotal for enhancing economic development and annihilating high youth unemployment and poverty alleviation. Consequently, the government must formulate and enact policies that seek to eliminate red tape and gatekeeping surrounding funding and mobilization of resources. Moreover, it is noteworthy that there are perceived challenges surrounding youth entrepreneurship, such as a lack of access to funding and resources. Therefore, the government must provide the necessary resources and full access to relevant organisations, such as the National Youth Development Agency (NYDA), to enhance the growth of youth entrepreneurship in poorly resourced areas in South Africa.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

This chapter focuses on explaining the types of methodologies used to carry out the research. The methodology and data collection methods are examined in the chapter. As a result, the chapter serves as an overview of the data collection methods, research design, and, most significantly, the ethical standards that were followed when conducting the interviews. The methodology encompasses more than just the methods intended to gather information. This section discusses the concepts and theories that inform the study's applied research methods.

This chapter also discusses how the qualitative method affected the data collection methods, such as interviews and observations. The chapter additionally discusses the study's limits, methodology, research approach, design, population, sampling, data collection methods, research instruments, and data analysis. Each topic includes an extensive argument for choosing different methods. According to Silverman (2013), research methodology refers to the choices researchers make regarding relevant models, case studies, data analysis and data collection methodologies during the development and implementation of a research study. Research methodology refers to the processes, plans, and techniques used to draw empirical study results (McCombes, 2019). This study employed qualitative research to gather data on innovative approaches to growing youth entrepreneurship in the Raymond Mhlaba Local Municipality.

This study employed a qualitative methodology due to the complex, nuanced issues that may not be best observed using a quantitative method. Additionally, the qualitative approach allows the researcher to explore the participants' experiences while focusing exclusively on specific information instead of generating conclusions. This study employed a qualitative research methodology to explore areas with little or no information and discover behaviours, trends, attitudes, and needs crucial to evaluating units (Du Plooy, 2004, p. 83).

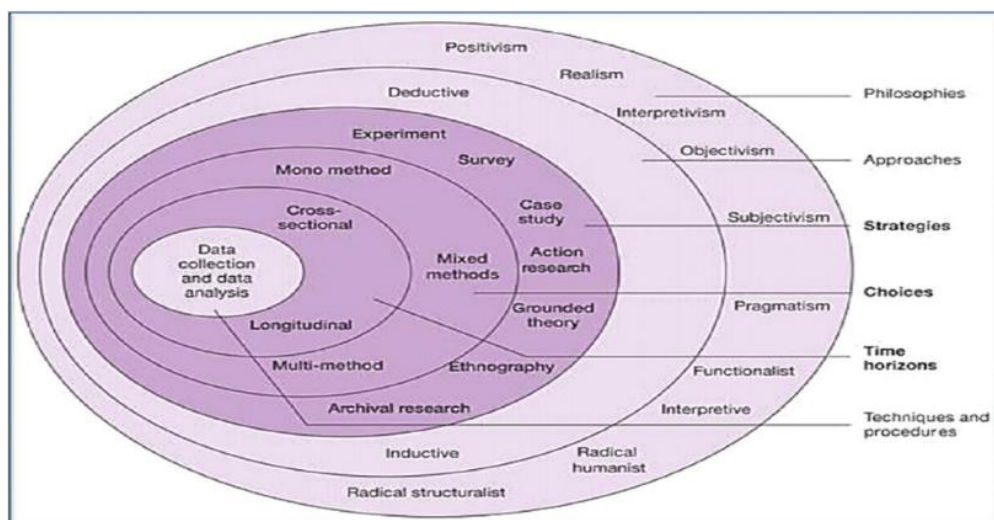
Therefore, qualitative research methodology is suitable for this research because it permits the researcher to gain insight into innovative approaches to growing youth

entrepreneurship, and it will also help to understand the obstacles that might limit youth entrepreneurship growth in Raymond Mhlaba Local Municipality. Using this methodology, the researcher will recommend strategies for encouraging youth entrepreneurship and improving the policy framework for young entrepreneurs. Reliability and validity will also be tested based on qualitative method provisions.

### 3.2 RESEARCH PHILOSOPHY

The research philosophy defines the principles and ethics that conduct research layout, collection, and analysis. Essentially, the researcher believes it to be reality, truth, and knowledge (Ryan,2018). According to interpretivism, truth and knowledge are based on how people interpret their personal experiences and are contextualized by culture and history. As a result, the reliance and values of the researcher will ultimately influence the method by which data is interpreted, collected, and analyzed (Ryan, 2018).

The study employs the interpretivism philosophy as guided by Figure 1 below, 'research onion, ' because it primarily concentrates on the comprehension and perception of the research participants to understand why a phenomenon exists (Ryan, 2018). This enables the researcher to investigate innovative approaches to growing youth entrepreneurship in poorly resourced Raymond Mhlaba Local Municipality (RMLM) areas.



**Figure 1: 'Research onion'**

Source: Saunders et al. (2007)

The researcher used an interpretivism philosophy as the chosen research paradigm, utilizing a qualitative research design. An explorative case study approach was adopted to investigate the innovative approaches to growing youth entrepreneurship in poorly resourced areas.

### **3.3 RESEARCH APPROACH**

In this study, the researcher used an inductive approach relevant to the chosen research philosophy. Furthermore, inductive research relies on data patterns and observations to inform the researcher's collection and analysis of ideas, concepts, and hypotheses. According to Wyse (2011), this strategy is utilized to better understand the motives, perspectives, and research participants. The topic required an in-depth analysis of the subject of young entrepreneurship in poorly resourced areas.

Consequently, the inductive approach and the exploratory research case study design are conducted to explore and discover ideas used in the ongoing process. This strategy was, therefore, effective because it did not attempt to present unambiguous variables but rather to research people's experiences holistically in the daily context and thus improve the study's validity and reliability (Flick, 2009). The reason for undertaking this study was to explore the responses of young entrepreneurs. Therefore, the inductive approach proved to be more appropriate for this study.

### **3.4 RESEARCH DESIGN**

Research design is a research task and activity sequence, a master plan, or even a blueprint. To put it simply, research design is a blueprint for the methods and processes that researchers use to gather and analyze data (Creswell & Plano Clark, 2007, p.58). The research design also includes specific objectives that are derived from the research question(s), as well as information on the types of data that will be collected, the information sources from which the data will be acquired, the design techniques such as survey, observation, experimentation, etc., the sampling procedures and methodology (Grey, 2014).

According to research design guidelines, researchers must be as specific as possible about what they seek to discover during their research. Considering this, the settings for data collection and analysis are set up in a way that strives to maintain procedural efficiency

while attempting to maintain relevance to the study's purpose, according to Kothari (2004: 31). Thus, plans, frameworks, and research are provided by research design to strengthen the validity of the results. Therefore, this study employed an explorative case study method by conducting interviews and focus groups with the informants of the Raymond Mhlaba Municipality to investigate the innovative approaches used to grow youth entrepreneurship in poorly resourced areas in South Africa.

According to Saunders et al. (2007), exploratory case study is conducted when there is not enough information about a phenomenon or an ambiguous topic that is vague. Exploratory research delves into the study issue at various levels; it does not seek to provide definitive answers to research questions. As a result, it focuses on addressing new problems for which little to no prior research has been undertaken (Brown, 2006). Moreover, exploratory case studies are employed to conduct first investigations into fields of study that are typically unexplored. In their pursuit of new information, they approach research in an open, flexible, and inductive manner, for example, interviews with pertinent informants (Blanche et al., 2006, p.44).

### **3.5 RESEARCH METHOD**

Using an interpretivism philosophy and exploratory case study design to investigate an innovative approach to growing youth entrepreneurship, this study employed a qualitative research methodology to explore hidden and complex concerns that cannot be grasped numerically. Furthermore, the qualitative approach enabled the researcher to unearth the participants' experiences and gather data holistically and flexibly. The study utilized a qualitative approach as this approach reinforces and constructs in-depth information and experiences of the people around the topic at hand.

#### **3.5.1 Qualitative methods**

Qualitative research is useful for investigating intriguing topics, comprehending difficult problems, and uncovering social or cultural norms within a group or culture (Hennink, 2020, p. 82). Because qualitative researchers focus on participants' knowledge and practices, this research style is extremely particular about developing relationships with them to foster a safe environment for participant disclosure (Flick, 2018). Qualitative research investigates a social phenomenon, reveals feelings connected to the issue, and

understands the subjective experiences of those associated with it. The methodology aims to understand how people interpret their social circumstances. Although qualitative research has existed for centuries, it did not fully evolve into what it is today until 1925–1945 (Bailey, 2015).

Considering its ability to describe social reality, the methodology has acquired appeal in social science research (Mohajan, 2018). According to Kumar (2011), qualitative research seeks to understand, clarify, investigate, uncover, and grasp a specific group's circumstances, feelings, perceptions, attitudes, values, beliefs, and experiences. Due to the nature of this engagement, data collection for this qualitative research required a close relationship between the researcher and the participant. The researcher engaged in activities to build trust (such as ensuring permissions and ethical considerations were observed), thus allowing participants to remain open to a conversation that flows freely. It also allowed the researcher to adjust to a new context or field work experiences, which helped provide a more holistic view of interactions with participants.

### ***3.5.2 Strengths of Qualitative research***

Qualitative research provides data on individual cases, guides cross-case comparisons and investigations, helps describe complex issues, and aids in the in-depth study of a few cases (Ndlela, 2019, p.127). Qualitative research also provides understanding and descriptions of people's firsthand experiences with phenomena such as not being selected when they submit their business plans for funding. The researcher discovered that the participants are very committed to their business, for instance when they submit quotations almost every month even though they are not selected for the job. Some participants showed their passion when waking up to distribute their products to various companies and market their products. The respondents presented a willingness to answer the questions and provided their knowledge, ideas, and perceptions of the topic at hand. The information provided was very helpful in the compilation of this study.

In addition, the qualitative method minimizes the chances of losing data, and respondents in quantitative research often overlook questions that appear ambiguous, particularly when a close-ended questionnaire is employed. In qualitative research, data is gathered until a saturation point is reached. If a participant cannot comprehend a specific question, the researcher can provide clarifications or ask the question in an alternative manner. In

essence, while information is typically acquired in naturalistic settings and is responsive to local circumstances, situations, and partners' requirements, qualitative research methods can determine how participants understand constructs (for example, confidence and IQ) (Johnson and Onwuegbuzie, 2004, p. 10)

### ***3.5.3 Weaknesses of Qualitative***

There's is a challenge in maintaining participants' privacy since anonymity is one of the ethical research principles. Informants' identities must be kept private because they need to feel comfortable sharing information. Each participant was given a consent form to sign, which kept their information anonymous and made them talk freely without fear. One of the numerous functions of the anonymity principle is to allow respondents to freely submit data, knowing that their identity would be kept private (Mwita, 2022, p. 6). As a result, it protects respondents from danger if sensitive information is shared. This may be difficult in qualitative research because the researcher interacts directly with respondents during data collection. While respondents' identities and information are always protected, some may feel apprehensive about submitting information to the researcher (Hern et al., 2019, p.112).

Data collection may become more challenging and unpredictable when using qualitative research methods (Mwita, 2022, p.8). This might be because researchers typically end up with bulk data from qualitative data collection techniques like focus groups, in-depth interviews, open-ended questionnaires, and documentary reviews. Since the researcher must review the gathered data and keep only the pertinent information, data analysis can be challenging and complex (Vasileiou et al., 2018). The researcher filtered the data by selecting significant concepts relevant to the study's objectives.

### **3.6 DATA COLLECTION METHOD**

According to Muhammad (2016), data collection entails the methodical collection and depth of information based on variables of concern to test hypotheses, research questions, and data analysis. Additionally, any data collection plan intends to save high-quality data that can be processed into a comprehensive data analysis and used to deliver an accurate and convincing response to the questions posed (Muhammad, 2016). Due to the limited sample

size, interpretative studies, semi-structured interviews, and document analysis were the main methods used by the researcher to collect information from the participants.

In this study, interviews were conducted utilizing an interview guide and a focus group discussion guide. Semi-structured interview questions enabled a thorough analysis of the data in the guide. Consequently, a recording device was used to record the interviews. The main participants in qualitative interviewing were engaged in a flexible manner. This means that the researcher was open to accommodating their concerns regarding meeting places, communication, and probing questions to the extent that these did not interfere with the research goals. For instance, their demographic information was kept anonymous, and they could talk freely without fear of being judged or discriminated for their concerns.

The information gathered during these interviews supported or built a fresh understanding of the phenomenon. A notepad and pen were used as auxiliary instruments to collect the data. According to Mitchell and Joley (2007), semi-structured interviews remove interviewer bias because respondents are not required to react according to predetermined guidelines.

### **3.7 RESEARCH PROCESS**

#### **3.7.1 Semi-structured Interviews**

According to Barrett and Twycross (2018), the interview is the most prevalent method for collecting data in qualitative research. To collect data, the researcher (interviewer) and participant (interviewee) engage in conversations. Interviews can be conducted in person or online, utilizing tools such as phones and video conferencing.

The researcher developed an interview guide with the list of questions and conducted an open-ended interview with the research participants. The interview guide consisted of three (3) sections with questions for entrepreneurs and government officials. Section A consisted of the demographic information of the participants such as age, gender, ethnicity, and type of business. Section A also had questions for entrepreneurs and focus groups with the aim of identifying and assessing the challenges of young entrepreneurship in poorly resourced areas. Section B consisted of questions for government officials and entrepreneurs with the aim of assessing the role of the government and other sector in

establishing innovative approaches to growing youth entrepreneurship in Raymond Mhlaba Local Municipality. The last section had questions for both government officials and entrepreneurs with the aim of drawing out recommendations and innovative solutions the municipality can focus on to improve youth entrepreneurship in poorly resourced areas.

Semi-structured interviews, according to Baxter and Babbie (2004: 329), present several questions that act as a framework for the interviews, with the interviewer free to probe the participant for more explanation of the provided answers. Additionally, interviewees are permitted to share any opinions they feel are crucial, hence participants are motivated to further explain and even take the conversation in an unintended direction.

### **3.7.2 Focus group discussion**

Schurink and Schurink (2003:2) define focus groups as "purposive discussions of a topic or related topics taking place between nine and twelve people with similar backgrounds and common interests". A focus group is a controlled group that a researcher forms to collect information through discussions. As the group's discussion facilitator, the researcher often decides what needs to be discussed and who gets to talk (Mwita, 2022). Effective facilitation abilities are required to guarantee that group members actively participate in the approach and manage those responders who tend to dominate discussions (Mwita, 2022).

Thus, the researcher conducted focus groups discussions, and the interview focus groups were divided into two (2) groups for two days; one group consisted of 15 entrepreneurs between the ages of 18-35 years, and the interview was successfully conducted on the following day in the afternoon the researcher conducted a focus group interview, and it consisted of five (5) ward committee members within the ages of 35-41 years, because of their experience in working with the youth entrepreneurs. However, the researcher had a challenge of getting respondents together to perform the interviews. Therefore, the researcher used different focus group discussions to gain information relating to how participants think about innovative approaches the local municipality has put in place for growing youth entrepreneurship in Raymond Mhlaba Local Municipality (RMLM). The focus groups were also used to get perceptions and experiences participants regarding,

innovative approaches the local municipality has put in place for growing youth entrepreneurship in Raymond Mhlaba Local Municipality (RMLM).

### **3.8 POPULATION AND SAMPLING**

Moule and Goodman (2016) assert that a population target is a collection of individuals, records, occasions, or specimens about whom or for which the researcher seeks to collect information or data (Moule and Goodman, 2016).

This study targeted small businesses and youth from Raymond Mhlaba Local Municipality. Research participants were selected for this study from the following: LED Directorate (n=1); National Economic and Development Authority (NEDA) officers (n=2); Nkonkobe Business Support Centre (NBSC) officials (n=2); and focus groups were made up of entrepreneurs and ward committee members; entrepreneurs (15) consisting of young adults/youth between the ages of 18-35 years and ward committee members (5) were between the ages of 31-41 years (n=20). However, each of these participants contributed towards growing youth entrepreneurship in poorly resourced areas.

Sampling is one of the most crucial factors to consider when conducting research. The term "sample" refers to the number of participants in the study (McCombes, 2019). Purposive sampling was used by the researcher to choose a sample of this study to acquire pertinent information since it is a qualitative study and will not employ a random sampling approach. A sample is a part of a population that is representative and is investigated to improve knowledge of the population from which it was drawn, or when there's not enough time to study a big population. However, the researcher chose the sample size using government and local municipality databases that was provided, and the researcher selected the sample size from those who meet the criteria to achieve the goals of the study.

Purposive sampling was employed in this study because the interest was on a specific group of people in this case, community members, especially young people. Hence, the researcher chose a sample of youth entrepreneurs between the ages of 18-35. Through a purposeful sample, it is more possible to learn the opinions of the targeted group. To collect the required data, face-to-face interviews and focus groups were held with participants, especially the LED directorate and entrepreneurs. The sample consisted of twenty-five (25)

respondents, all of whom were youth between the ages of 18 and 35. This age group was selected as it represents a key demographic relevant to the focus of the study. All participants demonstrated the ability to comprehend, understand, and engage meaningfully with the questions posed and the discussions held during the data collection process. Their cognitive and communicative abilities ensured the reliability and validity of the responses provided. Table 1 below shows the classification of the twenty-five (25) respondents who participated in the study:

Table 1: Study Sample

| Category                  | Number | Method of data collection |
|---------------------------|--------|---------------------------|
| Entrepreneurs (Age 18-35) | 15     | Focus Groups              |
| Ward committee members    | 5      | Focus Groups              |
| NEDA officers             | 2      | Face-to-face interviews   |
| NBSC officials            | 2      | Face-to-face interviews   |
| LED Directorate           | 1      | Face-to-face interview    |

The sample size of this research study offered valuable insights that assisted the researcher to find strategies to growing youth entrepreneurship in poorly resourced areas in Raymond Mhlaba Municipality, N=25.

### 3.9 TRUSTWORTHINESS AND RIGOUR

In qualitative research, the concepts of trustworthiness and rigour are essential in ensuring that the findings are credible, consistent, and applicable. Unlike quantitative research, which prioritises validity and reliability, qualitative inquiry is evaluated through the principles of credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). As Leedy and Ormrod (2016:288) explain, rigour entails the application of meticulous, transparent, and systematic procedures in data collection, documentation, and analysis to enhance the accuracy and depth of the study.

To establish credibility, this study utilised semi-structured interviews guided by a carefully designed interview schedule. This approach ensured consistency across participants while allowing flexibility to explore emerging themes in greater depth. The use of member checking further strengthened credibility by allowing participants to review and verify the interpretations of their responses, thereby reducing the likelihood of researcher misrepresentation. Transferability was achieved by providing thick, contextual descriptions of the research setting, participant demographics, and data collection processes. These detailed accounts enable readers to assess the extent to which the findings may be applicable to other settings or populations with similar characteristics.

In terms of dependability, the study maintained a comprehensive audit trail documenting all phases of the research process. This included records of methodological decisions, interview protocols, data analysis steps, and emerging interpretations. Such documentation enhances the transparency and repeatability of the research process, ensuring that similar results can be obtained under comparable conditions.

To promote confirmability, strategies such as reflexive journaling and triangulation were employed. The researcher actively engaged in self-reflection throughout the data collection and analysis processes to identify and mitigate potential biases. Furthermore, direct quotations from participants were used to support key themes, ensuring that findings were grounded in the data rather than in researcher assumptions.

Additionally, the use of an interview guide contributed to procedural consistency and improved the dependability of the data collection process. A copy of the research findings was made available to participants upon request, and a summary of the results was shared with those involved, further reinforcing the ethical commitment to transparency and participant engagement. By applying these principles of trustworthiness, the study demonstrates methodological rigour and contributes credible and meaningful insights to the body of qualitative research.

### **3.10 DATA ANALYSIS**

This section introduces a comprehensive review of the study's participants' viewpoints, including Raymond Mhlaba business owners and local government representatives who serve as the study's local community representatives. In this study, thematic analysis was used to analyze the data collected. According to Boyatzis (1998), the method used for

finding, studying, and analysing patterns or themes in data is called thematic analysis. It merely arranges and provides detailed descriptions of the data, but often it goes beyond this, interpreting different facets of the research questions (Boyatzis, 1998). Therefore, research findings are examined according to themes found in the participants' responses and analyzed following the research questions. The researcher used a tape recording and field notes during interviews.

Therefore, the recorded information was transformed into words and presented in a Word document, and the notes also complimented the recordings as some of the information was not well captured in the recording to analyze the data. The researcher categorized the data into themes, analyzed the thematic patterns, and presented the study's results using main themes. The analyzed information helped identify innovative approaches to growing youth entrepreneurship in poorly resourced areas and pertinent challenges.

### **3.11 ETHICAL CONSIDERATIONS**

The researcher obtained the ethical clearance letter from the University of Fort Hare's Inter-Faculty Research Ethics Committee (IFREC)(NZE011SHAN01). The researcher sent a letter to the gatekeepers for permission to collect data. The study's confidentiality policy was made known to every participant in the research. The participants signed a confidentiality agreement; before participating in the study, participants were required to sign a consent form. Participants were not asked for personal information, and all data was handled with the highest confidentiality. The study's objective was explained to them, and they were offered the choice to participate and to withdraw at any given time if they feel like doing so or uncomfortable.

The names of the participants remain anonymous. Authors' record works were used with due credit to the authors. Respondents' names and job titles remained anonymous. The researcher kept all responses confidential and did not divulge the data acquired to anybody else. The report will be available to research participants upon request when the study has come to an end.

### **3.12 DELIMITATION OF THE STUDY**

Except for the Eastern Cape (EC) province, no other provinces in South Africa were included in the study because of resources and time constraints; the research focused on Raymond Mhlaba Local Municipality from the entire Amathole district. The research required a small sample, so the study used a sample of 25 individuals. In qualitative research, small samples collect rich and insightful data. The study did not use quantitative research methods because the researcher was more concerned about the experiences and opinions of the participants regarding the difficulties young entrepreneurs face in expanding their businesses and improving the economy in Raymond Mhlaba Local Municipality.

### **3.13 LIMITATIONS OF RESEARCH TECHNIQUES AND METHODS**

In alignment with the outcome-based approach proposed by Wotela (2017), which emphasizes transparency and coherence in linking research strategy, design, procedure, and methods, this study acknowledges several methodological limitations that may have influenced the interpretation and applicability of the findings.

Firstly, the use of a qualitative research design and purposive sampling enabled the researcher to gather in-depth data from a targeted group of twenty-five (25) young entrepreneurs within the Raymond Mhlaba Municipality. While this sampling method facilitated rich, context-specific insights (Creswell & Poth, 2018), it inherently limits the generalizability of findings to a broader population. Furthermore, purposive sampling can introduce selection bias, as the inclusion of participants was based on the researcher's judgment regarding their relevance and accessibility (Palinkas et al., 2015).

Secondly, the primary method of data collection semi-structured interviews proved effective in eliciting detailed narratives and personal experiences. However, such techniques are prone to response biases, including social desirability bias, where participants may tailor their answers to align with perceived expectations (Patton, 2015). Additionally, the interpersonal dynamics between the researcher and participants, as well as the researcher's positionality, may have subtly influenced the nature and tone of responses (Berger, 2015). Logistical challenges also emerged during the fieldwork process. Some interviews were constrained by limited availability of participants, while others were affected by language barriers, requiring clarification or translation that may have compromised the semantic integrity of responses (Temple & Young, 2004). These factors potentially affected the depth and consistency of data collected across participants.

The data analysis process, guided by thematic analysis, was interpretive in nature and conducted solely by the researcher. While efforts were made to ensure analytical rigour through systematic coding and the use of reflective memos, researcher subjectivity cannot be entirely ruled out (Nowell et al., 2017). As Wotela (2017) argues, outcome-based research demands reflexivity, and as such, the possibility of interpretive bias in the categorization and interpretation of themes must be acknowledged.

Despite these limitations, the chosen methods were appropriate for the exploratory nature of the study and allowed for the collection of meaningful and relevant data. However, future research may benefit from triangulating data sources, expanding sample sizes, or adopting mixed methods approaches to enhance the robustness and credibility of findings (Creswell & Plano Clark, 2018).

### **Chapter Summary**

The chapter presented the research methodology that was followed to address the study's research questions. The qualitative method enabled the researcher to collect as much information as possible for the study through in-person interviews and focus group discussions. The study benefited from a non-probability sampling strategy since it decreased biases, was more cost-effective, and saved time. The participants' perspectives, thoughts, facts, and life experiences on youth entrepreneurship addressed the research questions and significantly contributed to the findings. The chapter discussed the target population as well together with the sampling technique utilized for this study. The fundamental goal of this research was to identify an innovative way to promote young entrepreneurship in Raymond Mhlaba Local Municipality (RMLM). The researcher achieved the study's objectives using the approach offered. The following chapter presents the results and data analysis.

## **CHAPTER 4: PRESENTATION OF EMPIRICAL RESEARCH RESULTS**

### **4.1 Introduction**

This chapter presents and discusses the findings of this study. One of the objectives of creating a research instrument is to ensure that it is linked to the investigation's research inquiries and that responses are given after the inquiries. The objectives should outline what needs to be done, the goal that can be estimated and achieved, and be realistic enough for the researcher to envision achieving it. The study's objectives are:

1. To examine theoretical and conceptual foundations underpinning youth entrepreneurship development in poorly resourced areas in South Africa.
2. To critically assess the role of the governments and other sectors in establishing innovative approaches to growing youth entrepreneurship globally.
3. To identify and assess strategies and challenges of young entrepreneurs in poorly resourced areas in South Africa and finally.
4. To draw up recommendations and innovative solutions, the municipality can focus on to improve youth entrepreneurship in poorly resourced areas in South Africa.

Objectives two and three were achieved through primary data gathering during the fieldwork. While objective one was largely achieved through secondary data collection, objective four was based on both fieldwork and secondary data information. The findings from the field data are the opinions and views of the research participants in response to the questions they were asked in the research areas. These views and opinions are based on their experiences and observations and are compared to existing data and literature.

### **4.2 Demographic Information of the Research Participants**

This section aims to gather background information from participants so that the government and other sectors can evaluate their role in developing creative strategies to increase youth entrepreneurship in Raymond Mhlaba Local Municipality in the Eastern Cape Province. Therefore, all 25 of the participants who were targeted as participants for the focus groups and face-to-face interviews expressed their opinions freely and expressed their enthusiasm for participating in the research study.

Table 2: The participants' profiles and biographical data

| <b>Method</b> | <b>Participant</b> | <b>Age</b> | <b>Gender</b> | <b>Ethnicity</b> | <b>Type of Business</b> |
|---------------|--------------------|------------|---------------|------------------|-------------------------|
| Interviews    | Participant 1      | 31-40      | Male          | Black            | Local Government        |
|               | Participant 2      | 41-50      | Male          | Black            | NBSC Officer            |
|               | Participant 3      | 31-40      | Male          | Black            | NBSC Officer            |
|               | Participant 4      | 31-40      | Female        | Black            | NEDA Official           |
|               | Participant 5      | 41-50      | Female        | Black            | NEDA Officer            |
| Focus groups  | Participant 8      | 21-30      | Male          | Black            | Ward Committee member   |
|               | Participant 9      | 31-40      | Male          | Black            | Ward Committee member   |
|               | Participant 10     | 31-40      | Male          | Black            | Ward Committee member   |
|               | Participant 11     | 21-30      | Male          | Black            | Ward Committee member   |
|               | Participant 12     | 31-40      | Male          | Black            | Ward Committee member   |
|               | Participant 13     | 41-50      | Male          | Black            | Construction            |
|               | Participant 14     | 21-30      | Female        | Black            | Catering                |
|               | Participant 15     | 31-40      | Female        | Black            | Accommodation (B&B)     |
|               | Participant 16     | 31-40      | Male          | Black            | Transportation          |
|               | Participant 17     | 21-30      | Female        | Black            | Supply                  |
|               | Participant 18     | 21-30      | Male          | Black            | Construction            |
|               | Participant 19     | 31-40      | Male          | Black            | Manufacturing           |
|               | Participant 20     | 31-40      | Male          | Black            | ICT equipment           |
|               | Participant 21     | 21-30      | Male          | Colored          | Construction            |
|               | Participant 22     | 31-40      | Male          | Female           | Supply                  |
|               | Participant 23     | 41-50      | Female        | Black            | Catering                |
|               | Participant 24     | 21-30      | Male          | Black            | Automotive (Repairs)    |
|               | Participant 25     | 31-40      | Male          | Black            | Construction            |

Source: Computer printout of a table created using the data and findings from this research.

Table 1 presents the demographic information of the study participants, including age groups, gender, ethnicity, and type of business. The people who participated in the study were a total number of twenty-five (25); five (5) were members of ward committees, two (2) were from Nkonkobe Business Support Centre (NBSC) offices, two (2) were from National Economic and Development Authority (NEDA) organization, and one (1) worked in the LED department at RMLM in the Eastern Cape Province of South Africa and lastly fifteen (15) of the participants were entrepreneurs from Raymond Mhlaba Local Municipality. The research participants comprised seven (7) females and eighteen (18) males; the focus group interviews comprised two (2) coloured entrepreneurs, and the remaining were all from the black population. In addition, the results presented on Table 2 show that the study's participants were mainly youth entrepreneurs.

### **4.3 Responses to Questions and participant's Opinions**

The study concentrated on the questions posed to the participants to identify themes and subthemes after going over each participant's demographics. The following questions were asked:

**Objective 1: Identifying and assessing strategies and challenges of young entrepreneurs.**

#### **Theme 1 Limited access to funding**

The results from the interviews conducted among the participants in Raymond Mhlaba Local Municipality regard identifying and assessing the strategies and challenges young entrepreneurs face in their businesses, show that their common challenge is limited access to funding. All participants indicated that this has brought massive constraints, hindrances, and frustration to their businesses; subsequently, cash flow is affected, thus resulting in consumer dissatisfaction. The following were the entrepreneur's responses:

*'Raising capital must have been the greatest challenge and securing financial support from various institutions entrusted with the responsibility. As entrepreneurs, it is hard for us to obtain funding from these institutions because the application process is too long, and sometimes these institutions are not assisting us in securing these programs, because some of us cannot even draw up business plans as it is one of the requirements for funding. The municipality is trying to make us aware of the available entrepreneur*

*funding, but we have limited access to them'. [Construction Entrepreneur, 17/10/2023]*

In support of this, access to financing has been identified as one of the key barriers to an enterprise's development by Mazanai and Fatoki (2011:212), Herrington et al. (2009), and Maas and Herrington (2008). Poor or absent of credit histories make it difficult for young people to attain financial support, especially from mainstream financial institutions. According to Erdogan (2019), the banks consider financial performance more credible than projected sales and future performance outlook. In essence, lack of funds is the greatest challenge that young entrepreneurs face (Llisterri, Kantis, Angelelli & Tejerina, 2006).

Mutoko et al. (2017) single out the lack of access to external finance as the major challenge and prevents entrepreneurs from pursuing business opportunities. As a result, the most significant barrier has been identified as access to external financial services, which directly impacts the firm's growth and sustainability (De Prijcker et al. 2019). Thus, the entrepreneur's inability to access external financing harms the country's production (Erdogan 2019). According to Bowmaker-Falconer and Herrington (2020), entrepreneurs are the primary job producers in many nations and contribute to social cohesiveness within local communities.

South African society has a historical, economic, and social character that requires entrepreneurship's contribution to reducing unemployment and creating social cohesion. Entrepreneurs outperform large enterprises regarding job creation (Rao et al. 2021).

## **Theme 2 Market Access due to poor infrastructure and Load shedding**

The results from the data collected through focus groups from local entrepreneurs revealed that markets for entrepreneurs are inaccessible. Consequently, this is due to poor road maintenance and the escalated load-shedding stages.

*'Poor infrastructure in our municipality has been a major challenge for decades, which leads us to not being able to access our consumers fully; the main issue is the under-maintained roads because you will find big potholes and flooding roads when it is raining'. (Supply entrepreneur, 17/10/2023)*

*'In addition, as entrepreneurs, our everyday operations are disrupted by load shedding; when there are power outages, production-related machinery and equipment become less productive because they cannot operate. As a result, our businesses are compelled to work fewer hours daily, lowering output and revenue generation'. (Catering entrepreneur, 17/10/2023)*

From the responses provided above, it is revealed many South African entrepreneurs confront survival-threatening challenges such as a lack of market access. This is in line with the findings of Mutoko et al. (2017). According to the literature, inadequate electricity supply impacts residents' living conditions, the economy, social life, sustainable development, productivity, and poverty reduction (Emovon et al., 2018; Gehringer et al., 2019). Despite this, research indicates that most developing countries, notably those in sub-Saharan Africa, including South Africa, are unable to provide sustainable energy. This is demonstrated by the deployment of continuous load-shedding (Amadi, 2015; Boakye et al., 2016; Schoeman & Saunders, 2018).

Load shedding is a last resort to keep the electricity infrastructure from collapsing across the country. When there is insufficient power station capacity to meet the demand (load) from all consumers, the electricity system becomes unbalanced, causing it to trip out across the country (a blackout) and this can take days to restore. When power is insufficient, Eskom can either increase supply or decrease demand to restore system balance (Ateba et al., 2019). The main causes of load-shedding in South Africa are linked to the breakdowns in the main power plants such as unplanned cuts of the conveyor belts, which often lead to breaking turbines (Head, 2019).

The study revealed that inaccessibility to markets is mainly caused by poorly maintained infrastructures, this is really deterring entrepreneurs from accessing their target consumers. Furthermore, load shedding severely disrupts business operations because it prevents you from reaching out to your customers, losing the network, and preventing you from connecting to social media for bookings, tender boards, advertisements, emails, and requisitions. It also makes it impossible to attend in-person or virtually for meetings.

**Objective 2: Assessing the government's role in establishing innovative approaches to growing youth entrepreneurship.**

**Theme 1 Promotion of developmental support through Raymond Mhlaba Development Agency (RMDA)**

The findings from the interviews conducted among the participants in Raymond Mhlaba Local Municipality regarding the government's role in establishing innovative approaches to growing youth entrepreneurship in the municipality show that the government has been establishing various constructive approaches together with other stakeholders to grow youth entrepreneurship in RMLM. The following were the LED representative responses.

*'Our Municipality year on year arranges different government programs to encourage young entrepreneurs to grow their businesses. The establishment of Raymond Mhlaba Development Agency serves as one of the anchors for youth development support, especially when it comes to business support' (Local Government official, 18/10/2023).*

*'In addition, our municipality hosts a youth event every year, inviting guest speakers to motivate young entrepreneurs to continue with their businesses to counter the poverty and unemployment challenges within the municipality and how to access funding for their businesses to expand. Local governments are not directly responsible for producing jobs. It is responsible for actively ensuring that the community's overall economic and social conditions are conducive to establishing job opportunities' (Local Government official, October 18, 2023).*

The youth from various locations in RMLM, including surrounding villages, appeared to attend the Imbizo programs, especially those interested in business and independence. Thus, the incubator Centre at Lovedale College, where branding and business plans are designed to assist young, growing entrepreneurs, will be established. The business plans are then forwarded to the attention of ECDC, DEDEAT, and SEDA and categorized accordingly. Those interested in domestic businesses such as poultry, piggery, and agricultural farming are grouped according to their needs, and a database is created. However, the center supports young entrepreneurs with empowerment programs such as leadership and give them with certificates of competence.

The researcher also discovered that the NEDA assists with applications for entrepreneurship legitimacy and aids in the development of proposals for funding. Furthermore, these institutions advise those who are registered to submit their information so that it can be captured on other governmental departmental databases.

In South Africa, local governments are mandated by the Constitution to foster economic growth, or local economic development (LED), in the areas under their purview. Given the increased emphasis on LED, the government is mandated to identifying desirable development areas and directly fostering local business opportunities and activities through entrepreneurship (Urban, 2015 & Nkhumishe, 2019). Consolidating entrepreneurship within local government (LG) has proven to be more difficult (Meynhardt & Diefenbach, 2012). In support of this, CALED (2020), indicated that there are three ways to accomplish economic development: boosting already-existing businesses, drawing in new ones, and promoting the expansion of newly established businesses. Accordingly, local government is crucial in stimulating entrepreneurship to resolve South Africa's unemployment issue.

These interventions are instrumental in addressing the economic growth of the Municipality. Also, it helps in the capacitation process of young entrepreneurs in improving their businesses and creating opportunities for growth and development. Moreover, the disparities affecting youth, such as unemployment and youth development, are addressed. Other than that, the service delivery process that impacts citizens' lives, which includes community participation, is met at the grassroots level. To support restorative justice, economic advancement, and poverty reduction, the Department of Economic Development, Environment Affairs, and Tourism (DEDEAT) in partnership with Raymond Mhlaba LED department is addressing the enrolment of the Isiqalo Youth Fund (RMLM IDP 2022/2027).

The Raymond Mhlaba Municipality has explored these funding opportunities by assisting entrepreneurs in developing their business plans for funding. As a result, the Department of Trade and Industry, Eastern Cape Development Cooperation, SEDA, and DEDEAT have funding for entrepreneurship growth. The municipality is working hand in hand with Raymond Mhlaba Economic Development Agency (RMEDA) to register new businesses (RMLM IDP 2022/2027).

- **Incubator Programs (Training and Workshops)**

The findings from the interviews conducted among the participants revealed that the government has established incubator programs such as training and workshops to assist young entrepreneurs in RMLM.

*'The Raymond Mhlaba municipality has set out programs where entrepreneurs get upskilled in bookkeeping, time management, and financial support through funding institutions. In addition, the training and workshops are an eye opener for entrepreneurs to know that in business, you have competition, and you always must be on top of your game, that is, doing your work to the best of your ability and going the extra mile' (Local Government official, 18/10/2023).*

*'The Municipality has established the incubator Centre at Lovedale College. Workshops for entrepreneurs are held there, and the center is designed to assist young entrepreneurs in upgrading their skills. For instance, they are assisted on how to do branding, design business plans, and apply for funding to grow their businesses further'. (Local Government Official, 18/10/2023)*

*'We are aware that several entrepreneurs are registered in the RMLM database. Unfortunately, not all registered companies can be selected for tenders. However, they receive enormous support from our organization by advertising their products so that they may be able to reach potential clients and investors from various big companies'. (NEDA official, 18/10/2023)*

The researcher discovered that not all entrepreneurs were able to access these programs because some were not aware of the centre and some could not access the centre due to transport challenges. Though, some entrepreneurs are aware of an incubator centre situated at Lovedale College, they do not fully utilize the services that the centre provides.

Raymond Mhlaba is currently in the process of implementing the Local Economic Development Strategy, which involves the local municipality in decision making. In the face of historically high unemployment and widespread poverty, Local Economic Development (LED) has emerged as a crucial policy goal in South Africa and specifically for the Eastern Cape province. LED is a novel policy instrument for the government to create a more

inclusive society and economy, raise the number of individuals engaged in sustainable economic activity, and actively reduce levels of reliance, poverty, and exclusion.

Cooperatives in Raymond Mhlaba are predominantly black-owned and administered by elderly people with very minimal skills. The legacy persists, rendering cooperatives unsustainable, regardless of their skill level. Most cooperatives and group firms are founded by unemployed individuals, often with little technical skill expertise and no prior business experience in economically marginal locations, which severely reduces their prospects of success. Although it has been reported that these incubators are assisting young entrepreneurs, it would be commendable if the information can reach all the relevant young people so that they will be well-equipped with the necessary skills and resources. This will ensure the growth youth entrepreneurship in poorly resourced areas.

### **Theme 3: Measures to improve and encourage youth entrepreneurship in poorly resourced areas in RMLM.**

- **Youth Imbizo (LED programs)**

The section provides the findings from the interviews conducted among the participants in Raymond Mhlaba Local Municipality regarding measures to improve youth entrepreneurship in poorly resources areas. Research participants indicated that the government makes sure that every year there is youth imbizo, where people can raise their concerns and complaints in RMLM. The following were the LED representative responses:

*‘The municipality utilizes youth imbizo and inviting youth organizations as one of the measures to improve and encourage youth entrepreneurship in Raymond Mhlaba because that is where they will discuss the year’s budget and youth raising their concerns. In addition, the municipality currently organizes the program but does not make decisions for young people; it lets the youth discuss and have a way forward in making good decisions’ (Local Government official, 17/10/2023).*

The researcher discovered that the RMLM has limited measures to improve and encourage youth entrepreneurship besides existing programs such as the youth imbizo and the incubator situated in difficult areas to access. Thus, Chapter 4 of the Local Government: Municipal Systems Act 32 of 2000 (as amended) illustrates that each municipality must

establish a culture promoting inclusivity and participation amongst its citizens. In Raymond Mhlaba, public participation is used to foster participatory governance. Public participation is organized through public participation Programs (Outreaches/Roadshows), Imbizo, Ward Committee Meetings, IDP Representative Forums, IDP Cluster Meetings, and Sector Forums. To ensure a representation of the many organizations within our municipal area, the municipality uses the following approach: publicize the notices local in newspapers such as the Daily Dispatch in English and isiXhosa, as well as on the municipal website.

- **Working together with youth organisations for funding**

The results from the interviews conducted among the participants in Raymond Mhlaba Local Municipality regarding measures to improve youth entrepreneurship in poorly resources areas are presented below.

*‘The RMLM has been working hand in hand with various organizations for funding purposes, such as SEDA and NEDA, to assist the growth of entrepreneurs within the Municipality. In addition, the municipality has an incubator centre that assists youth entrepreneurs in developing business plans and submitting them to DEDEAT and ECDC for funding. The centre is there to assist youth entrepreneurs in marketing their businesses by creating advertising media platforms’ (Local government official, 18/10/2023).*

*‘The municipality has developed the LED forum so that all stakeholders can participate in local economic development concerns in the area. The LED forum includes all important stakeholders in the community, including businesses, economic, social, and environmental sectors, sector departments, and state entities such as NEDA, local businesses, NGOs, and labor. A long-term and common vision of how to develop and drive a strong and inclusive local economy to provide job opportunities and reduce poverty’ (Local government official, 18/10/2023).*

The researcher noted that though the municipality is working with other organizations, they have limited networking, which limits funding opportunities for youth entrepreneurs. Moreover, collaborations with financial institutions and continuous monitoring can address the evolving financial needs of young entrepreneurs. In support to enhance the effectiveness, financial viability, and stability, the Department of Trade and Industry,

Eastern Cape Development Corporation, SEDA, and DEDEAT have funding for youth entrepreneurship development. The municipality has explored these funding opportunities by assisting entrepreneurs in developing their business plans for funding (RMLM IDP,2022/23).

Furthermore, auditing entrepreneurship is critical for ensuring that the municipality has statistical data on entrepreneurship. As a result, building an entrepreneurship strategy remains a top priority for long-term ventures. For the current fiscal year, the municipality has planned to perform a baseline survey of all enterprises. This will provide a framework for developing an entrepreneurship strategy. The municipality is working hand in hand with NEDA to register new entrepreneurs (RMLM IDP,2022/23).

**Theme 4: Recommendations and innovative solutions the Municipality can focus on improving youth entrepreneurship in poorly resourced areas in RMLM.**

- **ICT Technical Support & Advisory services**

The section provides results from the interviews conducted among the participants in Raymond Mhlaba Local Municipality regarding the recommendation and innovative solutions that the municipality can focus on to improve youth entrepreneurship in poorly resourced areas in RMLM. Research participants highlighted that the municipality could focus on providing technical support to youth entrepreneurship and advisory programs to assist young entrepreneurs in RMLM.

*'Using technology and innovative resources will best serve to foster the protection of youth development in business. In addition, if we want to give our youth a constructive reason to exist and avoid all social evils that threaten to wipe out our future leaders, we must embrace technology. ICTs are a weapon for combating the triple challenges of poverty, unemployment, and inequality, increasing entrepreneurship, and changing the socioeconomic face of nations' (NBSC official, 18/10/2023).*

*'The municipality should consider digital access initiatives because it strives to bridge the digital divide by providing affordable internet connectivity and access to technology for underserved local communities' (ICT entrepreneur, 17/10/2023).*

*'Our municipality must have digital innovation programs that aim to foster creativity and innovation by providing resources and skills to develop and implement digital solutions to challenges that we face as entrepreneurs' (Supply entrepreneur, 17/10/2023)*

This is reinforced by the Groupe Speciale Mobile Association (GSMA,2020), which demonstrates how rapid technological advancements alter the workplace, creating opportunities and problems. With the COVID-19 epidemic, businesses worldwide have had to accelerate digitization and restructure how they operate and engage with the rest of the economy (GSMA 2020). Young people in Africa use technology to find work. Further, they need to improve their education, gain access to financial services, and start their own businesses. Youth access to technology drives various favorable socioeconomic benefits, including civic inclusion, a technologically literate labor force, new job, and entrepreneurship opportunities, boosting developing sectors, and lowering youth unemployment.

Existing research on digital entrepreneurship revealed that Africans have embraced digital marketing platforms such as Facebook and Instagram to build up virtual stores, take orders, and expand their networks. According to a survey conducted in Kenya, 92% of entrepreneurs who utilize digital tools rely on personal consumer apps such as WhatsApp to do critical business operations (FiDA and Caribou Data, 2020). Many consultation participants noted that internet platforms are increasingly used by self-employed youth entrepreneurs in addition to providing gig labor. Technologies and social media platforms are more important for business growth and market expansion.

- **Learnerships**

Regarding the recommendation and innovative solutions that the Raymond Mhlaba Local Municipality can focus on to improve youth entrepreneurship in poorly resourced areas in RMLM, research participants also highlighted that the municipality could focus on providing leadership programs to support youth entrepreneurship in RMLM.

*'Leadership skills for entrepreneurs are one of the most important aspects that the municipality should focus on because it assists them in managing their businesses with confidence and learnerships also assist entrepreneurs in adding to their body of knowledge and encouraging them to learn more about entrepreneurship' (Manufacturing entrepreneur 17/10/2023).*

*'The municipality should have more programs like these to uplift the skills of entrepreneurs and it will assist the economic development of the municipality' (Supply entrepreneur, 17/10/2023).*

*'Learnerships would assist us as entrepreneurs in getting exposure in line with our businesses in terms of acquiring skills on how to enhance and manage our businesses. We would like the municipality to consider bringing programs like these so that we can be well equipped, (Construction, 17/10/2023).*

The researcher discovered from the focus groups that learnerships would assist young entrepreneurs to develop their skills and gain exposure in terms of marketing their businesses. Additionally, the provision of leadership assists entrepreneurs to expand their knowledge base and having a better understanding of how to grow their businesses further, and this will result in job creation. In support of this, South Africa faces a unique dilemma: a high unemployment rate, particularly among young adults, and a shortage of experienced and qualified workers to fill some roles in various industries. This is where leadership comes into play, and firms can build the practical skills and theoretical understanding required to run their enterprises while dramatically changing the trajectory of youth unemployment (SABPP, 2021).

Learnership is a systematic work-based program that lasts 12-24 months and provides theoretical and practical on-the-job training in a specific occupation, such as engineering, insurance, or business process outsourcing. It leads to a registered qualification on the National Qualifications Framework (NQF) and is overseen by the appropriate Sector Education and Training Authorities (SETA). Learnerships are unique to South Africa and were implemented by the government to revolutionize skill development and education in the country.

- **Financial grants**

Financial grants were another innovative solution that was suggested by the participants. Research participants highlighted that the municipality could focus on sourcing or securing financial grant programs to support youth entrepreneurship in RMLM. The responses of the participants are presented below.

*'The municipality sometimes sources financial grants for entrepreneurs in RMLM, but the issue is that some of the entrepreneurs ignore such opportunities because these opportunities assist them in growing their businesses. However, the municipality should focus on making entrepreneurs aware of available financial grants, so that entrepreneurs can be able to start their businesses with capital. One of the recommendations is that the municipality should work hand in hand with other financial grant institutions in assisting entrepreneurs in growing their businesses' (Local Government Official, 18/10/2023).*

*'The municipality should focus on introducing youth funding programs that are crucial in offering financial support to aspiring young entrepreneurs. These programs should be developed in collaboration with financial institutions and provide affordable loans and grants, enabling youth to initiate and scale their ventures' (ward committee member, 17/10/2023).*

*'In addition, by facilitating access to financing, the municipality should assist young entrepreneurs to convert their ideas into sustainable businesses, thus contributing to job creation and economic growth' (ward committee member, 17/10/2023).*

The National Youth Development Agency (NYDA) is expected to be vital in delivering financial products and activities to young companies. In addition to the NYDA's assistance, all national, provincial, and municipal development financial institutions (DFIs) are urged to ensure that all their funding programs and products (i.e., enterprise and industrial development finance) are mainstream and benefit young businesses. However, although the list is not complete, the following are some of the DFIs involved: National Empowerment Fund (NEF), Industrial Development Corporation (IDC), Khula Enterprise Finance (Khula), South African Microfinance Apex Fund (Samaf), and Development Bank of Southern Africa.

Respondents indicated that the incubator center and NEDA offices provide comprehensive counsel to developing companies seeking funding from these supporting institutions.

New Venture Creation (NVC) is a program designed to promote entrepreneurial skills development in all areas of the economy, benefiting South Africans, including youth. The youth have profited from the progress made in implementing the new enterprise creation initiative. However, the program is sometimes hampered by minor issues and this negatively affecting the youth. Thus, the implementation of this program in all areas has yet to be completed; if this is accomplished, youth will benefit significantly.

#### **4.4 Objectives and Sub-themes emanated from the study.**

Table 2 below exhibits the study objectives and sub-themes used in analyzing and discussing the data obtained from the research participants. The analysis is established on a question-to-question basis.

Table 2: Objectives and Sub-themes emanated from the study

| <b>Objective</b>                                                                  | <b>Sub-theme</b>                                            | <b>Raised Issues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identifying and assessing strategies and challenges of young entrepreneurs</b> | -Access to funding                                          | The research participants raised that the greatest challenge they have faced is raising capital for their business and not receiving financial training from different institutions that are entrusted with responsibility.                                                                                                                                                                                                                                                                                            |
|                                                                                   | -Market access due to poor infrastructure and load-shedding | Participants also highlighted that another challenge that they encounter is poorly maintained infrastructures, that deter them from reaching their target consumers. In addition, load shedding causes a lot of disruption to business such as losing the network during load shedding, and failing to get access to clients, unable to connect to social media for advertisements, tender boards, bookings, emails to receive requisitions and unable able to attend the meeting either online (virtual) or physical. |
|                                                                                   | -Upgrading Marketing strategies                             | The participants asserted that the strategy they have put in is to upgrade their market by centralizing business, for instance, bringing the business to people instead of people coming to you and uploading your flyers or posters on social media.                                                                                                                                                                                                                                                                  |
|                                                                                   | -Self-funding                                               | The research participants raised that working around the pricing is one of the strategies to grow their businesses, e.g., by making small profit margins to make sure that there is continuity of supply and                                                                                                                                                                                                                                                                                                           |

|                                                                                                                                                   |                                                                                     |                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                   |                                                                                     | cash flow; this, therefore, means there is no way that the business could suffer.                                                                                                                                                  |
|                                                                                                                                                   | -Solar Investment                                                                   | The participants also asserted that to counter load-shedding issues, they must invest in procuring solar panels, to avoid losing money during loadshedding times                                                                   |
| <b>Assessing the government's role in establishing innovative approaches to growing youth entrepreneurship.</b>                                   | Promotion of developmental support through Raymond Mhlaba Development Agency (RMDA) | The participants pointed out that the government has provided business forums where all local development aspects and budgets are discussed.                                                                                       |
|                                                                                                                                                   | Incubator Programs (Training and Workshops)                                         | The participants highlighted that all youth-owned businesses are invited to this program to learn and get training on how to run their businesses and this program also provides skills to entrepreneurs.                          |
| <b>Measures to improve and encourage youth entrepreneurship in poorly resourced areas in RMLM.</b>                                                | -Youth Imbizo (LED programs)<br>-Technical Support and Advisory services.           | The participants highlighted that RMLM provides support by capacitating youth entrepreneurs, advising them on how to conduct a certain business, and ensuring that their skills meet the current time, especially with technology. |
|                                                                                                                                                   | -Working hand-in-hand with youth organizations for funding                          | Participants asserted that one of the measures to improve youth entrepreneurship is project aftercare, monitoring, and evaluation of funding, by working with these youth business funding organizations.                          |
| <b>Recommendations and innovative solutions the municipality can focus on improving youth entrepreneurship in poorly resourced areas in RMLM.</b> | -ICT<br>-Learnerships<br>-Financial grants                                          | Municipality should partner with all relevant stakeholders and have public dialogues where youth entrepreneurs are involved and come up with decisions to improve youth entrepreneurship.                                          |

Source: Computer printout of a table created using the data and findings from this research.

## Chapter Summary

This chapter successfully presented the study's findings, discussed the findings, and analyzed the data using themes and sub-themes derived from the substance of the data obtained from participants. The study's findings revealed that an innovative approach to growing youth entrepreneurship in poorly resourced areas is required. The approach must be effectively implemented when the need arises by combining all resources or place all resources under the control of a single entity to ensure adequate resource coordination and control. More crucially, the findings indicate that no practical innovative approach has been taken to increase youth entrepreneurship in RMLM. On this note, participants in this study proposed strategies to overcome some of the issues revealed in the study. In addition,

the chapter discussed all the research objectives and presents the results. The next chapter contains the study's conclusions and recommendations.

## CHAPTER 5: DISCUSSION OF RESEARCH FINDINGS

### 5.1 Introduction

Chapter 5 seeks to interpret and critically engage with the empirical findings presented in Chapter 4 by drawing on the theoretical foundations laid out in Chapter 2, with particular reference to Schumpeter's Theory of Creative Destruction and the Resource-Based Entrepreneurship Theory. The analysis reveals that entrepreneurial success within the studied context is strongly associated with the ability to innovate, challenge existing market norms, and introduce novel solutions, an observation that resonates with Schumpeter's (1942) argument that entrepreneurship is inherently disruptive, dismantling established structures to create space for economic renewal.

This process of "creative destruction" was evident in how some participants capitalised on inefficiencies within existing systems to establish more efficient or contextually relevant alternatives. Complementing this, the Resource-Based Entrepreneurship Theory provides an important micro-level perspective, emphasizing that sustained entrepreneurial performance is contingent upon the strategic identification, development, and deployment of internal resources, such as human capital, social networks, and locally embedded knowledge.

The empirical evidence suggests that those entrepreneurs who were able to leverage their resource base effectively often despite external constraints were more likely to adapt, scale, and sustain their ventures over time. Taken together, these theoretical frameworks offer a nuanced and multi-dimensional lens through which the findings can be understood, illustrating that entrepreneurship is not only about disrupting markets but also about strategically utilising available resources to generate and maintain a competitive advantage.

### 5.1 FINDINGS AND DISCUSSION

This part of the study discusses the findings of the themes derived from the study's sub-questions. These are arranged in the form of themes and sub-themes that arose from the research findings, which are as follows: Access to funding, Market Access due to poor infrastructure and load-shedding, Self-funding, Solar Investment, Promotion of developmental support through Raymond Mhlaba Development Agency (RMDA), Incubator

Programs (Training and Workshops). These discussions are based on the findings from qualitative data collected through interviews, which involved focus groups and face-to-face interviews. According to McMillan and Schumacher (1993:426), open-ended interview questions are used in qualitative research to collect data about participant meanings or how people interpret the significant events in their lives and understand their environment.

The interviews were carried out with one (1) representative from the Local government municipality in the Department of Local Economic Development (LED); two (2) officers from the Nkonkobe Business Support Centre (NBSC) and two (2) officials from the National Economic and Development Authority (NEDA), as they possess greater familiarity with the daily activities of Raymond Mhlaba Local Municipality (RMLM).

In addition, the researcher conducted focus group discussions, the interview focus groups were divided into two (2) groups for two days; one group consisted of 15 entrepreneurs between the ages of 18 and 35 years, and the interview was successfully conducted; on the following day in the afternoon the researcher conducted a focus group interview and it consisted five (5) ward committee members within the ages of 35-41 years. They were selected because of their experience in working with the youth entrepreneurs. However, the researcher had a challenge of getting respondents together to perform the interviews, therefore, the researcher used different focus group interviews to gain information relating participants' thoughts and perceptions as well as experiences in terms of innovative approaches the local municipality has put in place in growing youth entrepreneurship in Raymond Mhlaba Local Municipality (RMLM). The study focused on an innovative approach to growing youth entrepreneurship in poorly resourced areas in Raymond Mhlaba Local Municipality.

## **5.2 CHALLENGES FACING YOUNG ENTREPRENEURS AND THE STRATEGIES FOR COUNTERING THEM**

The data revealed that young entrepreneurs in the Raymond Mhlaba Municipality encounter a range of structural and systemic challenges that impede the sustainability and growth of their entrepreneurial ventures. A primary concern articulated by respondents is the limited access to start-up capital and financial support. Many young entrepreneurs are excluded from formal funding mechanisms due to a lack of collateral, insufficient financial records, and risk-averse attitudes from financial institutions toward youth-led enterprises. As a result, most are compelled

to rely on personal savings or informal family support, which often proves inadequate for long-term business viability. In addition to financial constraints, participants identified a shortage of mentorship and structured business development services as a critical barrier. The absence of experienced guidance and access to capacity-building programs contributes to poor business planning, ineffective marketing strategies, and difficulty in scaling operations.

This challenge is exacerbated by limited access to relevant entrepreneurial education and information, particularly in rural areas where digital connectivity and institutional support remain underdeveloped. Furthermore, respondents expressed frustration with bureaucratic inefficiencies and limited institutional responsiveness from local government structures. While policy frameworks may promote youth entrepreneurship, the actual implementation is often characterized by delays, lack of transparency, and unclear application procedures for available support initiatives. Compounding these challenges is the lack of access to broader markets, with many entrepreneurs struggling to move beyond localized sales due to poor infrastructure and minimal networking opportunities.

Despite these difficulties, young entrepreneurs have demonstrated significant resilience and adaptability. Many have formed informal peer networks and collaborative business clusters, enabling them to pool resources and share market insights. A considerable number utilize social media and digital platforms to promote their products, thus circumventing traditional barriers to market entry. In the absence of formal training, some have turned to online learning tools and free digital content to enhance their skills. Others are exploring alternative financing models, such as community savings schemes and crowdfunding, as viable sources of capital. In essence, the findings underscore the persistent structural challenges facing young entrepreneurs in Raymond Mhlaba; while also highlighting the innovative strategies they employ to navigate these obstacles. These insights suggest the need for more coordinated, inclusive, and context-specific interventions to foster youth entrepreneurship in under-resourced communities.

## **Chapter Summary**

The preceding chapter interprets the research findings by linking them to Schumpeter's Theory of Creative Destruction and the Resource-Based Entrepreneurship Theory. It highlights how young entrepreneurs in Raymond Mhlaba Local Municipality overcome challenges such as lack of funding, poor infrastructure, and limited support through innovation, resourcefulness, and

informal strategies. Despite systemic barriers, their adaptability reflects key principles of both theories and underscores the need for targeted, context-specific interventions.

## CHAPTER 6: SUMMARY AND RECOMMENDATION

### 6.1 SUMMARY

This study has achieved the goals and objectives set out for the study, including examining the innovative approaches that can be used in growing youth entrepreneurship in poorly resourced areas in South Africa, particularly Raymond Mhlaba Local Municipality in the Eastern Cape Province.

Firstly, it examined theoretical and conceptual foundations underpinning youth entrepreneurship development in poorly resourced areas in South Africa. The results showed that raising capital for a business without proper training is a great challenge. Hence, some institutions are entrusted with the responsibility of offering training. In addition, poorly maintained infrastructure not attended to by the government makes it difficult to receive client access. Moreover, disruptions are caused by load-shedding and this affects network connections, preventing entrepreneurs from attending virtual tender board meetings and advertising their products. This research showed that Raymond Mhlaba Municipality needs to improve and evolve with the current technology so that youth can participate in economic opportunities. In addition, the municipality needs to strengthen the facilitation processes by implementing solar panel installation systems to overcome network and power failures.

Secondly, to critically assess the role of the government and other sectors in establishing innovative approaches to growing youth entrepreneurship globally. The study presented that the government has provided business forums where all local development ideas regarding the budget are discussed. Also, youth-owned businesses are invited to programs where they learn or be trained and gain skills on how to run their businesses. However, the study revealed that the approaches used have limited innovative scope given the nature of the Municipality. More needs to be done, which includes innovative measures like the development and creation of social media platforms and easy accessibility to network and internet programs.

Lastly, to draw up recommendations and innovative solutions, the municipality can focus on improving youth entrepreneurship in poorly resourced areas in South Africa. Municipality should partner with all relevant stakeholders and have public dialogues where

they will involve youth, and the decisions will come up with the entrepreneurs to improve youth entrepreneurship.

Additionally, the qualitative research method was employed to address and achieve the objectives of this study. A purposive sampling method was selected to sample relevant participants who directly participated and those not involved in entrepreneurship programs. In-depth interviews were conducted with two focus groups of young people, and the required information was gathered. The groups originated from rural areas and were generally unemployed and this influenced them to venture into entrepreneurship.

## **6.2 Discussion**

After investigating the role of innovative approaches in developing youth entrepreneurs, the study revealed that Raymond Mhlaba Municipality contributed insignificantly to innovative entrepreneurship strategies to improve the lives of young people. There are numerous challenges that local Municipalities face in implementing innovative strategies for young entrepreneurs. The challenges have been emphasized in the findings, and these have disadvantaged young people who are left despondent, poor, vulnerable, and unskilled. The question of delivering resources such as access funding, inability to access markets due to poor infrastructure, load-shedding, and upgrading marketing strategies remain unattended and continue to present challenges.

This has had a severe impact on the growth and development of young people as well as the entire community, dragging the Raymond Mhlaba municipality's economy down. Youth who demonstrate curiosity and a desire to improve their economic conditions, on the other hand, are underutilized and lack experience. With enough backing from the authorities, they would have unleashed their powers and potential, and their livelihood would have improved, leaving them empowered. Furthermore, the research revealed that the infrastructure development and funding policies need to be reviewed to assist youth to escape levels of poverty that persist among under-resourced areas. Developing a strong market and creating opportunities for young people to present and sell their products effectively is needed. It can be concluded that poverty would persist if these indispensable strategies meant to strengthen businesses and alleviate poverty are not effectively or strongly implemented.

## **6.3 Recommendations**

The Raymond Mhlaba Municipality is primarily rural, and an innovative entrepreneurial plan is critical to meeting the pressing needs of young people in such disadvantaged and distant places, considering the impact on economic independence and empowerment. These people come from diverse backgrounds and have a variety of personality traits and attitudes. As a result, these entrepreneurs create enterprises due to variety of reasons and chances availability. However, these young entrepreneurs face a variety of hurdles as they carry out their day-to-day entrepreneurial activity. Their performances may be influenced by various possibilities and limits that these entrepreneurs face.

The following are the recommendations drawn from the study to examine theoretical and conceptual foundations underpinning youth entrepreneurship development in poorly resourced areas in South Africa.

### **6.3.1 Access to Funding**

The local government has been granted several rights and responsibilities to achieve integrated economic development, equitable resource distribution, and service delivery with a developmental orientation in municipalities. However, it is critical to establish suitable mechanisms in resource allocation, such as youth engagement, planning, and implementation processes. For entrepreneurship initiatives to be innovative and effective, important stakeholders must be involved in the implementation process. Although, there are efforts in the allocation of funds to empower young people's businesses, is not enough. Only one incubator centre that cannot be easily accessed by youth entrepreneurs, limited information, and costs are some of the constraints. Also, thorough investigation should be done as to how and who must be a primary beneficiary of the funds and how to approach and reach donors and funders for growing businesses.

As part of the entrepreneurship and innovative processes, youth must be involved in the decision-making processes regarding the allocation of funds and financial support processes. They have a right to access funds to influence economic growth and develop self-worth to improve their lives. Local government authorities should address this funding challenge and develop amicable solutions that will be more innovative and benefit young

people in Raymond Mhlaba Municipality. Also, being directed to the correct and supportive financial institutions would greatly help young entrepreneurs, allowing them to penetrate wider economic spheres for growth and development.

### **6.3.2 Reducing taxation and increasing access to funds**

Business rates could be re-evaluated to relieve pressure on small local businesses and make it easier for new enterprises to start up. Additionally, the local municipality could offer financial advice, alert local businesses regarding various financing options, and make it easier for them to apply for grants and small business loans. Moreover, local government may set up mechanisms for obtaining funds for local businesses.

### **6.3.3 Actively promote entrepreneurship**

In collaboration with local colleges and universities, the local government should provide entrepreneurship initiatives to foster and assist aspiring and established local business owners. Universities might assist local entrepreneurs in obtaining innovation financing through their research centers, and local governments should promote the networking of academics and entrepreneurs.

### **6.3.4 Organize and Facilitate Local Hubs**

Local governments might set up physical and virtual centers where local business representatives may gather, network, share ideas and best practices, and find strategies on how to assist one another. Priorities may be handled more quickly if local government leaders actively listen to local government officials. Within the centers, fresh projects on sustainability and innovation can be launched and supported. Collaboration is essential when discussing a circular or greener economy, and all parties concerned must be involved. Free marketing, chances for promotion, and easier access to nearby companies must be encouraged. Promote "shop local" campaigns. Local governments should create platforms where local businesses can come and advertise their products or services while interacting with clients and business associates. Additionally, local businesses might be able to launch "shop local" campaigns and incentive programs in addition to having access to print and digital advertising space on the government website and social media sites. The local government might guarantee main street businesses improved access in many ways.

### **6.3. 5 Market Access and Infrastructure Development**

Little effort is made to develop infrastructure in progressing economic initiatives with extensive programs such as entrepreneurship to uplift the communities. Many challenges remain, such as a lack of funds for developing the infrastructural program to benefit young people. To support this, the municipality is specifically challenged in the following areas: infrastructure, water and electricity outages; poor infrastructure operations and management, dilapidated roads, housing backlogs, and poor waste management. These issues negatively impacted the operation of entrepreneurship approaches and blocked the basic service delivery process that enables the participation of young people in growing their businesses.

Therefore, the researcher recommends that there is a need for an investment plan and involvement of young people in leadership positions towards infrastructure development. People must operate effectively and efficiently, and the Raymond Mhlaba Municipality to gear up the future of its population.

### **6.3.6 Auditing**

The Auditor General of South Africa was formed under Section 188 of the Constitution (1996) as a Chapter 9 agency tasked with strengthening constitutional democracy and conducting municipal audits. According to statutory provisions, municipalities must submit their yearly financial statements to the Auditor-General within three months after the end of their financial year. Municipal governments, as custodians of public funds, serve as conduits for the use of public resources to meet the needs of their citizens.

Auditing entrepreneurship ensures that the municipality has statistical information on entrepreneurship. In addition, the researcher recommends establishing a database where entrepreneurship trends information is kept, and data within the municipality may be an area where the municipality can be innovative.

### **6.3.7 Technical Support and Advisory Services**

Information must be dispersed to all areas of the community and using various media platforms in a language that will be clear and understandable. Also, young entrepreneurs

must receive support, entrusting them with advice that brings growth to achievable business opportunities.

Authorities are responsible for improving their technical skills in communicating with young people. To release the objectives of the Local Economic Development (LED) strategy, entrepreneurs need to know the contents of the tool. Meetings that are called need to be facilitated inclusively so that young entrepreneurs can have suggestions and inputs to matters that directly affect them.

#### **6.3.8 Effectiveness of Government Initiatives**

Discussions concerning inadequate government support were a major topic of conversation with the young entrepreneurs. The importance of the government cannot be overstated, even though the researcher recognized that young entrepreneurs may empower themselves with the correct information and abilities. The country's young entrepreneurs need to develop their minds, which is primarily the government's responsibility. The shockingly high unemployment rate among South Africans has been mentioned in earlier chapters. Thus, creating jobs could be the most effective way to combat widespread poverty. In addition to providing an opportunity for a steady income, entrepreneurship also opens new job prospects. Therefore, it is recommended that the government should have programs to encourage and provide budding entrepreneurs with the knowledge, tools, and resources they need to thrive in the contemporary market.

#### **6.4 Areas for further research**

A study on entrepreneurship's impact on unemployment and contribution to economic growth and development can be conducted. Furthermore, research can also be conducted on the roles played by the government and other relevant stakeholders to support and enhance growing youth entrepreneurs. In addition, steps taken to support and promote youth entrepreneurship must also be investigated. Lastly, thorough and updated research on necessary approaches that can contribute to the success of businesses that involve young people can be conducted.

## **7. Conclusion**

The preceding section explains the study and how it was carried out, as well as making recommendations and drawing conclusions regarding approaches to growing youth entrepreneurship in underserved areas of the Raymond Mhlaba Local Municipality. The study found that an innovative approach to growing youth entrepreneurship in poorly resourced areas is required, if effectively implemented when the need arises, to combine all resources or place all resources under the control of a single entity to ensure effective coordination and proper control of resources. More crucially, the findings indicate that no practical innovative approach has been taken to increase youth entrepreneurship in RMLM.

The study concludes that youth entrepreneurship is crucial for the Municipality's economic growth; it also helps in the capacitation process of young entrepreneurs in improving their businesses and creating opportunities for growth and development. However, there are several areas that the municipality has to improve to ensure that the Raymond Mhlaba Local Municipality in Eastern Cape Province is fully functional in all the areas.

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# **APPENDICES**

## Appendix A: Ethical Clearance



**University of Fort Hare**  
*Together in Excellence*

### **ETHICS CLEARANCE REC-270710-028-RA Level 01**

|                     |                                                                                                                                                   |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Number:     | NZE011SHAN01                                                                                                                                      |
| Project title:      | <b>An innovative approach to growing youth entrepreneurship in poorly resourced areas in South Africa: A case of Raymond Mhlaba Municipality.</b> |
| Qualification:      | Master of Commerce: Public Administration                                                                                                         |
| Student name:       | Sikanyisele Hani                                                                                                                                  |
| Registration number | 201821388                                                                                                                                         |
| Supervisor:         | Prof O Nzewi                                                                                                                                      |
| Department:         | Public Administration                                                                                                                             |
| Co-supervisor:      | N/A                                                                                                                                               |

On behalf of the University of Fort Hare's Research Ethics Committee (UREC) I hereby grant ethics approval for NZE011SHAN01. This approval is valid for 12 months from the date of approval. Renewal of approval must be applied for BEFORE termination of this approval period. Renewal is subject to receipt of a satisfactory progress report. The approval covers the undertakings contained in the above-mentioned project and research instrument(s). The research may commence as from the 19/06/23, using the reference number indicated above.

Note that should any other instruments be required or amendments become necessary, these require separate authorisation.

Please note that UREC must be informed immediately of

- Any material changes in the conditions or undertakings mentioned in the document;
- Any material breaches of ethical undertakings or events that impact upon the ethical conduct of the research.

The student must report to the UREC in the prescribed format, where applicable, annually, and at the end of the project, in respect of ethical compliance.

UREC retains the right to

- Withdraw or amend this approval if
  - Any unethical principal or practices are revealed or suspected;
  - Relevant information has been withheld or misrepresented;
  - Regulatory changes of whatsoever nature so require;
  - The conditions contained in the Certificate have not been adhered to.
- Request access to any information or data at any time during the course or after completion of the project.

Your compliance with Department of Health 2015 guidelines and any other applicable regulatory instruments and with UREC ethics requirements as contained in UREC policies and standard operating procedures, is implied.

UREC wishes you well in your research.

Yours sincerely,



---

**Dr A Nyika**

**Chairperson: Inter-Faculty Research Ethics Committee**

**21 June 2023**

## **Appendix B: Letter to conduct study from Raymond Mhlaba Local Municipality**

1 King Williams Town Road

Alice

5700

8 Somerset Road

Fort Beaufort

5720

Raymond Mhlaba Local Municipality

Dear Sir/ Madam

### **RE: APPLICATION FOR PERMISSION TO COLLECT DATA**

I am Hani Sikanyisele, a full-time master's student in the Department of Public Administration under the Faculty of Management and Commerce at the University of Fort Hare. I am conducting research on **An Innovative Approach to Growing Youth Entrepreneurship in Poorly Resourced Areas in South Africa: A case study of Raymond Mhlaba Local Municipality.**

The research will be part of the master's degree requirements in Public Administration. The research is strictly for academic purposes only, and there will be no financial benefits or incentives for participating in this study. The information solicited will be kept confidential, and anonymity is assured.

Therefore, I would like to request a permission letter to come and collect data from your office. I have also attached Ethical Clearance Letter.

I am looking forward to your response in this regard.

Yours sincerely,

Sikanyisele Hani

201821388@ufh.ac.za



## Appendix C: Interview Guide



**University of Fort Hare**  
*Together in Excellence*

### Interview Research Questions

My name is Hani Sikanyisele, a full-time Master's student in the Department of Public Administration under the Faculty of Management and Commerce, at the University of Fort Hare. I am conducting research on An Innovative Approach to Growing Youth Entrepreneurship in Poorly Resourced Areas in South Africa: A Case Study of Raymond Mhlaba Local Municipality. The research will be part of the Master's degree requirements in Public Administration. The research is strictly for academic purposes only and there will be no financial benefits or incentives for participating in this study. The information solicited will be kept confidential, and anonymity is assured. You are kindly requested to complete the questions that follow.

#### SECTION A: Demographic Information

Please mark with an (X) where appropriate:

##### 1.1 Age

|                   |  |             |  |             |  |             |  |            |  |                   |  |
|-------------------|--|-------------|--|-------------|--|-------------|--|------------|--|-------------------|--|
| Less than 21years |  | 21-30 years |  | 31-40 years |  | 41-50 years |  | 51-60years |  | 61years and above |  |
|-------------------|--|-------------|--|-------------|--|-------------|--|------------|--|-------------------|--|

##### 1.2 Gender

|      |  |        |  |        |  |
|------|--|--------|--|--------|--|
| Male |  | Female |  | others |  |
|------|--|--------|--|--------|--|

### 1.3 Type of business

|                            |  |
|----------------------------|--|
| Transportation             |  |
| Construction               |  |
| Manufacturing              |  |
| Real estate                |  |
| Supply                     |  |
| Goods trading              |  |
| ICT equipment              |  |
| Film                       |  |
| Automotive (repairs etc)   |  |
| Artisanship (Plumbing etc) |  |
| Other:                     |  |

### 1.4 Ethnicity

|       |  |       |  |         |  |        |  |
|-------|--|-------|--|---------|--|--------|--|
| Black |  | White |  | Colored |  | Indian |  |
|-------|--|-------|--|---------|--|--------|--|

## QUESTIONS FOR ENTREPRENEURS

### Section A: To identify and assess strategies and challenges of young entrepreneurs in poorly resourced areas in South Africa

- i. As an entrepreneur, when someone talks about innovation or being creative what does that mean to you?

.....

.....

.....

- ii. As an entrepreneur, what challenges have you faced in growing your business as a young entrepreneur?

.....

.....

.....

- iii. What strategies have you put in place to counter those challenges, to ensure growth of youth entrepreneurship?

.....

- iv. In terms of these strategies, are there new ideas, new ways of doing things you have personally created? If so, please elaborate.

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

## **QUESTIONS FOR GOVERNMENT OFFICIALS AND ENTREPRENEURS**

### **Section B: To critically assess governments and other sector's role in establishing innovative approaches to growing youth entrepreneurship in Raymond Mhlaba Local Municipality**

- i. What are the innovative approaches that have been put in place by the Municipality and other sector's to growing youth entrepreneurship in your Municipality?

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

- ii. In your opinion, which innovative approach has effectively worked in ensuring growth towards youth entrepreneurship, please elaborate.

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

- iii. How do you make sure that the entrepreneurs do not collapse after assisting them in building or innovating their businesses and organisation? Please elaborate

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

**Section C: To draw out recommendations and innovative solutions the municipality can focus on improving youth entrepreneurship in poorly resourced areas.**

- i. Looking at the current state of youth entrepreneurship in Raymond Mhlaba, what innovative solutions should the Municipality focus on in growing youth entrepreneurship?

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

- ii. What solutions that can be utilised to ensure long-term growth in youth entrepreneurship in poorly resourced areas in Raymond Mhlaba?

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

- iii. How does the municipality encourage the youth to participate in entrepreneurship?

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

- iv. Does the municipality cooperate with other sectors to develop the young adults in entrepreneurship? If so, please elaborate.

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

Thank you for participating in this interview.

Warm regards,

S. Hani

## **Appendix D: Individual information sheet and Consent Form**



**University of Fort Hare**  
*Together in Excellence*

### **INDIVIDUAL INFORMATION SHEET AND INFORMED CONSENT FORM<sup>1</sup>**

**(AGES 18 YEARS AND ABOVE)**

**Please note:**

**This form is to be completed by the researcher(s) as well as by the interviewee before the commencement of the research. Copies of the signed form must be filed and kept on record**

**(To be adapted for individual circumstances/needs)**

**Title of Study:** An Innovative Approach to Growing Youth Entrepreneurship in Poorly Resourced Areas in South Africa: A case study of Raymond Mhlaba Local Municipality.

Dear participant,

---

<sup>1</sup> Approved by UREC (13 November 2019)

My name is Hani Sikanyisele and I am studying at the University of Fort Hare.

I am conducting a research on An Innovative Approach to Growing Youth Entrepreneurship in Poorly Resourced Areas in South Africa: A case study of Raymond Mhlaba Local Municipality. .

**Purpose of Study:** The study purpose is examine the innovative approaches that can be used in growing youth entrepreneurship in poorly resourced areas in South Africa in particular the Eastern Cape Province

We would like you to allow us to conduct a brief 20 minutes interview with you about

**Study Procedure:** The study will employ a qualitative approach, resulting in the use of focus group discussions and interviews to gather information from research participants. Prior to taking part in the study, research subjects will have the chance to offer their assent by signing a consent form, which will guarantee the following: Anonymity will be appreciated because the study won't divulge the participants' individual identities. Participants will be informed that their participation is completely optional and that they are free to stop at any time if they feel uncomfortable or for any other reason. Participants will be informed about the academic purpose of this study, that their lives will not be jeopardised, and that their opinions and responses will be always respected.

Some inquiries could be incredibly private or delicate. I am going to ask you some questions that you might not have considered previously. Although we are aware that you cannot be completely certain of the answers to these questions, we nonetheless ask that you make an effort to consider them. There are no right or incorrect responses when it comes to answering inquiries.

Please understand that **your participation is voluntary** and you are not being forced to take part in this study. The choice of whether to participate or not, is yours. However, we would really appreciate it if you do share your thoughts with us. If you choose not to take part, you

will not be affected in any way whatsoever. If you agree to participate, you may stop me at any time and tell me that you don't want to go on with the interview. If you do this there will also be no penalties and you will NOT be prejudiced in ANY way.

The information will remain confidential. This means that your name and address will not be linked in any way to the answers you give. We study and report on the answers given by all the people we interview and not on an individual basis. The research data will be anonymous – with all personal respondent information removed and will be archived at the University.

At the present time, we do not see any risks in your participation. The risks associated with participation in this study are no greater than those encountered in daily life.

There are no immediate benefits to you from participating in this study. However, this study will be helpful to finding out the innovative approaches that can be used in growing youth entrepreneurship in poorly resourced areas in South Africa in particular the Eastern Cape Province.

.

**Risk-Benefit Ratio:** The benefit is that individuals will be well educated about youth entrepreneurship and how to encourage young adults to grow their businesses in poorly resourced areas in South Africa. There can be some job opportunities for citizens. there will be no risk for participating in this study since the participants' identities will be kept private and anonymity will be prioritized.

### **Who to contact if you have been harmed or have any concerns**

If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please call the IFREC Administrator, Mr Aphiwe Jadezweni, on [040 602 2561/ AJadezweni@ufh.ac.za]

### **Reporting and Complaints**

If you have questions at any time about this study, or if you have concerns/questions you may contact the researcher/project leader whose contact information is provided on the first page.

If you have questions regarding your rights as a research participant, or if problems arise which you do not feel you can discuss with the researcher/project leader, please contact the IFREC Chairperson, Dr Nyika, on [040 602 2516 / ANYika@ufh.ac.za] or the UREC Chairperson, Dr Taole-Mjimba on [043 704 7507 /Taole-Mjimba@ufh.ac.za]

If you have concerns or questions about this study please feel free to contact the project coordinators: **Researcher/Project Leader:**

**Name:** Hani Sikanyisele

**Department:** Public Administration

**Address:** 4230, Ntselamanzi Location, Alice, 5700

**Phone:** 063 078 4020

**Email:** 201821388@ufh.ac.za

## INFORMED CONSENT FORM

*(Edit as Required)*

I *(name of participant)* .....

have been informed about the study by *(provide name of researcher/ project leader/ fieldworker)* .....

I understand the purpose, procedures, and risk-benefit ratio of the study.

I have been given opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any procedural that I would usually be entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as result of study-related procedures

I understand that I will be given a copy of this informed consent.

I understand that if I have any questions or complaints about my rights as a study participant, or if I may have concerns about any aspect of the study or the researcher/s then I may contact the Chairperson of the Inter-Faculty Research Ethics Committee, Prof. Pumla Gqola or Chairperson of University Research Ethics Committee, Prof Renuka Vithal (details available from the Researcher or by contacting the University of Fort Hare or Website [www.ufh.ac.za](http://www.ufh.ac.za))

**Participant signature:** .....

**Consenting for Audio Recording**– when necessary

YES / OR

**Participant signature:** .....

**Witness signature:** .....  
(to be altered according to the study)

**Translator signature:** .....  
(to be altered according to the study)

**Data curation** – I understand that the information that I provide will be stored electronically and will be used for research purposes now or at a later stage (to be altered according to the study)

**Participant signature:** .....

**Date:** .....

## Appendix E: Turnitin Report

### AN INNOVATIVE APPROACH TO GROWING YOUTH ENTREPRENEURSHIP IN POORLY RESOURCED AREAS IN SOUTH AFRICA: A CASE OF RAYMOND MHLABA LOCAL MUNICIPALITY

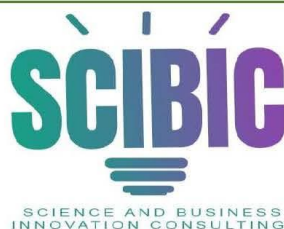
#### ORIGINALITY REPORT

|                  |                  |              |                |
|------------------|------------------|--------------|----------------|
| <b>20%</b>       | <b>16%</b>       | <b>3%</b>    | <b>7%</b>      |
| SIMILARITY INDEX | INTERNET SOURCES | PUBLICATIONS | STUDENT PAPERS |

#### PRIMARY SOURCES

|          |                                                              |               |
|----------|--------------------------------------------------------------|---------------|
| <b>1</b> | <b>hdl.handle.net</b><br>Internet Source                     | <b>4%</b>     |
| <b>2</b> | <b>etd.uwc.ac.za</b><br>Internet Source                      | <b>1%</b>     |
| <b>3</b> | <b>static.pmg.org.za</b><br>Internet Source                  | <b>1%</b>     |
| <b>4</b> | <b>Submitted to University of Fort Hare</b><br>Student Paper | <b>1%</b>     |
| <b>5</b> | <b>archive.org</b><br>Internet Source                        | <b>1%</b>     |
| <b>6</b> | <b>vital.seals.ac.za:8080</b><br>Internet Source             | <b>1%</b>     |
| <b>7</b> | <b>lg.treasury.gov.za</b><br>Internet Source                 | <b>1%</b>     |
| <b>8</b> | <b>www.igi-global.com</b><br>Internet Source                 | <b>&lt;1%</b> |

## **Appendix F: Editing Certificate**



**To whom it may concern**

**Re: Editing and proofreading letter**

This letter service to notify you that I have proofread/edited Hani Sikhanyisele' thesis titled:

**AN INNOVATIVE APPROACH TO GROWING YOUTH ENTREPRENEURSHIP IN POORLY  
RESOURCED AREAS IN SOUTH AFRICA: A CASE OF RAYMOND MHLABA MUNICIPALITY**

Student number: 201821388

I have checked English language usage, grammar, punctuation, spelling, and overall style.

**Note:** The edited work described here may not be identical to that submitted. The author(s), at their sole discretion, have the prerogative to accept, delete, or change amendments made by the editor before submission.

**Comments:** The candidate was advised to check the reference list and amend it according to the university style. Moreover, the student was also advised to check missing references.

For any queries feel free to contact me.

**Rosemary Matikiti-Manyevere (PhD)** (Editor):Certificate Copyediting,( UCT )

Cell: 0723 945 772

Email:info@scibic.co.za/ matikiti@gmail.com





**To whom it may concern**

**Re: Editing and proofreading letter**

This letter service to notify you that I have proofread/edited Hani Sikhanyisele' thesis titled:

**AN INNOVATIVE APPROACH TO GROWING YOUTH ENTREPRENEURSHIP IN POORLY  
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**Rosemary Matikiti-Manyevere (PhD)** (Editor):Certificate Copyediting,( UCT )

Cell: 0723 945 772

Email:info@scibic.co.za/ matikiti@gmail.com