



**CHALLENGES EXPERIENCED BY YOUTH ASPIRING TO BECOME
ENTREPRENEURS IN A TOWNSHIP IN THE WESTERN CAPE**

by

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Dissertation submitted in fulfilment of the requirements for the degree

Master of Technology: Business Administration

In the Faculty of Business and Management Sciences

At the Cape Peninsula University of Technology

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District Six, Cape Town

March 2022

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Date: 22 March 2022

ABSTRACT

Young entrepreneurs in South Africa are not on the same level as young entrepreneurs in the cities and suburbs. This is affecting young people who aspire to become entrepreneurs as they face many challenges, for example, they do not have any mentors, community leaders are not doing their job efficiently, support from the community is lacking, and there are no resources and funding. These challenges led to many aspiring entrepreneurs having a negative attitude towards pursuing their goals. If they could have all the support needed, it would help keeping them off the streets, drinking less, using fewer drugs, and committing less crime. It would also help with job creation as most of them are unemployed.

The main objective of this study was to identify the challenges influencing the current challenging situation as experienced by NEET youth aspiring to become entrepreneurs in Capricorn Park in the Southern suburbs in Cape Town. The second objective was to identify the strategies youth could use to select possible entrepreneurship opportunities.

Qualitative research techniques were applied in this study. The data were collected through online surveys and the findings were derived in response to the research questions. Participants completed four (4) surveys: informed consent, demographics, community mapping and aspiring entrepreneurs. All the respondents to the online survey questions were selected from Capricorn Park through probability sampling.

The researchers found that many of the challenges standing in the way of young aspiring entrepreneurs are indeed having a negative impact on these youngsters' lives. They display negative behaviour towards becoming entrepreneurs because they fear not receiving any support from the community; furthermore, there are no training centres or educational facilities to help them. Not having mentors, resources, funding, or not being informed of the steps to follow to become an entrepreneur has made these youngsters less motivated as they do not know where to start and they do not have any guidance.

Based on the data gathered from the respondents, the researchers noticed that the youth of Capricorn Park need guidance, which is why having mentors is extremely important. From there, having the right people next to them, being supported, and receiving guidance, everything else will fall into place for them to become skilled and educated. They also need to be ambitious about the type of business they would like to be involved in, be passionate and confident. Small business developments can be introduced in the community as well as short business management courses.

Keywords: business skills, entrepreneurship skills, mentorship, community dynamics, community support, job creation, township, social ills, business idea, successful entrepreneur, unemployment.

ACKNOWLEDGEMENTS

I would like to express my appreciation to the following:

- My ancestors and the Creator of heaven and earth who made this possible for me by allowing me to push myself and not give up
- My “Superwoman” supervisor Prof Retha De La Harpe who guided and motivated me throughout this whole process
- My family and close friends who supported me
- Most importantly, the youth of Capricorn Park who took their time and participated in this research during the Covid-19 pandemic. I will forever be grateful to them!

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ABBREVIATIONS AND ACRONYMS

- NEET – Not in Employment, Education or Training
- STATS SA – Statistics South Africa
- DHET – Department of Higher Education and Training
- PSET – Post-School Education and Training
- TEA – Total Early-Stage Entrepreneurial Activity
- GEM – Global Entrepreneurship Monitor

GLOSSARY OF TERMS

- Entrepreneurship activity:** “A skilful, profit-oriented and self-involving undertaking aimed at creating value through the modernization of production processes or the identification and exploitation of new markets or products” (Adenutsi, 2009:7).
- Entrepreneurship:** Entrepreneurship identifies business opportunities and “the mobilisation of economic resources to initiate a new business or revitalise an existing business, under the conditions of risks and uncertainties, for the purpose of making profits under private ownership” (Adenutsi, 2009:7).
- Township:** Township is the land formally allocated to hosting the site of a town; the word “township” legally refers to both residential and industrial sites (Ladd, 2008).
- Youth:** South Africa’s National Youth Policy as well as the National Youth Commission Act defines youth as anybody aged 14 to 35 years (Makoae et al., 2021).
- Behaviour:** Conduct, deportment, comportment—refers to one’s actions before or toward others especially on occasion.
- Entrepreneurial development:** Enhancing the knowledge and skill of entrepreneurs through classroom coaching, programs and training (Nurhayati, 2020).
- Attitude:** Learned tendency to evaluate things in a certain way.
- Work ethics:** The ability to maintain proper moral values within the workplace.

CHAPTER 1 - INTRODUCTION TO THE STUDY

1.1 Introduction

Entrepreneurship is “the act that provides resources with a new capacity to create wealth, among the most specific and meaningful definitions of the term” (Carlen, 2016:1). Entrepreneurs are always searching for new markets using different means and their efforts had an impact on society. Examples of such means are radical innovation of products and processes; social engineering; challenging contexts and new ways of tourism (Carlen, 2016:1).

Economic development is attributed to the level of entrepreneurial activity in a country. In high-growth, globally competitive economies the ability to cultivate this entrepreneurial activity, grow organisations, create wealth and maintain competitive advantage is imperative. The reason for this is because there is a direct correlation between job creation and the level of entrepreneurial activity in an economy, as well as a “positive, statistically significant association between national economic growth and entrepreneurship” (Booyesen, 2015:1).

According to the Global Entrepreneurship Monitor (2014–2015) (GEM) report, the entrepreneurial intention of the youth is low in South Africa (SA) in comparison to other African countries. The reason for the low entrepreneurial activities among young people in South Africa is attributed to a low rate of entrepreneurial activities. Because these young people have a weak engagement in entrepreneurial activities, it has an impact on the high unemployment rate among young people in South Africa (Mbuya et al., 2016). The Total Entrepreneurship Activity of SA which estimates the number of working-age adults involved in starting or operating a business that is up to 3.5 years old, is said to be the lowest worldwide (Fatoki & Chindoga, 2011:161-162).

This topic has been studied in this area (Chauke, 2021; Meyer & Sroka, 2021); however, the study aims to explore the factors that hinder young people from becoming entrepreneurs from their perspectives.

1.2 Background to the study

According to Herrington and Kew (2010), South Africa has a high unemployment rate due to numerous economic, political and social challenges with an increase in unemployment. In the first quarter of 2021 the unemployed rate in South Africa of NEET people was 32,6% (15-64 years) and 32,4% for young people (15-24 years) (Stats SA, 2021). In the Western Cape, 32,4% of NEET youth is 23,7% (Stats SA, 2021).

This problem especially affects the country’s youth, who often lack the experience, skills and education to be considered for employment in the formal sectors. The result of this is that

young people have to find alternative ways to earn a living. However, a skills-based approach for entrepreneurship among youth where entrepreneurship seems to be the only option for unemployed youth may not be the best approach (Hunt, 2021). The difficulties they experience due to lack of financial and/or business resources prevent them from finding viable or legal employment (Meyer & Sroka, 2021).

The increasing number of unemployed and specifically unemployable young people is placing an additional burden on a limited government budget that is already stretched to the limit with other priority demands. South Africa needs to prioritise its spending on critical areas such as infrastructure and education (Chauke, 2021). Given the inability of the existing formal sector to absorb the growing number of people looking for jobs, together with the increased youth unemployment crisis, the government has prioritised small business and entrepreneurial development as a mechanism to address unemployment.

1.3 Problem statement

Family pressure, the lack of capital and other resources, and bureaucratic laws force most young people to look for work directly after they have completed their first degree so that they are able to earn a living and provide for their families (Dominguez-Whitehead, 2017). Many informal entrepreneurs find it difficult to have access to financial resources in SA because banking institutions introduced strict loan policies to deal with the current global economic climate (Coetzer & Pascarel, 2014). Aligned to this is the challenge of getting the required equipment for production to produce the products that meet what society needs. The young people who aspire to become entrepreneurs may be discouraged to start their own businesses when they experience bureaucratic red tape that they feel their ability to make decisions and prevents investments in modern manufacturing firms in SA (Grabowski, 2015).

According to Du Toit et al. (2018), unemployment is a socio-political challenge all over the world. The root cause of socio-economic problems in South Africa is the unemployment rate, which is currently over 25% and about 40% for employable youth younger than 34 years old (Stats SA, 2021).

Khawas et al. (2021) argues that entrepreneurship is the backbone of an economy and it has proved to be a pragmatic solution even post covid problems were no exception. In a bid to understand this crippling socio-economic phenomenon faced by 5.88 million South Africans, it may be necessary to thoroughly investigate all the contextual components playing a role in unemployment (Du Toit et al., 2018).

Khawas et al. (2021) continues by stating that the entrepreneurship opportunities that are characterised by resilience, perseverance and flexibility leads to value creation and skill

enhancement which revives the economy. That is not the case in low-and-middle-income countries and could be because it is a complex problem (Chigunta, 2017). Chauke (2021) suggests that unemployed youth should first have an internship opportunity to prepare them better for becoming an entrepreneur.

Although extensive research has been done in the field of entrepreneurship, the perspectives of unemployed youth based on their aspirations are not sufficiently unpacked by other researchers. This study seeks to investigate the perspectives of unemployed youth in preparing themselves for becoming entrepreneurs in a township in Cape Town, South Africa.

1.4 Research methodology

1.4.1 Research design

Research design is described as the plan to guide the researcher with involving research participants or subjects and with collection of research data (Mafuwane, 2011).

The strategy used for this study is an ethnographical study to encourage participants to share their views, perceptions, and concerns. Due to the Covid-19 pandemic, it was not possible to collect face-to-face data and observe the participants in their real-life environment. The researcher is from the same township as the participants and can therefore be regarded as an insider to the conditions that influence the participants' lived experience.

The researcher distributed online surveys to the participants who gave consent that they would participate in this study. The participants were encouraged to explore options and to express themselves freely without any judgement.

1.4.2 Research instruments

The data were collected through online surveys. The participants did the surveys online and the surveys included the demographics, community mapping and aspiring entrepreneur's questions.

1.5 Rationale and significance of the study

Entrepreneurship from early schooling is vital to encourage and groom South African youth as opposed to encouraging young people to look for jobs. They need to be made aware that being employed by someone or by a company is not the only way. Youth unemployment is a constant challenge which is why developing entrepreneurs as part of an entrepreneurship education needs to also consider the capabilities and agency of the individual in addition to the required skills deemed to be needed by an entrepreneur (Forcher-Mayr & Mahkknecht, 2020).

The rationale of this study is to gain insights into the reasons why young people aspiring to become entrepreneurs are not successful in realising their aspirations. These insights can guide entities developing human-development and entrepreneurship training programs and it is suggested that organisations should focus on creativity and innovation as the two leading priority attributes for youth skills development (Lackéus, 2015). By becoming more self-sustaining the rate of unemployment can be reduced.

This research is important because it will help reduce socio-economic problems among townships and potentially reduce the youth unemployment rate and the creation of employment will have a positive impact on the economic growth of South Africa.

1.6 Ethics

Ethical Considerations is one of the most important parts of the research. Research participants should not be subjected to harm in any way. Respect for the dignity of research participants must be prioritised. Full consent was obtained from the participants before the study commenced (Arifin, 2018). Participants were assured of voluntarily participation and the mechanisms used ensured that they had the opportunity to contribute freely and anonymously by preference. The participants were also aware that they could withdraw from the study at any stage without having to provide a reason.

1.7 Limitations

1.7.1 Time limitations

This dissertation is part of a two years Master's Degree programme. The two years are structured differently, where the first year consists of contact classes (assignments, tests and exams). The second year consists mainly of research, where a researcher chooses a topic to research that needs to be completed within 12 months.

1.7.2 Geographical limitations

The assumption in this research is that the characteristics of the township are almost the same. Research is conducted in a small township in the Western Cape, Cape Town (Southern Suburbs), called Capricorn Park. This area has common township characteristics like high levels of poverty, crime, drug abuse, unemployment and lack of resources. The results will not be generalisable but should provide insights to townships with similar environments.

1.7.3 Demographics

The participants comprised young people (youth). The general definition of youth in South Africa is people between the ages of 18 and 35 years. Participants are a blend of gender and have the characteristics of the people typically living in the township.

1.7.4 Covid-19 pandemic

In December 2019, the World Health Organisation (WHO) reported a cluster of pneumonia cases in Wuhan City, China. Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) was confirmed as the agent that caused what we now know as Coronavirus Disease 19 (Covid-19). Since then, the virus has spread to more than 100 countries, including South Africa (South African Department of Health, 2020). The virus had a different impact in different countries, and they implemented laws to try to contain the spread of the disease. In South Africa, a strict lockdown was implemented, which brought the country to a standstill. That impacted both sample size and the selection of the data collection instruments.

1.7.5 Lack of previous studies in the research area

There is limited literature in the area of study that deals with aspirations to become entrepreneurs from the unemployed youths' perspective as the literature revealed that very few variables had been considered in most studies (Ahmed H & Ahmed Y.A, 2021). Keywords were used to review relevant literature to derive key concepts.

1.8 Research objectives

This report has two clear objectives:

- To identify the challenges influencing the current situation as experienced by NEET youth aspiring to become entrepreneurs in townships (Capricorn Park)
- To obtain a better understanding of the environment of the township to establish the factors influencing the lived situation of the youth aspiring to become entrepreneurs

1.9 Research question

The research question aligns with the first research objective to explore the current situation of NEET youth in a township. The second objective provides information about the context of the township to contextualise the study.

Research Question: How do NEET youth aspiring to become entrepreneurs experience their current situation in the township?

1.10 Assumption of the study

A township is land formally allocated for a town; the word township legally refers to both residential and industrial sites (Ladd, 2008). Although the definition and many characteristics of 'townships' are uniform, townships may be slightly different from each other. The assumption

of this study is that townships in similar environments are influenced by similar socio-economic factors.

1.11 Outline of the study

The remaining chapters in brief will consist of the following:

Chapter 1: Introduction

Chapter 1 covers the introduction and the general account of the study. It also provides guidelines and credibility of tools that are used in the research. This chapter also serves as a preview of the research.

Chapter 2: Literature review

This chapter serves as the basis of this study. It will assist in the understanding of the research, clarifying the gap in the field of research and concrete foundation of the methodology. The following topics are discussed: the situation of unemployed youth in specific contexts within the larger context of South Africa; NEET youth; and entrepreneurship.

Chapter 3: Research methodology and design

In this chapter, the research questions and data collection methods are explained. It includes how the participants were identified through sampling and elaborates on the methods, analysis and techniques used to interpret the data.

Chapter 4: Findings, analysis and discussion (community mapping)

In this chapter, the instruments used to collect the data and methods used to analyse the data are explained. The data are organised and analysed.

Chapter 5: Findings, analysis and discussion (aspiring entrepreneur)

In Chapter 5, the analysis tools used in this research are explained. The data were organised in charts and tables and then analysed. The information from the data is discussed in Chapter 6.

Chapter 6: Conclusion and recommendations

The connection between the data, research questions and research objectives are drawn. This is done by discussing the results in relation to research questions and objectives, and conclusions are drawn. The researcher furthermore recommends possible solutions by looking at the results.

1.12 Summary

This chapter provided an overview of the research. It briefly explained the research layout and methodology used in this report. Chapter 2 focuses on the challenges faced by young aspiring to become entrepreneurs.

CHAPTER 2 - LITERATURE REVIEW

2.1 Introduction

The purpose of Chapter 2 is to demonstrate a deeper understanding of the topic by reviewing the literature in this area of study. Though, there is truly little documented information in the area of township NEET youth in aspiring entrepreneurs. The review of this topic will assist the researcher to focus on the gap for the research (provide the framework). It will also help in finding tried and tested research methodologies to be applied to this study.

The literature was reviewed using the key concepts as keywords to identify literature relevant to the study. Consideration was given to include recent literature. The structure of this chapter is to first introduce townships and their role in the South African economy. This is followed by a discussion on the education and training of youth, the different aspects of entrepreneurship relevant to this study. Next, the NEET youth concept is discussed after which the chapter is concluded with the proposed conceptual framework based on the literature reviewed.

2.2 Underserved context

This study considers a township as the case to investigate the aspirations of youth in becoming entrepreneurs in a specific context. *Underserved context* is defined as: "The context of a township is discussed as well as its position in the South African economy. In the truest sense, the person is viewed as having no existence apart from the world and the world as having no existence apart from persons. Everyone and the world and his or her world are said to co-constitute one another" (Valle et al., 1989:7).

2.2.1 Townships

Ladd (2008) defines township as the land formally allocated to hosting the site of a town; the word township legally refers to both residential and industrial sites. Townships originated from South Africa's unique economic requirement for inexpensive migratory labour introduced new challenges that impacted the living arrangements of the migrants and their families that stayed behind in the remote villages. Possibly, the most famous townships in South Africa are those that were covered in the media during the apartheid era due to unrests.

Apartheid with racial segregation was formally instituted as state policy in 1948 but could be traced back to when the white settlers' arrived at what is now Cape Town in 1652. The townships were racially discriminatory in that "black" African, "coloured" (mixed-race), and "Indian" people were ordered by the Land Act of 1913 and the Group Areas Act of 1950 to live separately (Ladd, 2008).

According to the World Bank Group (2014) about half of South Africa's urban population that represents about 38% of working citizens lives in townships and informal settlements.

2.2.2 South African township economy

Urban areas are not the only drivers of South Africa's economy but township economies also contribute to the country's economy. Townships cater specifically to economic growth in rural and peri-urban settings to also support growth outside urban settings. Not all economic activity takes place in central business districts (CBDs) and surroundings urban areas. Township economies promote and support job creation in more rural, non-urban areas where the majority of the population lives (Western Cape Department of Economic Development and Tourism, 2019).

The Western Cape Department of Economic Development and Tourism further explains that township businesses offer products and services tailored for the local communities they serve; that increases accessibility to services for the people living in the townships. The businesses understand the needs of the people they service and can therefore provide unique experiences. The customers of the businesses can see what is available, what is new, and current and potential customers have access to goods and services located in the township where they live. They therefore no longer have to go to the traditional commercial centres outside of the townships.

However, Premier David Makhura during his speech in 2021 at the Small Business Development Institute dinner, quoted from research that only 25% of the money generated in the townships is spent there. For example, research by the World Bank Group (2014) shows that the township of Diepsloot has a 2 billion Rand economy but most of it is spent in the surrounding urban suburbs of Sandton and Fourways. The First National Bank estimates that Soweto's consumer spending could be as high as 5 billion Rand (Kasipreneurs, 2015).

2.3 Importance of education and training in developing and sustaining emerging youth

The Department of Higher Education and Training (DHET) has been established in May 2009 to administrate and govern the post-school education and training system in South Africa (DHET, 2014a). In 2014 there were fifty public Technical and Vocational Education and Training (TVET) colleges in South Africa as reported in the Research Agenda 2014-2017 report (DHET, 2014). DHET has the responsibility to ensure that access to education and training for South Africans meets the needs of the people in South Africa (Matli & Jordaan, 2016).

According to Matli and Jordaan (2016), post-school education and training emphasises the importance of also providing high-quality education and training to people in rural areas and

townships. Education is essential in the development of young people, and more needs to be done than what is currently done in educational programmes. Progress in the past two decades has been measurable in South Africa. However, young people are still prevented from becoming entrepreneurs because they are still affected by challenges associated with education and training due to inequalities in educational institutions as well as poor quality and lack of resources in township schools (Matli & Jordaan, 2016). The current state of the South African educational system and strategies employed by the education and training sector focus on providing relevant information to potential students in addition to a focus on quality education and training (Ntombela, 2013).

2.4 Entrepreneurship vs. entrepreneur vs. intrapreneur

Entrepreneurship is the act of being an entrepreneur, who can be defined as “pursuing a seemingly endless path of unknown events, risk-taking, and uncertainty that requires entrepreneurs to improvise” (Balachandra, 2019:1). Entrepreneurship can also be described as the pursuit of market opportunities to create future innovative goods and services. Such opportunities are discovered, evaluated and exploited to extract social and economic value from the environment that could then potentially lead to new businesses (Kunene, 2008:82).

Entrepreneurship is a natural phenomenon in business and that it is part of business life (Diandra & Azmy, 2020). They further explain that business is healthy when there are entrepreneurial skills and that management is adopted from changing and learning.

2.4.1 Inspiring entrepreneurship vs. entrepreneurial intention

Entrepreneurial intention is the internal motivation and a positive attitude to start a new business. Research studies have found that high individual entrepreneurial intention leads to a higher probability of starting a new business. Azjen’s (2002). For example, the Theory of Planned Behaviour suggests that intention for specific behaviour relates to the probability of realising the actual behaviour. For entrepreneurship, this implies that the more an individual wants to become an entrepreneur by realising that this behaviour or career path as the means to achieve this, the more likely the individual will become an entrepreneur and start a new business (Richter et al., 2017).

According to Richter et al. (2017) the ability to measure the presence of entrepreneurial intention enables organisations such as the Allan Gray Orbis Foundation to identify the individuals with high levels of intention and how those individuals’ intentions change throughout their entrepreneurial journey. However, more important than measuring current entrepreneurial intention is to understand how an individual’s intention can be influenced and improved.

Richter et al. (2017) continues by saying that “it must of course be noted that these are an inclusive list of contributing factors to entrepreneurial intention, nor that these factors cannot be overcome—but that they can create barriers or bridges for individuals in their entrepreneurial journeys”.

2.4.2 Subjective norms

Subjective norms refer to the belief that a person of vital importance or a group of people who are close to you will approve and support a particular behaviour and this influence is normally proved to be weaker in previous research on subjective norms forming intention (Ham et al., 2015). Some of the norms are:

- **Personal attitudes or attractions:** Refers to whether an individual regards behaviour as positive or negative as well as the potential consequences of the behaviour.
- **Perceived behaviour control:** Refers to the individual's personal capabilities in relation to behaviour.

Additional research extends the above antecedents to also include:

- **Family background**, including familial remodelling of entrepreneurship.

According to Preisendörfer et al. (2014) aspects of entrepreneurship spirit for entrepreneurial activities and aspirations can be seen as part of the broader concept of entrepreneurship. In a broader definition for entrepreneurship, reference is also made to aspirations, attitudes, values, and a certain socially embedded mindset.

There are additional components of entrepreneurship in the study (Preisendörfer et al., 2014) and the components are as discussed below:

- **Perceived start-up barriers for entrepreneurs:** The motivation to start one's own business may be negatively influenced if potential entrepreneurs are faced by the many barriers to entrepreneurship. It is also important for political, economic and societal entities and persons who want to promote entrepreneurship, to be aware of the specific obstacles and barriers that influence potential entrepreneurs' intention to start their own business ventures.
- **Entrepreneurship climate:** According to Preisendörfer et al. (2014) there is no consensus on how to empirically measure the concepts of entrepreneurial climate and culture even though these are often mentioned in the related literature.

2.4.3 Entrepreneurial intention and entrepreneurial commitment

In the entrepreneurship literature, many scholars have focused on the concept of intentions where entrepreneurial intention is described as the feeling of having one's organisation that is derived from personal and contextual factors (Singh & Onahring, 2019:1). In this view, entrepreneurial intention includes the commitment to action. Commitment can be defined as the amount of the energy that a person uses to create a new venture. It can therefore be regarded as the bridge between the entrepreneurial intention and behaviour of a person (Feola et al., 2019).

According to Patel et al. (2020), being successful often means learning from those who have already achieved their goals. This could be achieved by having a mentor but not everyone can easily find a suitable mentor. There are characteristics and elements that an aspiring entrepreneur must have (Patel et al., 2020):

- **Challenge yourself:** Branson et al. (2020) indicate that the biggest motivation for an entrepreneur is the ability to keep challenging themselves. This means that an entrepreneur has to accept that it is a life-long process of learning.
- **Do work you care about:** Running a business takes a lot of time. Steve Jobs noted that the only way to be satisfied in one's life is to do work that a person believes in.
- **Take the risk:** One never knows the outcome of one's efforts unless doing it. Jeff Bezos said it is not about regretting failing but rather the lack of trying.

Related to the above are three key elements to ensure business success, namely:

- **Believe in yourself:** According to Henry Ford it is about "Whether you think you can, or think you can't, you're right."
- **Believe that you can succeed,** and you will find ways to deal with obstacles. However, by not believing that one can succeed, one tends to just find excuses.
- **Have a vision:** The founder and CEO of Tumblr, David Karp, defines an entrepreneur as someone who has a vision for something as well as a desire to create it. This is possible if one keeps a clear vision..

2.4.4 The role of entrepreneurship in South Africa

The critical role of entrepreneurship in promoting the economic growth of a country and to address unemployment has long been established (Dzingirai, 2021). The seminal work of Joseph Schumpeter published in 1934 viewed entrepreneurship as the mechanism through

which a country can prosper especially when entrepreneurs focus on innovations and inventions. This has been confirmed by Boohene and Agyapong (2017) with special reference to the need for entrepreneurship in local or rural communities.

Since entrepreneurship is important for economic growth and development (Audretsch, 2018), globally governments of many countries attempt to stimulate the entrepreneurial attitudes and activities of their working population (Preisendörfer et al., 2014). This also applies to South Africa, which is regarded as a middle-income country that is characterised by an expanding economy on the one hand and a high level of unemployment on the other as reported by Statistics SA (2021)

2.4.5 Entrepreneurship in South Africa

Sub-Saharan Africa faces the challenge of ensuring that the benefits of growth are equally shared by all the people, especially the young people. In view of this, it is not surprising that most countries in SA failed to meet the millennium development goal one that focuses on reducing extreme poverty (Chigunta, 2017).

The research by Global Entrepreneurship Monitor (GEM) indicates that South Africa's total early-stage entrepreneurial activity (TEA) is very low (6%-10%). This is especially true when compared to other low and middle income countries in South America and sub-Saharan Africa.

The Allen Grey Orbis Foundation (2019) states that in South Africa, the number of start-ups being recorded resulting into suitable jobs is impressive, but only 15% of these start-ups are able to become a sustained business. This means that entrepreneurship in South Africa does not perform in one of the key areas where it is intended to have the most impact, namely to create jobs. The research done by the Allan Grey Orbis Foundation further explains that one of the reasons for the lack of new jobs is misalignment between the skills of the entrepreneurs and their ideas for a new business or venture. Entrepreneurs in South Africa have good insights that enable them to identify niches with the potential to become viable businesses. However, they do not have the skills to take the business from initiation to a sustained state (Allan Gray Orbis Foundation, 2019).

The need for entrepreneurs in South Africa has always been highlighted but is even more the case today with the high rate of unemployment. Entrepreneurs need to focus on the transformation of their communities and not only on being successful entrepreneurs. However, at the same time it is clear that these people do not receive the support that will allow this to become a reality (Allan Gray Orbis Foundation, 2019). This was highlighted during the State of the Nation Address given by President Cyril Ramaphosa in February 2021. Drawing from Allan Gray Orbis Foundation (2019) it became clear that although Mr Ramaphosa admitted

that several challenges were identified that required urgent attention, the omission of entrepreneurship as a national priority was noted. Unfortunately, this situation is not improving and therefore entrepreneurs will continue to struggle as can be seen by the slow rate of growth in South Africa. It was found that the outcomes of entrepreneurship do not align with the inputs (Allan Gray Orbis Foundation, 2019).

2.4.6 How does the lack of entrepreneurial education and skills impact on employment among young people?

Skills and social networks provide two of the main mechanisms for businesses to pursue opportunities in the service sectors. Entrepreneurs can acquire these social assets through various means (Mushwana & Bezuidenhout 2014).

According to Charman (2016), the informal economy provides opportunities for employment and entrepreneurship to those unemployed. Micro-enterprises offers the unemployed youth in townships a point of entry into the labour market. However, those entrepreneurs with micro-enterprises, that are often associated with informal work, may abandon such opportunities for better work opportunities or formal employment when such opportunities become available (Charman, 2016). Although youth persist in informal work or remain unemployed, there are opportunities in the township to acquire skills, gain on-the-job experience, and build social networks. There are enough business opportunities for those youth able to apply their knowledge and skills to mobilise themselves through exposure to the world of work. For example, many hair salon entrepreneurs started their careers working for a hair salon and then when gained sufficient skills and gained business experience with an a customer base to then start their own salon.

According to Charman (2016), the informal economy provides opportunities to the unemployed youth and is an important and much-overlooked route of acquiring skills and building social networks. Another example is in music production where DJs contributes to the flourishing township leisure economy and almost all these entrepreneurs gained the necessary experience and built their own social networks as a result of something that started as a hobby by making and playing music to entertain their friends.

2.5 Constant issues concerning South African township youth

The African Youth Charter (2006) defines youth as people between the ages of 15 and 35 years, while the National Youth Policy 2009–2014 (South Africa Factsheets, 2014) describes youth as people falling in the age group of 14 to 35 years. It is concerning that the rate of youth unemployment in all nine provinces of South Africa is more than double that of adults (Statistics SA, 2021).

According to Statistics South Africa (2021), the percentage of young persons aged 15-34 years who were not in employment, education or training (NEET) increased by 1,9% age points from 41,7% to 43,6% (out of 20,4 million) in the first quarter of 2021. The NEET rate for males increased by 2,0% percentage points, while for females the rate increased by 1,7 percentage points in the first quarter of 2021. In both the first quarters of 2020 and 2021, more than four in every ten young females were not in employment, education or training. This should be a concern to political and governance bodies in South Africa to alert them that more needs to be done for the youth. This is especially important since the South African population consists of a high margin of young people compared to adults (Matli & Jordaan, 2016).

It is important to have policies that are inclusive and that address the development of young people. Even during the post-democracy system in South Africa the gap among advantaged and disadvantaged people in townships, and especially the youth are still affected by the pre-democracy system (South Africa Factsheets, 2014). The National Youth Policy 2009–2014 is an important document for South Africa to guide the relevant policies.

However, challenges continue to make it difficult for young people to become entrepreneurs. Examples of such challenges relate to education and training where inequalities in educational institutions remain and there is also the poor quality and lack of resources in township schools (Matli & Jordaan, 2016). Quality education and equipping the youth with access to relevant information are needed to address the challenges experienced by the NEET (Ntombela, 2013).

2.6 NEET youth

The NEET refers to people not in employment, education, or training of ages 15-24 are defined, internationally, as young people aged 15-24 years who are not employed and who are not in education or training. There are two categories of NEETs, namely, Inactive NEETs and Unemployed NEETs. Inactive NEETs refers to persons who are neither in employment, education or training and not actively seeking work. According to Stats SA (2021), a person can be classified as an inactive NEET for various reasons such as managing a home (homemaker), health reasons, being too young/too old/retired, discouraged work-seeker and other unmentioned reasons. Unemployed NEETs refers to the number of people who are neither in employment, education or training but actively seeking employment, and available to start work. The 2021 fact sheet was reporting data on the combination of both inactive and unemployed NEETs.

The Department of Higher Education and Training (DHET) is responsible for the entire Post-School Education and Training (PSET) system comprising of all education and training provision for those who have completed school. Record should be kept of those who did not complete their schooling and those who never attended school to analyse data related to NEET

youth (NEET FACTs). This would then assist in informing the relevant policies that address youth unemployment. The large number of the young people who are regarded as NEET is one of the biggest concerns not only nationally but also internationally.

According to Stats SA (2021), most young people have been discouraged entering the labour market and they are also not building on their skills base through education and training. The NEET rate serves as an important additional labour market indicator for young people considering the youth unemployment situation.

2.6.1 Challenges experienced by NEET youth in South African townships (Capricorn Park) hindering them from becoming entrepreneurs

According to Mahajan (2014), the World Bank Group country director for South Africa describes townships as spaces filled with people who are able to work and who are desperate for an economic opportunity but who are disconnected from urban areas with better employment opportunities and economic prospects. Research by the same organisation shows the majority of the unemployed (about 60% of the total) come from townships and informal settlements.

Understanding the challenges experienced by townships will provide insights into the challenges experienced by township entrepreneurs. Most of the challenges stem from the history of townships in South Africa. South Africa's townships are historically the result of the country's apartheid regime. The impact of past neglect, lack of investment, overpopulation and isolation from urban centres, as examples of some of the factors, is still relevant today. Most notably are the lack of resources and infrastructure that contributes to the high unemployment levels (DHET, 2017).

Our South African population is currently made up mostly of a young population with those younger than 35 years constituting about 66% of the total population. 18.5% are between the ages 10-19, and 24% are between the ages 15-24. Based on these figures a better understanding of the challenges experienced by the youth is needed in order to identify practical solutions to address those challenges. Once suitable solutions are identified better opportunities can be created (DHET, 2017).

The main challenges faced and opportunities available for the NEET youth are discussed next (Kasipreneurs, 2015).

2.6.1.1 Working experience

Many job opportunities require prior working experience to ensure that the person can perform at a certain level with the required skills and expertise. However, the challenge is when the

person has never worked before and still need to enter the job market. A suggestion is for such persons to start volunteering or to find an internships to gain the relevant skills and expertise needed for the required job (DHET, 2017).

2.6.1.2 Lack of higher education

The Department of Higher Education generally gives an individual a better chance to compete for a job compared to an individual who does not have the same education. Various careers need highly skilled individuals with the necessary work knowledge that can be gained through academic qualifications, through extensive training or related work experience. Some jobs require (specifically) academic training at a high level, especially for a professional career and NEETs without such training may not meet the requirements required by the job. In such cases persons can further their qualifications and trainings through educational programs at the cost of developing various skills or enter a learnership programme prepare for such a job (Moldoveanu & Narayandas, 2019).

2.6.1.3 Funding your studies

Lack of funding for tertiary studies or starting businesses is a barrier for those who are then unable to continue with further studies. Even if they wish to do so or start a business this is not easy. Not having sufficient funds to buy newspapers, access the internet or buy electricity to listen to the radio or to receive information about employment and entrepreneurship opportunities will prevent persons from knowing about such opportunities. A possible solution is for the unemployed youth to visit youth centres in the township that usually provide free internet and advice. Local libraries in townships also provide and free internet access to search for jobs (Odendaal, 2016).

2.6.1.4 Information on available opportunities

Many NEETs are unaware of the opportunities available to them as the youth, such as funding for studying, for start-up business or available jobs. These individuals may not be well informed or exposed to the appropriate resources that will provide them with the necessary information. Such persons should ask questions and enquire with the relevant people about opportunities and how to access them (Powell, 2018).

2.6.1.5 Limited exposure to work opportunities

When people have limited exposure to suitable work opportunities they may become frustrated and despondent.

2.6.1.6 Limited networking skills

According to the DHET (2017), some people have a limited network due to limited connectivity and are therefore unable to use their existing network and communicate sufficiently with others who could possibly assist. This results in them not knowing of opportunities for young people where they may be assisted.

2.6.1.7 Limited access to information and resources

The DHET further states that having access to relevant information and information about possible resources is typically limited in townships. Unemployed youth may therefore not be aware of opportunities available to them because they do not know they exist. Not having the necessary exposure can affect the level to which persons grow and develop in their career.

2.6.1.8 Loss of motivation

Some people have lost hope in ever finding employment. Being unsuccessful for such a long time and being rejected many times contributed to them losing hope of ever finding employment. As a result they have given up searching for jobs. Being unemployed or idle for a long time can result in the person losing motivation (DHET, 2017).

2.6.1.9 Limited support structures

Drawing from the DHET (2017), the lack of positive role models or people who they can talk to and who can encourage them mean that they are not well supported in their endeavours to find employment. The lack of sufficient support structures prevent them from knowing about opportunities or to become better equipped to find employment.

2.7 Proposed conceptual framework

Below is the proposed conceptual framework derived from the literature reviewed to show the concepts and their relationships that are relevant for this study.

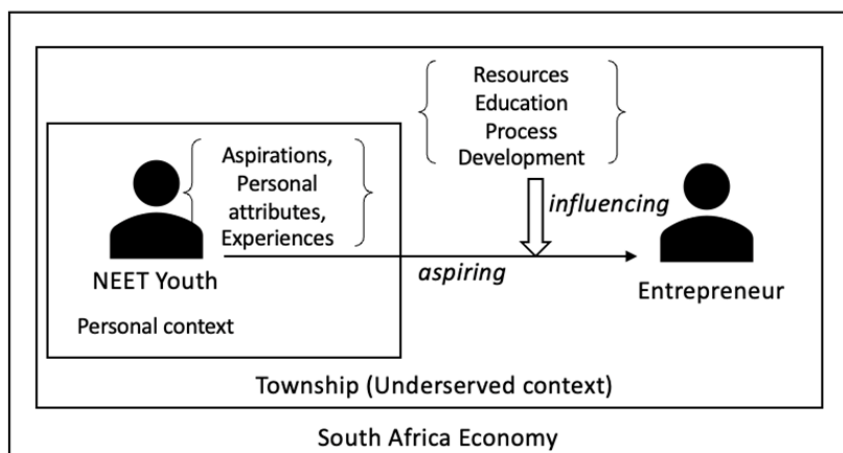


Figure 2.1: Conceptual framework

The following key concepts were considered when formulating the questions to be posed to the youth participants: challenges experienced by the youth; resources available to them; what is needed to be successful; viable business; and advice needed; assistance to be successful.

2.8 Chapter conclusion

Townships originated from South Africa's unique economic to use inexpensive migratory labour, who were managed through a brutal policing systems during the apartheid era. As young people wish to liberate themselves from this stubborn system, there are a few ways out, including education and entrepreneurship, among others.

NEETs (young people aged 15-24 years who are not employed and who are not in education or training) aspire to change their lives and contribute to their communities. In South African townships there are many challenges to face if one wants to become an entrepreneur. These challenges include working experience, lack of higher education, and not sufficient information on available opportunities. For these young people to succeed under such challenges, and more so as an entrepreneur, they need certain attributes, including a broad education that includes skills, especially entrepreneurial skills. In many ways, education is the challenge for township youth, from structure to quality. Education is essential in the development of young people of any nation. In South Africa, there is much that needs to be done (e.g. government programmes) to support and mentor young entrepreneurs on a large scale.

CHAPTER 3 - RESEARCH METHODOLOGY AND DESIGN

Chapter 3 outlines how the research methodology and design. The research methods and instruments used to gather and analyse the data will be discussed in depth.

3.1 Introduction

The previous chapter contextualised the factors hindering NEET youth from starting their businesses. In this chapter, the methodology employed during the research is explained, commencing with the research design, followed by a description of the population and sampling techniques, data collection procedure, and data analysis.

3.2 Research paradigm, methods and methodologies

According to Kivunja and Kuyini (2017), paradigm originates from the Greek word paradigm that means pattern and was first used by Thomas Kuhn in 1962 to indicate a conceptual framework shared by a community of scientists, which provided them with a convenient model for examining problems and finding solutions. To conduct particular research, inquiries are guided by a set of beliefs and assumptions contained in the paradigm; it can be argued that four paradigms namely functionalist, interpretive, radical humanist, radical structuralist have been widely used in information system research, which includes Interpretive research (Rahi, 2017). The research paradigm for this project focuses on the researcher attempting to understand how individuals make sense of their situation (Dudovskiy, 2019) which is therefore aligned to the interpretive paradigm.

3.2.1 Research design

Research design is described as the plan that guides the researcher who involves research participants or subjects and collects information from them (Mafuwane, 2011).

The strategy used for this study is participatory design where design methods will be used to encourage participants to share their views, perceptions, concerns etc. The type of qualitative used is online surveys, which were created for the participants to express themselves freely and without any judgement. The online survey was used as the result of Coronavirus (Covid-19) restrictions (restricted the movement and meetings) that were put in place by the Republic government.

3.2.2 Demarcation/delimitation of the study

The study was conducted in a Cape Town township, Capricorn Park, also known as Vrygrond in South Africa. According to the Western Cape Government, Socio-Economic Profile 2017 the City of Cape Town's population is expected to expand rapidly across the next 5 years. The

township has been selected as an underserved setting to focus on the youth with the limited resources available to them.

3.2.3 Research process

Convenience sampling was used. Convenience sampling (also known as haphazard sampling or accidental sampling) is a type of nonprobability or non-random sampling, where members of the target population meet criteria, for example, easy access, geographical proximity, availability, or the willingness to participate. These criteria are used to include the participants in the study (Etikan, 2016:2).

The participants are from a Cape Town township named Capricorn Park (also known as Vrygrond) and the convenience sampling method was used to conduct the surveys. NEET youth aspiring to become entrepreneurs were recruited from the township with the assistance of a community organisation (The SOZO Foundation) which is already involved in community development. The recruited youth had a choice to participate in the study. Expectations were managed to ensure that the participants did not have any expectations to be an entrepreneur at the end of the study.

3.2.4 Sample technique and sample size

The youth from the selected Cape Town townships will be used to select the representative sample of the total population. An attempt will be made to recruit both males and female participants between the ages of 18 and 35 who are currently unemployed. A group of 15 youth participants will be selected but if there are more who want to participate, they will be allowed. Participation will be voluntary.

3.2.5 Data collection instruments

Focus group sessions were to be conducted where design activities with design probes will be used to collect the data representing the participants' views. The following methods were to be used to collect the data:

- Community mapping
- Open-ended online questionnaire

Coronavirus control measures made it impossible for the researcher to apply any of the above-mentioned methods. The movement of people was restricted. As a result, a semi-structured interview was used to collect data.

3.3 Data collection/fieldwork

The field will be accessed with the assistance of a community organisation already involved in youth development. They will recruit the participants. The focus group sessions for the design

activities will be facilitated by the researcher under the guidance of the supervisor and doctoral students.

The plan was to collect data with focus groups with a detailed agenda of activities and materials needed for the activities. Each activity would have had an associated outcome. Before entering the field, the student and supervisor would have visited the participating organisation and if possible, meet with a youth representative to explain the purpose of the research and what can be expected.

The organisational and youth representative would have been encouraged to make suggestions for them to establish how they can benefit from the project. The organisational representative(s) would have been invited to attend the sessions as observers. After the session, the research team would have met to reflect on the session and to capture the data. A feedback report would have been sent to the participating organisation and youth participants. Any artefacts generated during the session, e.g., stories, ideas, etc. would have been returned after they were digitised and captured. However, due to the pandemic restrictions no face-to-face activities were possible and the data had to be collected using online questionnaires.

This research project forms part of the NRF Bi-lateral project that will provide the funding for the fieldwork. The methods developed in the NRF Bi-lateral project will be used in this study. The student will have access to all the resources of the NRF Bi-lateral project.

3.3.1 Data coding and analysis

The data will be analysed using the thematic analysis method where the data are first coded. Thematic analysis is known as the most common form of analysis widely used in the qualitative psychology where the researcher must choose between a diverse range of approaches that can differ considerably in their underlying conceptualisations of qualitative research (Braun & Clarke, 2022). The codes will be grouped into categories from which the theme will be derived. The findings have been interpreted in Chapter 4 to gain insights into the entrepreneurship status of NEET youth in Capricorn Park.

3.3.1.1 Systematic method

A systematic research method is a type of probability sampling method where sample members from a large population are selected according to a random starting point with a fixed periodic interval (Bostrom et al., 2019). With this systematic method, once the fixed point has been identified, a constant interval is selected to facilitate participant selection. It is popular with researchers and analysts because of its simplicity.

3.3.1.2 Deduction vs induction

Deduction is data that is analysed according to an existing theoretical framework. The aim is not to test the theory but to adopt the theory as an analytical tool when collecting and analysing data (Kennedy & Thornburg, 2018). With induction, researchers use data from empirical cases to identify a pattern from which to make a general statement. It consists of inferring conclusions based upon data (Charmaz & Thornburg, 2020). Induction sticks closely to the data and can reveal new understandings of existing knowledge and conclusion.

In this study, the induction method was used to code the data. The coding was done directly from the responses of the participants.

3.3.1.3 Explain the coding and concept of themes

Coding is a ubiquitous part of qualitative research. It is the process of analysing qualitative text data by taking them apart to see what they yield before putting the data back together in a meaningful way (Elliott, 2018). Coding can also be defined as a process that goes undocumented with some honourable expectations and coding in qualitative analysis addresses the *why* questions (Allen, 2017).

3.3.2 Ethical considerations

Ethical Considerations is one of the most important parts of the research and the online surveys were approved by the CPUT Ethics Committee. The research participants were not subjected to harm in any way. Respect for the dignity of research participants was prioritised and full consent was obtained from the participants prior to the study (Barrow et al., 2021).

The participants were assured of voluntary participation and the mechanisms used ensured that they contributed freely and anonymously. The participants were also informed that they are free to withdraw from the study at any stage when they feel like withdrawing without having to give a reason.

CHAPTER 4 - DATA COLLECTION AND COMMUNITY MAPPING

In this chapter, the data collection process as well as the analysis of the collected data is described.

4.1 Introduction

Community mapping can be defined as the process and product of a community getting together to map its own assets, values, beliefs or any other self-selected variable. It is about mapping by the community for the community using relatively informal processes (Coghlan & Brydon-Miller, 2014). In this study, the youth participants completed an online questionnaire with questions about the community's assets from their perspective.

In this chapter, the data collection process is described after a brief introduction of the context of the case, namely the township of Capricorn Park. Related documents about the details of Capricorn Park were reviewed based on the sourcing of secondary data in line with the aims and objectives of this study.

4.2 Description of the case

Capricorn Park, also known as "Vrygrond", is one of the oldest townships in the Western Cape. Vrygrond means "Free Ground" and comes from the legend that the land was given to the community by a wealthy Italian aristocrat who owned the area. Capricorn Park was created by Trek fishermen built informal houses near the beach to be close to the sea for their fishing; the settlement is located near Muizenberg on the False Bay coast about 20 kilometres from central Cape Town. Currently, the population is more or less equally coloured, who mostly speak Afrikaans and English, and black, who speak Xhosa. The population is estimated to be around 8000 although there are possibly more people (Capricorn Living Hope, 2020).

The people of Capricorn Park have a difficult history; the land on which the settlements is built belonged to the Council which means that residents are unable to own land and therefore they have no legal right to live there. Under the apartheid government prior to 1994, they were ejected, with many being forcibly sent back to other parts of South Africa. Many people left because of being harassed but a group stayed there. When shacks are demolished by the authorities during the day the people just re-built them again. The number of people in the community increased and eventually government entities gradually stopped implementing its policies.

The community always had to deal with the effects of poverty as is still the case today. For many years Capricorn Park had no electricity and no piped water. The council provided 21 public water taps that have to serve over 1000 homes. A further sanitation problem is that toilet

buckets were only emptied once a week by the Council. Capricorn Park or Vrygrond is in the Southwest of Cape Town Ward 67 with the area code of 7945. It is about 1096 meters long and 3km from Muizenberg and Retreat.

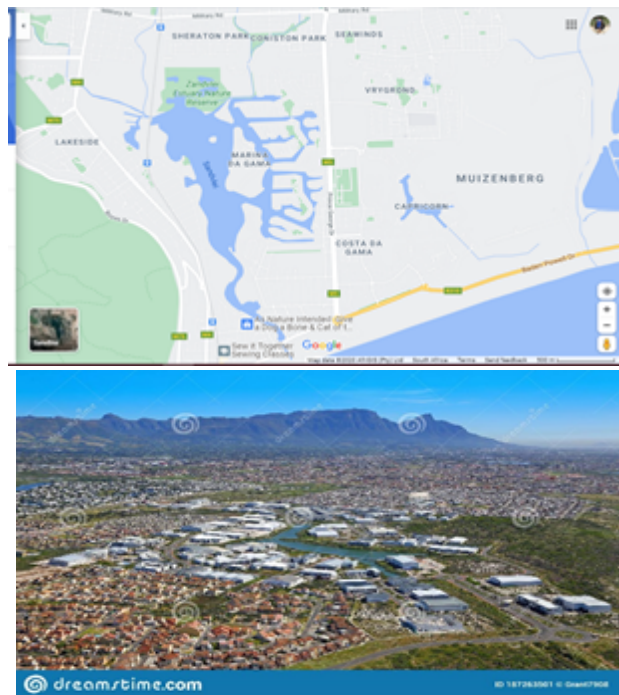


Figure 4.1: Capricorn Park map allocation and topography

4.3 Participants' profiles

In a research study when using qualitative research, it is important to describe the participants' profiles because their background can help understand their decisions and choices. It also helps understand their ideology in a certain way (Harrison & Boyd, 2018).

Due to the Covid-19 pandemic, the participants that were involved in this study were issued with semi-structured interviews instead of face-to-face interviews. Participant codes were used to refer to all participants. The codes were allocated to each participant according to a corresponding Excel spreadsheet number containing participants' details and the letter Z is the researcher's initials. The participants listed are only those that participated in the study. The participants' codes and profiles are presented in Table 4.1.

Table 4.1: Participant codes

| Participant No. | Unique Participant Code |
|-----------------|-------------------------|
| Participant 1 | ZP57 |
| Participant 2 | ZP42 |
| Participant 3 | ZP43 |
| Participant 4 | ZP44 |
| Participant 5 | ZP45 |

| Participant No. | Unique Participant Code |
|-----------------|-------------------------|
| Participant 6 | ZP46 |
| Participant 7 | ZP47 |
| Participant 8 | ZP48 |
| Participant 9 | ZP49 |
| Participant 10 | ZP50 |
| Participant 11 | ZP51 |
| Participant 12 | ZP52 |
| Participant 13 | ZP53 |
| Participant 14 | ZP54 |
| Participant 15 | ZP56 |
| Participant 16 | ZP58 |
| Participant 17 | ZP59 |
| Participant 18 | ZP60 |
| Participant 19 | ZP61 |
| Participant 20 | ZP62 |
| Participant 21 | ZP63 |

4.4 Demographics of participants

The demographic data that was used for this research are presented as pie charts and bar graphs. The demographic information includes the ages of the respondents, their employment status, and their level of education.

4.4.1 Age

Below the ages of the participants are illustrated. There are 13 respondents between the ages 18-23, nine who are between the ages 24-29 and only one respondent who is aged between 30-35 years. Most participants are between 18 and 23 years old and only one older than 30. The youth participants therefore represent the age group of 18-29 years.

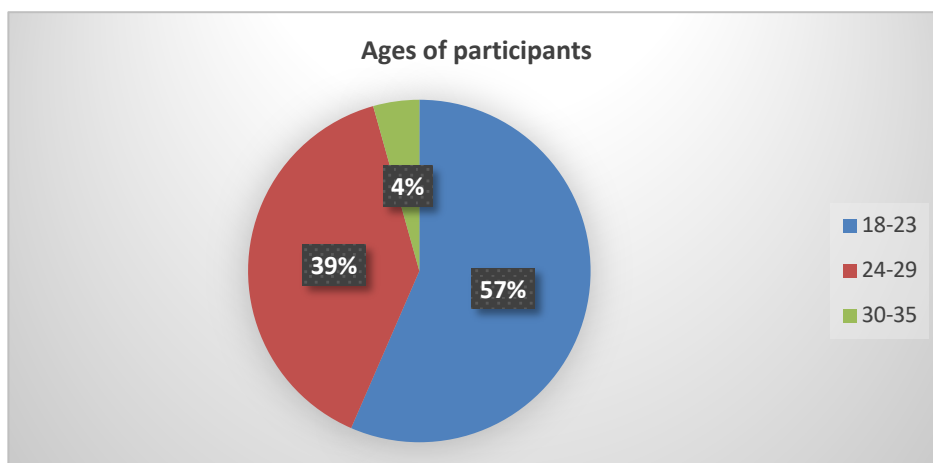


Figure 4.2: Age distribution of participants

4.4.2 Employment

Below is the bar graph illustrating the employment status of the respondents. Only five (5) of the respondents are employed, 15 are unemployed, and the remainder of the respondents fall under the self-employed and “Other” category. Respondents are largely unemployed with few employed and other studying and involved in other programs. This is typical of the employment status in underserved contexts.

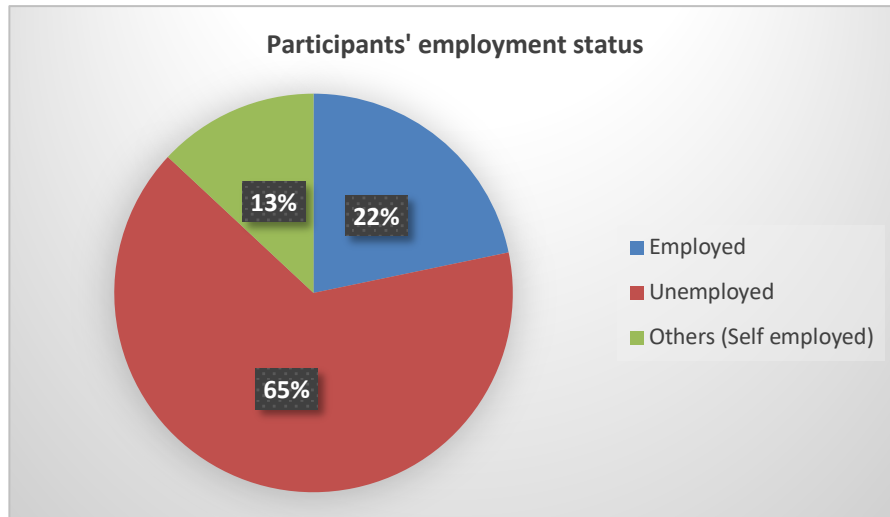


Figure 4.3: Distribution of the employment status of participants

4.4.3 Education

The level of education is presented in the figure below. Only 4% of the respondents have a secondary level of education. Of the remaining respondents, 17% completed a National Diploma, 17% completed a degree and the majority of the respondents which is 61% completed matric as their highest qualification.

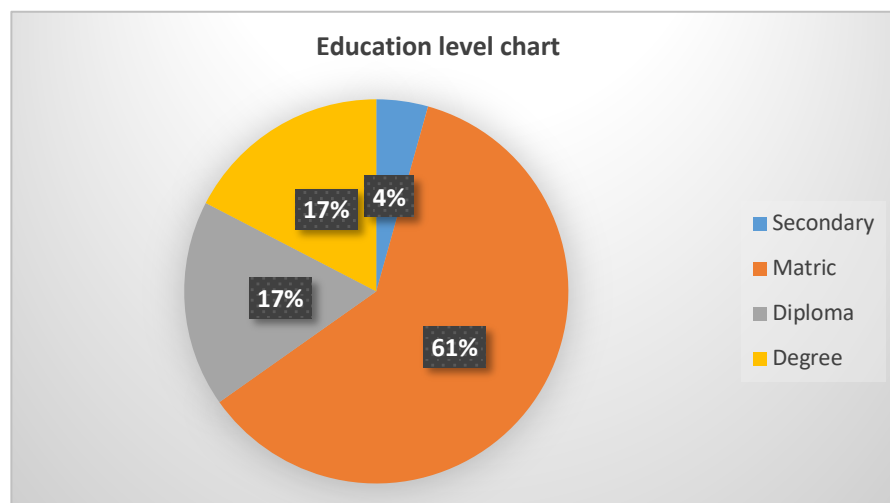


Figure 4.4: Distribution of the educational level of participants

4.4.4 Where do you live?

Figure 4.5 indicates where the respondents live. Seventy percent (70%) of the respondents still live with their families, Seventeen percent (17%) of the respondents live with other people, and 13% rent out their own place. Participants are mostly living with their families or with other people.

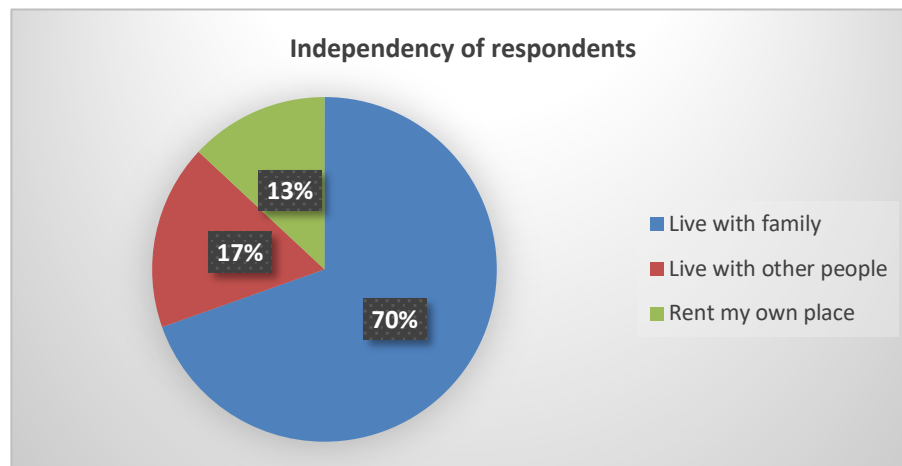


Figure 4.5: Distribution of the independency status of participants

4.5 Data collection

In the next sub-sections, the data collection done for this study is described.

4.5.1 Data collection process

The participants who were involved in this research are from a Cape Town township named Capricorn Park (also known as Vrygrond). NEET youth aspiring to become entrepreneurs were recruited from the township with the assistance of a community organisation, the SOZO Foundation, which is already involved in community development. The recruited youth had a choice to participate in the study. Expectations were managed to ensure that the participants did not have any expectations to be an entrepreneur at the end of the study. The data were collected through an online survey.

4.5.2 Data collection instruments

The following methods were to be used to collect the data:

- Community mapping
- Open-ended questionnaires

Due to Covid-19, the data were collected through online surveys to obtain the results for this research and the findings were in response to the research questions. The participants completed 5 surveys. The Covid-19 control measures made it impossible for the researcher to apply any face-to-face methods, which is why online surveys were used.

4.5.3 Identifying and recruiting participants

The convenience sampling method was used to conduct the online surveys and all the participants were informed via WhatsApp and word of mouth with regards to the wish of them partaking in this research. The participants that were recruited are young people from Capricorn Park, both males and females. Consent was asked from the participants; participation was voluntary, and they were informed that they can withdraw at any time. It was also made clear that the participants should not have the expectation of being entrepreneurs at the end of the study. Once the youth signed the informed consent form and agreed to participate, they were included as participants for the study.

The research proposed to include successful entrepreneurs from the community to participate in a session where the aspiring youth participants would have been given the opportunity to ask questions and obtain advice from a successful entrepreneur. However, due to the lockdown restrictions of the Covid-19 pandemic, one successful entrepreneur was approached and requested to complete an online questionnaire. The data were therefore collected separately and not in response to the aspiring entrepreneurs' responses.

4.5.4 Entering the field

The researcher asked for permission to conduct research with the SOZO Foundation, a non-profit organisation in Capricorn Park. The research consent document was sent to the Faculty Ethics Board to seek permission to conduct the study. The document serves as a formal letter from CPUUT providing information to the participants about the researcher's supervisor as well as the Faculty Research Ethics Committee secretary and their details. The document also provides participants with the necessary information to make enquiries about the authenticity of the invitation to partake in the study.

4.5.5 Collecting data

For this study, online semi-structured interviews were used as a method of data collection. Sampling is covered extensively in the previous chapter (Chapter 3) but is included in this section to help the reader keep abreast with how it was done. The interview schedule lists the interview questions in the sequence that the questions were asked. Examples of the data collection instruments are attached as appendices, *named Informed Consent Questions* (Appendix A), *Aspiring Entrepreneurs Open-Ended Questions* (Appendix B), *Community Mapping Questions* (Appendix C), and *Successful Entrepreneur Questions* (Appendix D). The researcher assigned pseudo names for each interviewee to maintain the principle of confidentiality.

4.5.6 Reflecting on the data collection process

The researcher started by explaining what the study was about and the contribution the researcher was hoping to make by undertaking the study. This was done through a WhatsApp group created by the researcher, where all the partaking participants were added. Participants were informed of the ethical principles guiding the research study and that no participant was forced to partake in the study. Issues of confidentiality and anonymity were explained and that no incentives should be expected by participants. An informed consent survey form was sent to each participant for their written consent to participate in this study. Recruiting the participants was not a difficult process; they were more than willing to participate but getting them to complete all the surveys was tricky as the researcher had to remind some of them to complete the surveys. However, there was some positive feedback after the study. Below are some of the participants' responses about what they enjoyed most about this research and what they have learned about themselves:

"I enjoyed that I was given a platform to talk about my experience as a young entrepreneur" [ZP46].

"Being part of it and then the questions about becoming an entrepreneur" [ZP50].

"I have potential of becoming a successful young entrepreneur" [ZP50].

"That I think off the box" [ZP43].

"I enjoyed the question about that things to be improved in Capricorn, who I look up to and how I would like to get assistance from that individual" [ZP42].

"I've learnt to identify things that I've ignored about my community" [ZP42].

4.6 Data analysis process

4.6.1 Transcribing of online survey data

The data obtained from the participants were already electronic and therefore contain the participants' own words.

4.6.2 Coding

The keywords were identified by summarising related data relevant to the research questions that were aligned with the research objectives. During the survey, some survey questions produced and elicited varying answers, which were grouped according to the similarity of keywords under different categories. A total of 147 keywords were identified and used to summarise the data.

Table 4.2: Extract of online community mapping survey transcriptions

| |
|--|
| Question: Where do people in the community go for their shopping? Participant ZP43: "There is a shopping Centre Capricorn, Steenberg and Retreat" |
| Question: What do people in the community do when they need transport? Participant ZP43: "There are taxis to Retreat Train Station" |
| Question: Please explain the situation with regards to the availability of resources in the community? Participant ZP43: "Resources are very scarce; facilities are lacking" |
| Question: Please explain the situation in your community with regards to the available infrastructure Participant ZP43: "The situation is too bad" |

4.6.3 Data coding

For this study, latent coding was applied in which similar themes were coded in the same category. These themes were grouped on an Excel spreadsheet for further analysis. The researcher looked for common phrases that have the same meaning.

4.6.4 Categories

The thematic method of grouping and categorising of transcribed data, as described in Chapter 3 and applied to the interview data scripts resulted in the categories derived (Table 4.2). The categorisation of data was done by grouping keywords and phrases from the participants' responses with similar meanings together and placing them into complementary categories.

4.6.5 Themes

In analysing data, the researcher followed a layered approach. The first layer of analysis involved of qualitative research method in which data from interviews was analysed to gain insight into the research subject. The next layer involved identifying common themes within the data.

Several themes were identified by applying latent coding. The interview transcripts were analysed using this technique and further themes were identified. Themes were divided into structured and unstructured and appendices of the types of themes will be attached.

4.7 Community mapping

Below is a continuation of the questions that were asked in the Community Mapping survey:

The objectives of this study are to identify the challenges influencing the current situation as experienced by NEET youth aspiring to become entrepreneurs in townships (Capricorn Park), and to also identify the strategies that NEET youth can use to select possible entrepreneurship

opportunities from the identified positive opportunities in townships (Capricorn Park). Each question addressed a specific key concept to understand the context of the township better from the participants' perspectives. The key concepts are grouped into four categories as indicated in the table below:

Table 4.3: Areas of focus from the survey, themes and questions

| Category | Key Concept | No. | Question |
|--------------------|-----------------------|-----|--|
| Places for needs | Health & Wellbeing | 1 | Where do people in the community go for their health and wellbeing needs? |
| | Education & Training | 2 | Where do people in the community go for education and training? |
| | Money | 3 | Where do people in the community go when they need money? |
| | Socialise | 4 | What do people in the community do when they want to socialise? |
| | Information | 5 | Where do people in the community find information for a specific purpose for which they need the information? |
| | Shopping | 6 | Where do people in the community go for their shopping? |
| | Transport | 7 | What do people in the community do when they need transport? |
| | Religious & Spiritual | 8 | Where do people in the community go for their spiritual/religious practices? |
| | Sport & Recreational | 9 | Where do people in the community go for sport or other recreational activities? |
| Township Situation | Resources | 10 | Please explain the situation with regards to the availability of resources in the community |
| | Infrastructure | 11 | Please explain the situation in your community with regards to the available infrastructure |
| | Support | 12 | Please explain accessibility to support in the community, e.g. where can one get support and how easy is it to get support when needed |
| | Important People | 13 | Who are the most important people within your community? |
| | Places | 14 | What kind of places do you go to in your community? |
| | Services | 15 | What are the most essential services in your community? |
| | Lacking Services | 16 | What services are lacking in your community that are desired by the people in the community? |
| Aspirations | Important Things | 17 | What are the three most important things for you? |
| | Community Needs | 18 | What in your opinion do you think the community needs to address the needs of their citizens? |

The responses are discussed for each key concept within each category.

4.7.1 Places that youth go to for their needs

Health and wellbeing needs: The participants responded to the question: **Where do people in the community go for their health and wellbeing needs?**

Figure 4.6 below shows where the people of Capricorn Park got for their health and wellbeing needs. The places listed below were given as responses by the respondents and most of the respondents named more than one place on their responses. Many people in Capricorn Park go to Seawinds clinic and other places like private doctors. This makes sense because Seawinds is the closest and other people go to places that are convenient to them, such as Retreat and False Bay hospital and Wynberg. Most young people in Capricorn Park are attending Seawinds Clinic (41%) which is a government facility and provides service for free. The other (41%) did not specify.

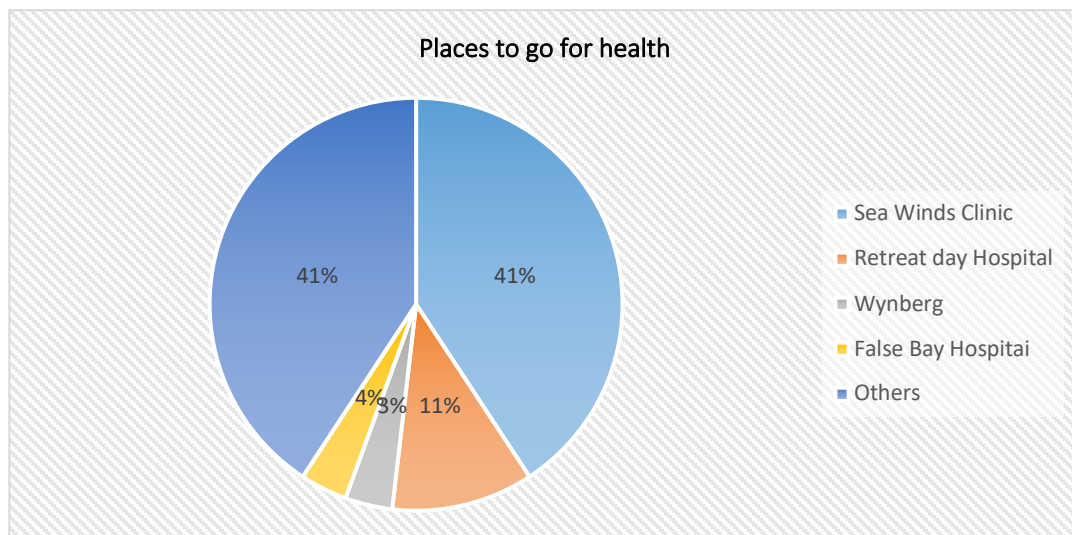


Figure 4.6: Distribution of where people from Capricorn Park go for health



Figure 4.7: The Seawinds Clinic with workers and Department of Health officials

Education and training places: The participants responded to the question: “Where do people in the community go for education and training?”

The people in Capricorn Park predominately rely on public education for their educational needs. This makes sense as the community of Capricorn Park is poor, and the public sector is affordable. They go to the public institution including False Bay TVET College as mentioned by respondents.

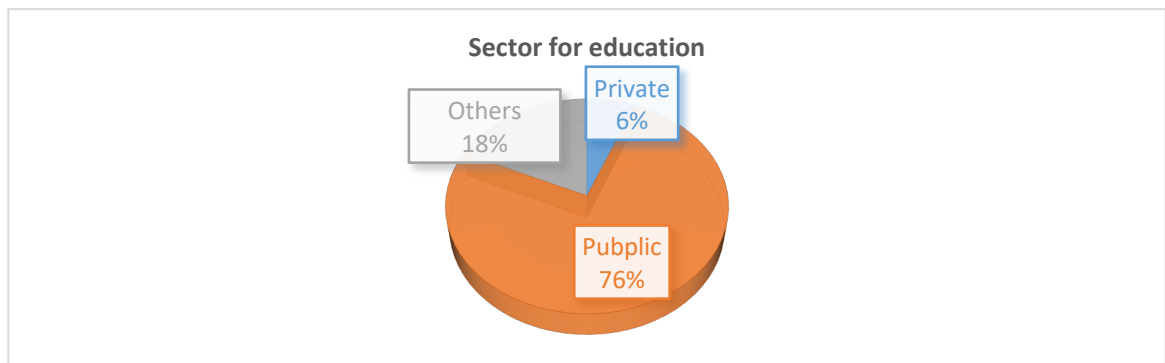


Figure 4.8: Distribution of respondents' indication of where participants go for education and training



Figure 4.9: False Bay College Muizenberg Campus where people from Capricorn Park study

Places to get money: The participants responded to the question: Where do people in the community go when they need money?

The graph below is showing where the people of the Capricorn Park community go when they need money. Four of the respondents said that the people go to the Capricorn shopping Centre ATMs and the Pick n Pay supermarket, two indicated that the people go to Wynberg Maynard mall supermarkets and ATMs and the Retreat Station ATMs and sixteen of the respondents stated that the people of the Capricorn Park community go to other places when they need money. People of Capricorn Park are working all around the southern suburbs in Cape Town

and they prefer to use money in those areas as they spend much time there. Some go to Capricorn Shopping Centre, Wynberg and Retreat.

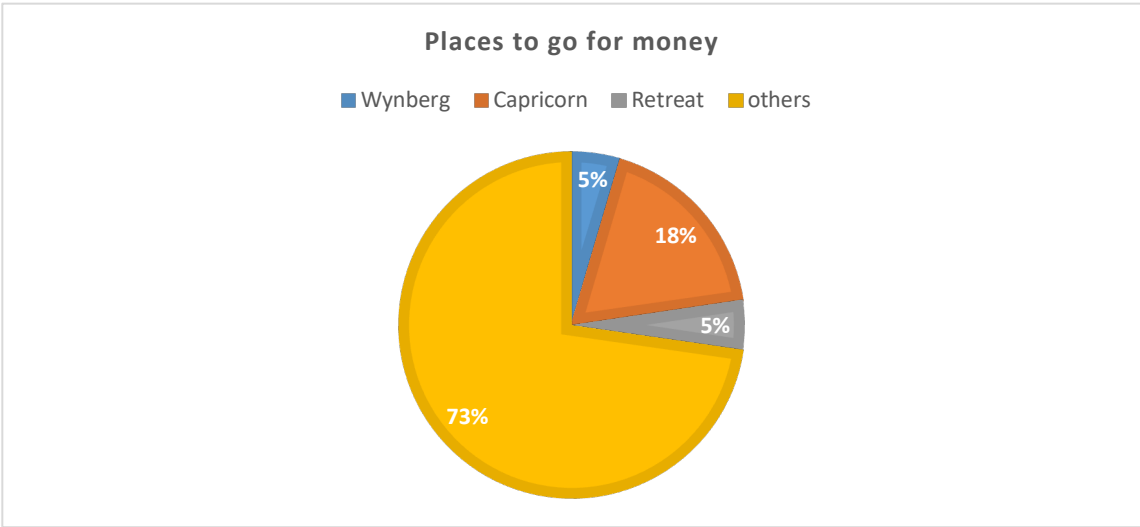


Figure 4.10: Distribution of where people go to get money

Places to socialise: The participants responded to the question: “What do people in the community do when they want to socialise?”

The chart below shows the participants responses to where the people from the Capricorn Park community go when they want to socialise. Fifty-four percent (54%) of the respondents indicated that people go out when they want to socialise; 23% of them indicated that the people drink alcohol; 15% stated that they participate in sports activities; and 8% go to church. It is clear from the demographics that participants mostly go out to socialise, and about a quarter of them indicated that they drink alcohol to socialise. Only a few participate in sports activities and going to church.

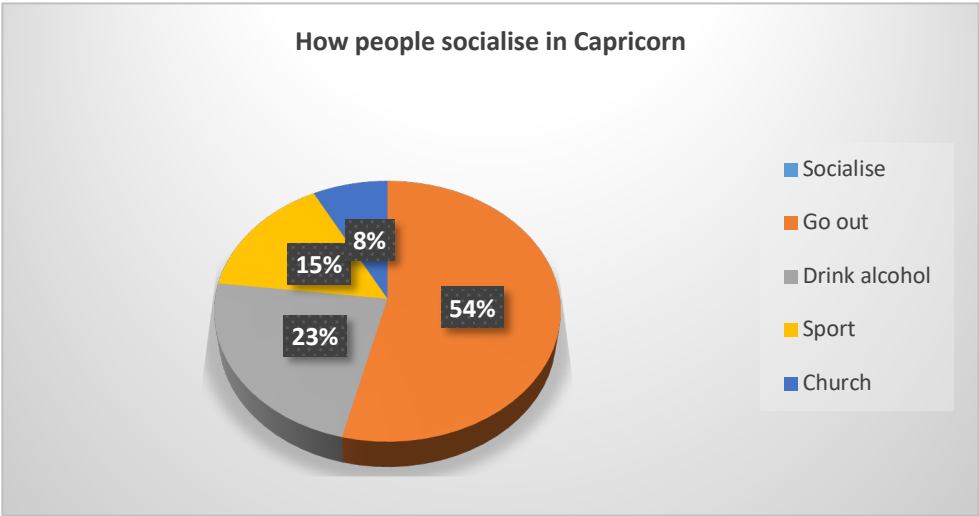


Figure 4.11: Distribution of socialising activities



Figure 4.12: A bad pitch – Capricorn Park sports facility with people exercising

Places to find information: The participants responded to the question: “Where do people in the community find information for a specific purpose for which they need information?”

The pie chart below (Figure 4.13) indicates where the people of the Capricorn Park community go when they need information. Twenty (20) of the respondents said the people go to community centres, four (4) indicated that they go to internet cafes, three (3) indicated that they go to other places, while only one respondent indicated he/she goes to the community library. The Community Centre seems to be popular in Capricorn Park as the source of information as they provide free access to the internet (Capricorn Community Centre and SOZO). Internet cafés are also used more than the library as the latter is small with limited information sources.

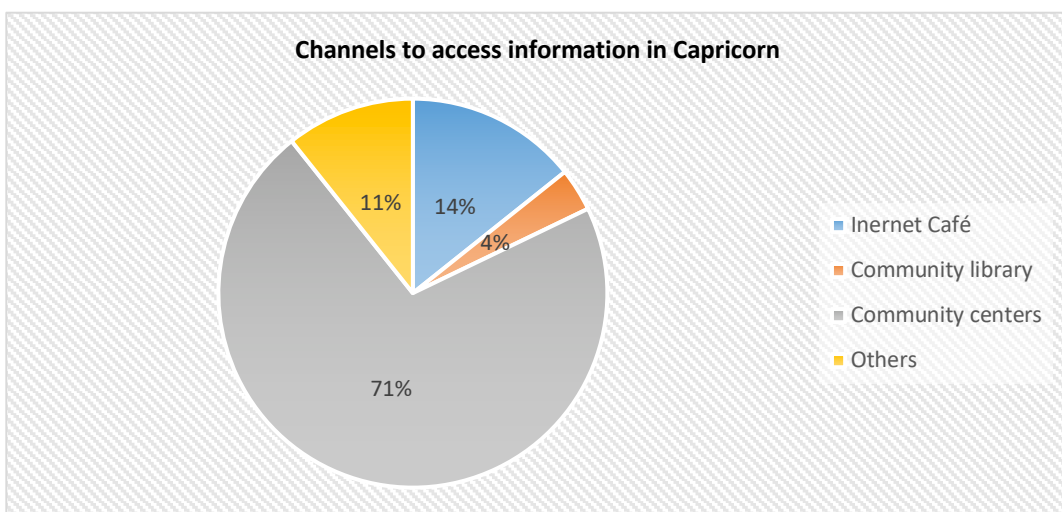


Figure 4.13: Distribution of the channels the participants use to access information



Figure 4.14: The Capricorn Community Centre for youth development programmes

Places to go shopping: The participants responded to the question: “Where do people in the community go for their shopping?”

Figure 4.15 indicates where the community members shop. Fourteen (14) respondents indicated that the people go to the Capricorn Shopping Centre, eight (8) said they go to other places, five (5) stated they go to Tokai (Blue Route Mall), four (4) indicated that people go to Steenberg Shopping Centre, and two (2) respondents indicated that the people go to Wynberg. People in Capricorn Park mostly shop at the Capricorn Centre and other places in their immediate vicinity, such as Steenberg and Tokai.



Figure 4.15: Distribution of places where the participants go to shop



Figure 4.16: Capricorn Shopping Centre

Places to get transport: The participants responded to the question: “What do people in the community do when they need transport?”

The bar graph below (Figure 4.17) illustrates the respondents’ answers about transport use in the community. Twenty-two (22) of the respondents indicated that the community members use taxis, six (6) respondents said they use the train, four (4) stated that the community members use a bus, and one (1) respondent stated that the people of Capricorn Park use other means of transport. Taxis are the most used mode of transport. Trains and buses are second in popularity, while a few are using other modes of transport such as private cars.

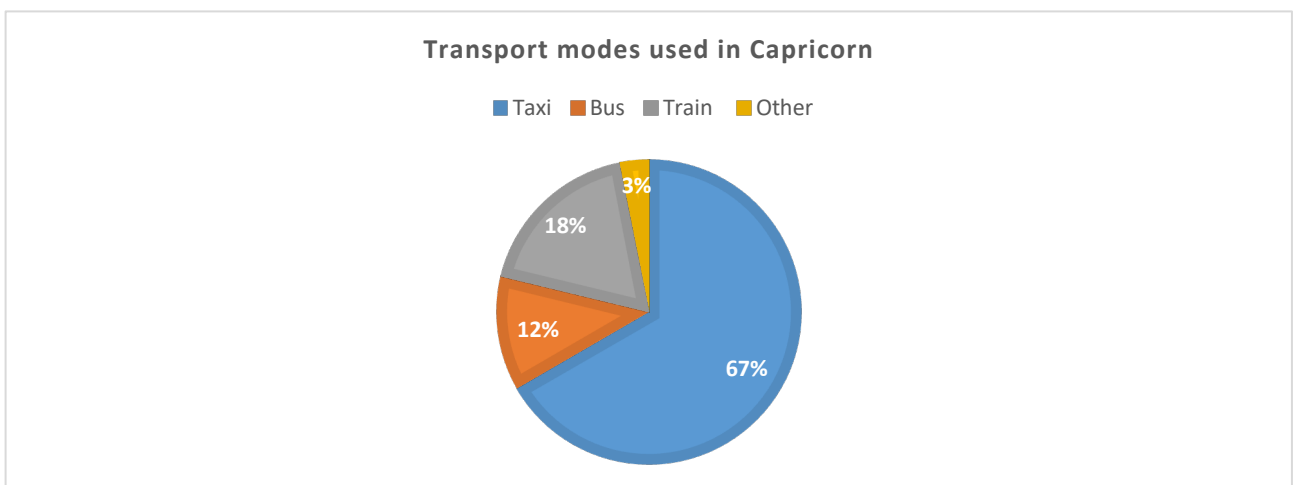


Figure 4.17: Distribution of different transport modes used by the community



Figure 4.18: People at the taxi rank in Capricorn Park

Places for religious and spiritual needs: The participants responded to the question: Where do people in the community go for their spiritual/religious practices?

The chart (Figure 4.19) indicates where community members go for religious or spiritual practices. Seventy percent (70%) of the respondents said the people go to church, 14% indicated that community members go to the mosque, and 10% stated that they participate in traditional practices. Christianity is dominant in Capricorn Park as most participants are churchgoers while others are equally Muslims and traditional religions.

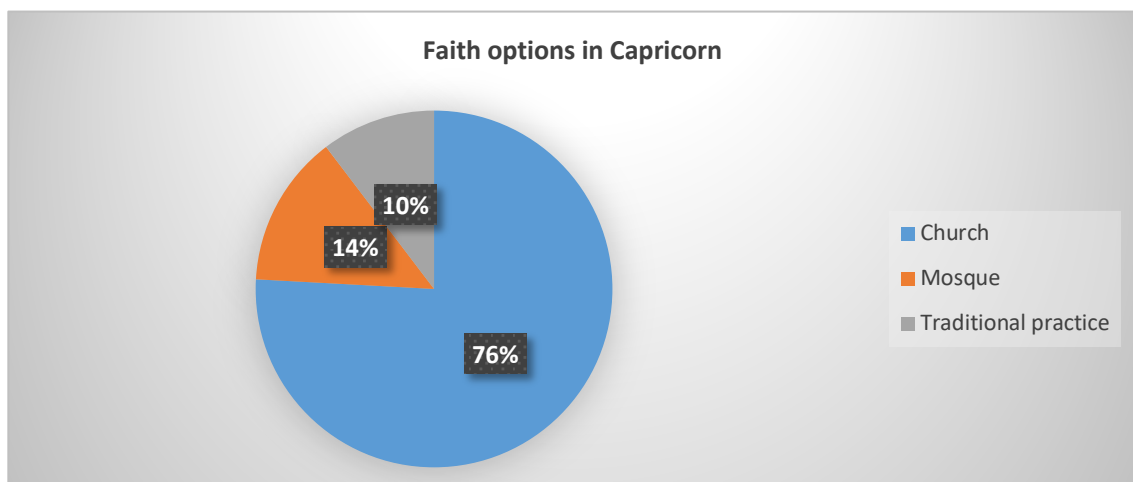


Figure 4.19: Distribution of places where participants go for their religious or spiritual practices



Figure 4.20: Churches based in Capricorn Park

Places for sport and recreational activities: The participants responded to the question: Where do people in the community go for sport or other recreational activities?

The chart below (Figure 4.21) indicates where community members go for sport and other recreational activities. Forty-three percent (43%) of the respondents indicated that the people go outside of Capricorn Park; 38% said they go to the sports ground in Capricorn Park; and 19% indicated they “go to the streets”. Capricorn Park sports facilities are in bad condition, hence there is an almost equal percentage of respondents who practice sport outside Capricorn Park and those who are using the Capricorn facility. There are still about a fifth of youth participants who participate in sport in the streets.

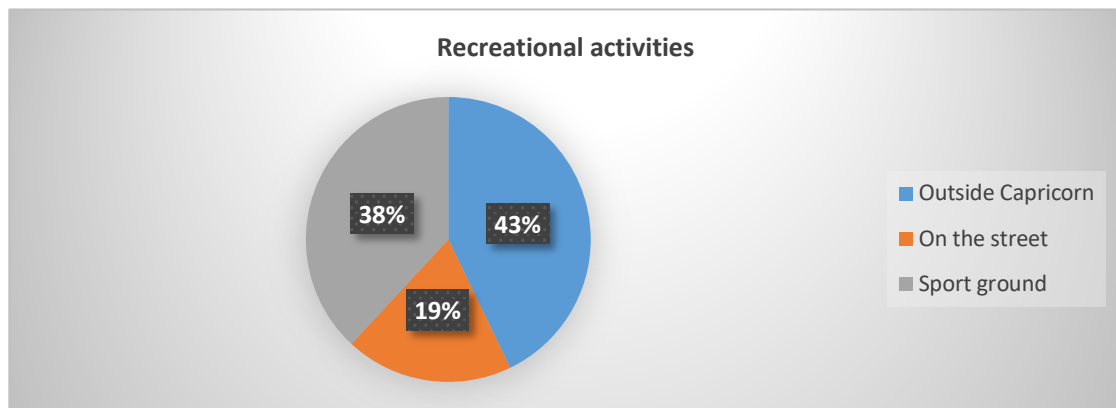


Figure 4.21: Distribution of places where participants go for recreational activities

4.7.2 Township situation

Availability of resources: The participants responded to the question: Please explain the situation with regards to the availability of resources in the community.

Based on the participants’ responses about the resources lacking in Capricorn Park, eleven (11) indicated said there is a lack of educational facilities, nine (9) indicated that there are no

clinics, five (5) stated that there are no sports facilities, and three (3) respondents said there is a lack of police services. Generally, resources lacking in Capricorn Park are mostly educational and health resources. Policing and sports facilities are also lacking. This could have an impact on the youth having access to education, health services and their safety.

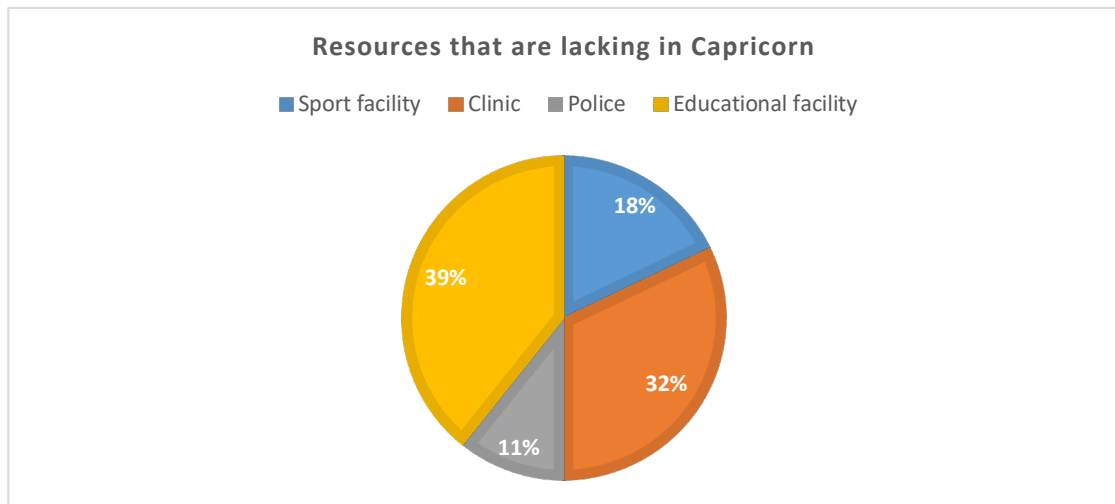


Figure 4.22: Resources lacking according to the participants

Infrastructure situation: The participants responded to the question: Please explain the situation in your community with regards to the available infrastructure.

In figure 4.23 below, 74% of the respondents indicated that there is no infrastructure in Capricorn Park and 26% said there is some infrastructure. Capricorn Park youth mostly do not have access to infrastructure in Capricorn Park.

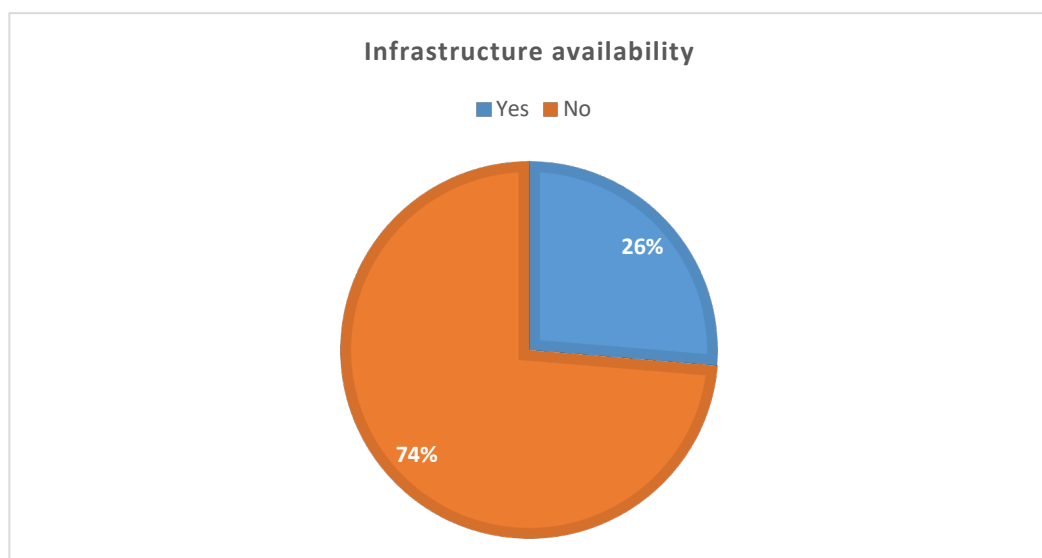


Figure 4.23: Indication of infrastructure availability according to the participants

Lacking services: The participants responded to the question: “What are the services most lacking in Capricorn Park?”

Figure 4.24 indicates which items are lacking and how many responses for each item. Eleven (11) respondents indicated that there are no clinics, ten (10) emphasised the lack of housing, nine (9) stated there are no schools, and five (5) indicated that there are no proper roads. Schools, clinics, houses and roads are most lacking services.

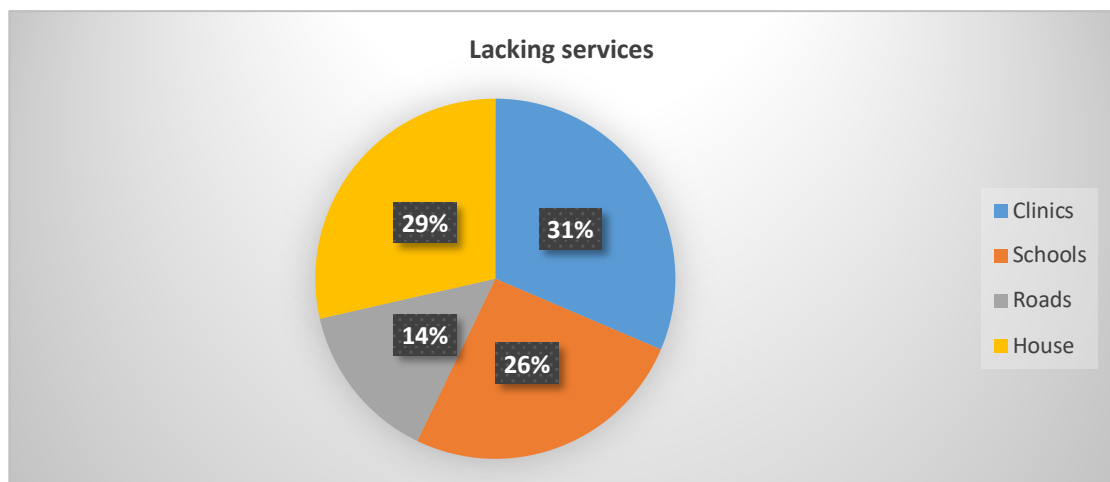


Figure 4.24: Distribution of services lacking in Capricorn Park



Figure 4.25: Burnt shacks as a result of the lack of houses and disaster management

Availability of support: The participants responded to the question: “Please explain accessibility to support in the community, e.g., where can one get support and how easy is it to get support when needed?”

Figure 4.25 below illustrates where people in the community go for support. Forty-two percent (42%) of the respondents indicated that community members go to NGOs, 29% indicated that members go to church, and 29% go to government facilities. NGOs are popular in Capricorn

Park to give support (Capricorn Community Centre). Churches and government services are also used.

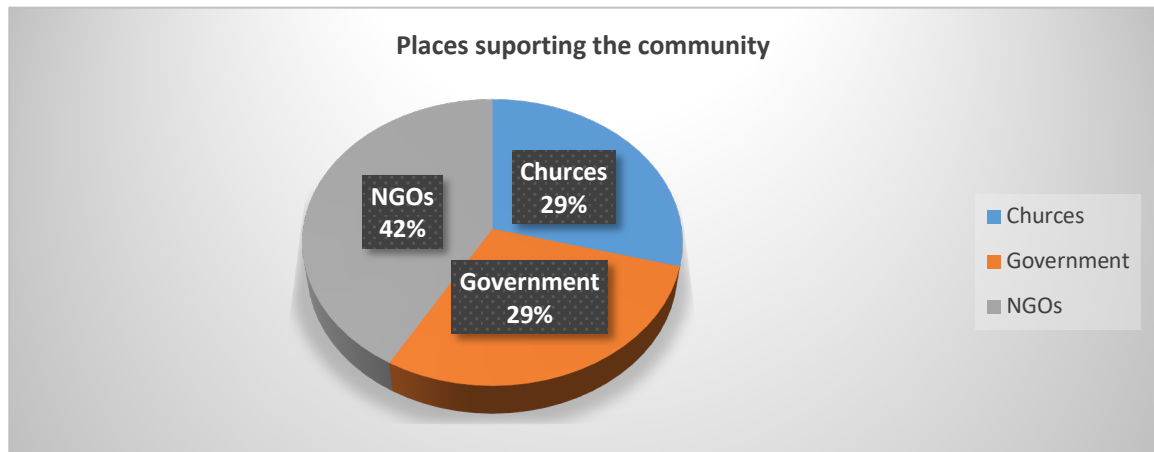


Figure 4.26: Distribution of places where people go for support



Figure 4.27: The SOZO where people in Capricorn Park go for support (mostly educational support)

Important people: The participants responded to the question: Who are the most important people within your community?

The respondents were asked to identify who they refer to as important people within the community. Eight of the respondents indicated that generally, the youth as a group is most important, seven respondents indicated politicians, six (6) specified gangsters, five (5) said religious leaders as most important, and four (4) respondents stated that community elites are the important people in the community. These important people come from different backgrounds such as churches, politics, business and gang groups with no dominant group indicated.

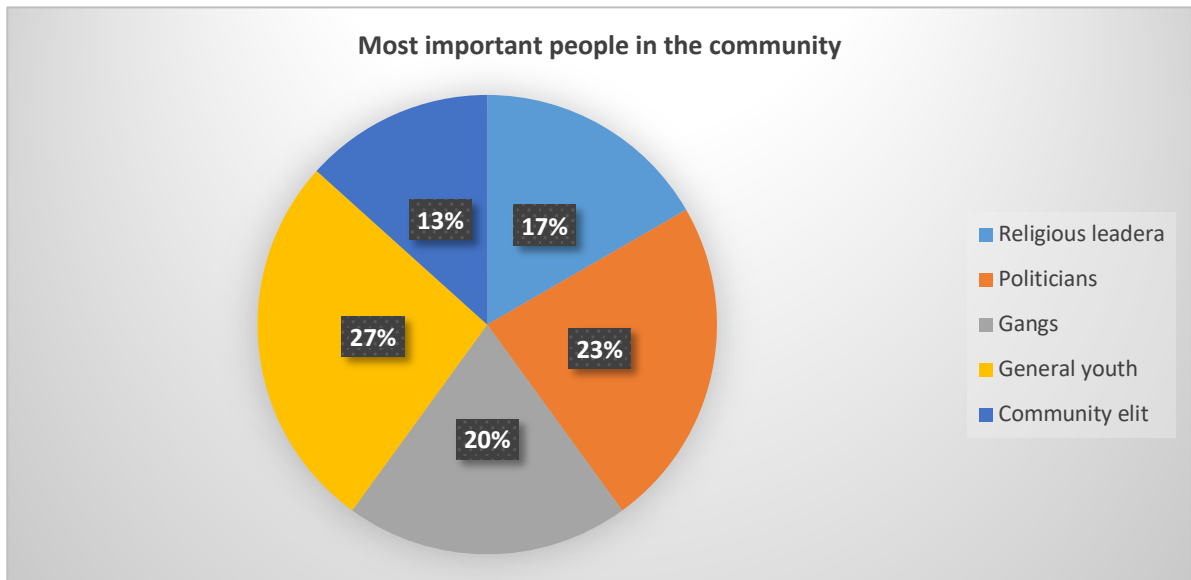


Figure 4.28: Distribution of the most important people in Capricorn Park



Figure 4.29: Thembani BabyJack Mbangatha, a product of Capricorn Park. He is a professional boxer, police officer and business owner. He is part of the general youth and elite in the community

Places in the township: What kind of places do you go to in your community generally?

The kind of places the people of the community go to based on the responses of the respondents are as follows:

Forty percent (40%) of the respondents stated that the community members go to NGOs; 20% indicated they go to shopping centres; 23% said they go to Shisanyama; and 17% of the respondents said the people go to church. It is clear that NGOs, according to the youth participants, play an important role in youth development in Capricorn Park (Figure 4.30).

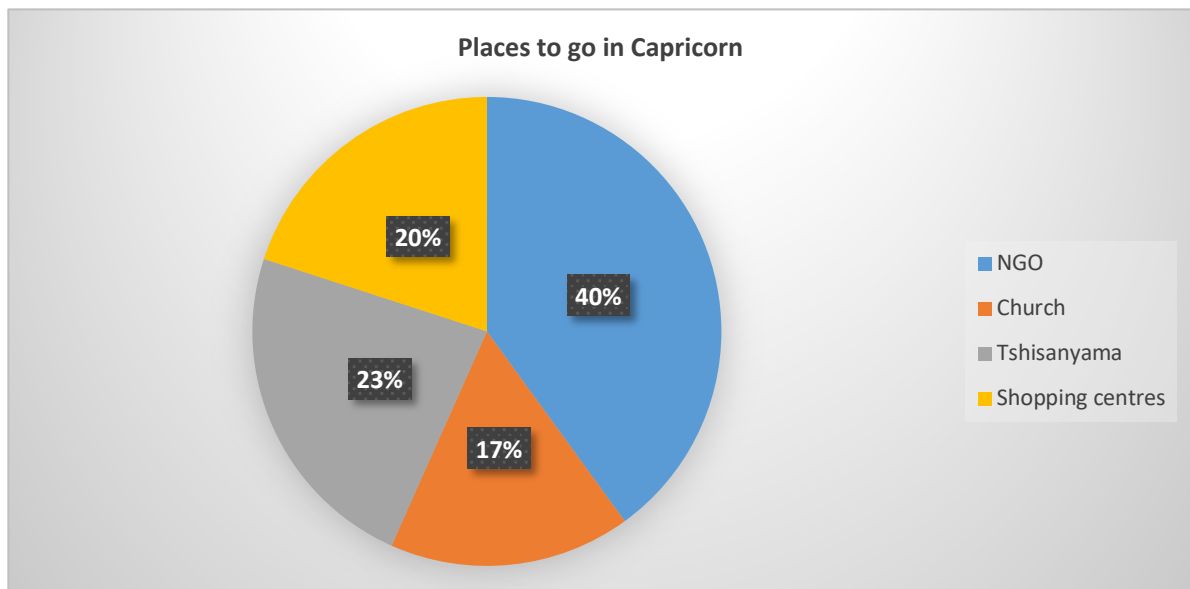


Figure 4.30: Distribution of places where people in Capricorn Park go to

Essential services: the participants responded to the question: What are the most essential services in your community?

The pie chart below (Figure 4.1) indicates the most essential services in the community as stated by the respondents. Six (6) of the respondents said the cleaning services are the most essential in the community, followed by five (5) who indicated healthcare; five respondents indicated education, and five (5) said disaster services are essential. The remaining two (2) respondents stated that housing is essential in the community. Health care, education, disaster services and cleaning services are the most essential service in Capricorn Park. The need for houses is high as many people still live in shacks.

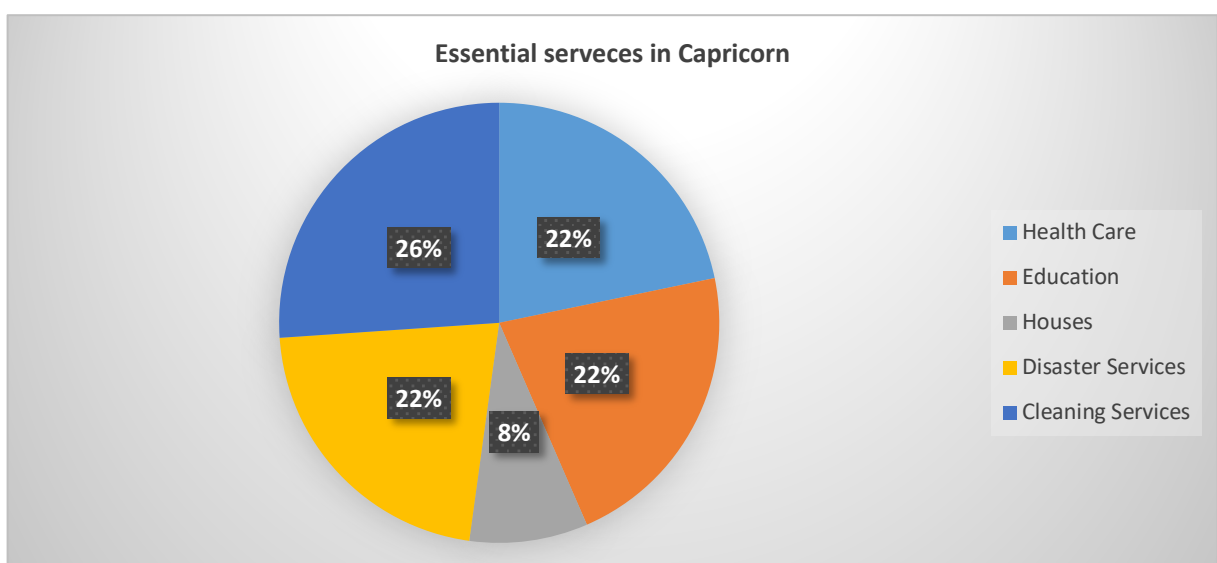


Figure 4.31: Distribution of the most essential services in Capricorn Park



Figure 4.32: Second primary school (iThemba primary school) in Capricorn Park, as demand rises

Lacking services: the participants responded to the question: What services are lacking in your community that are desired by the people in the community?

The pie chart below (Figure 4.33) lists the desired services lacking in the community according to the participants. Twenty-three percent (23%) indicated healthcare services; 19% indicated schools; 16% indicated street cleaning services; 10% indicated houses, 10% indicated policing; 8% indicated fire fighters; 8% indicated sports facilities, and 6% indicated libraries. Services are generally lacking in Capricorn Park, with health care and schools indicated as most lacking. Capricorn Park is a poor area with a lack of services, like policing, houses, sports facilities and street cleanliness.

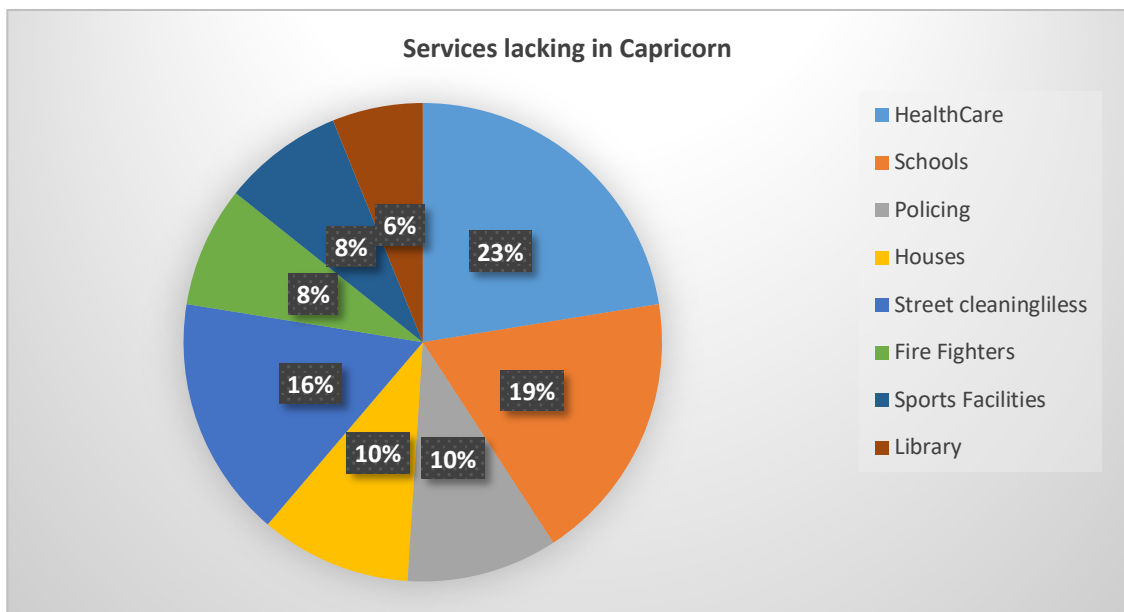


Figure 4.33: Distribution of services lacking in Capricorn Park



Figure 4.34: Poor policing and disaster management mentioned by participants

4.7.3 Youth aspirations

Important things: the participants responded to the question: What are the three most important things for you?

Thirty-seven percent (37%) of the respondents indicated education; 30% indicated community development; 12% indicated recreational facilities; 12% indicated health care, and 9% indicated safety. Community development and education are more important services for the youth respondents. Safety, health care and recreational facility services are also important for young people of Capricorn Park.

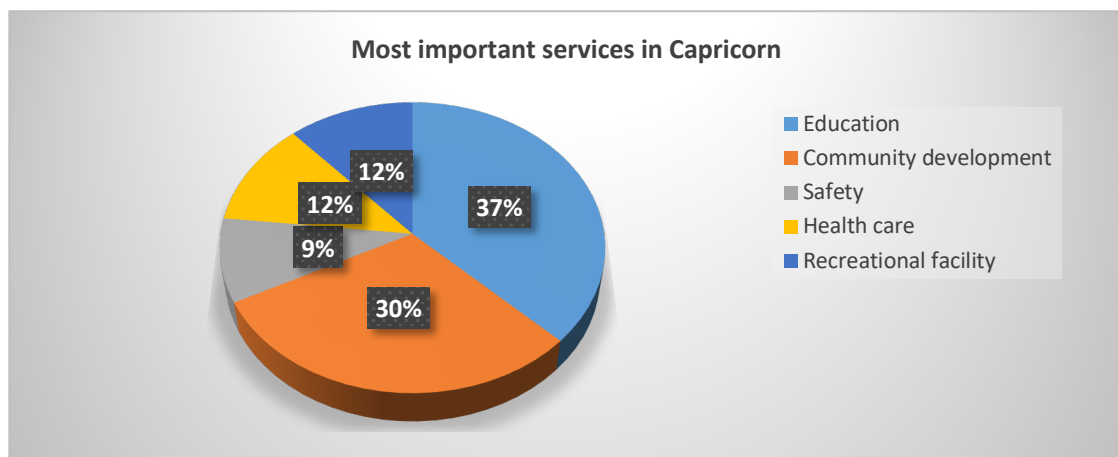


Figure 4.35: Distribution of the most important services in Capricorn Park

Community needs: the participants responded to the question: In your opinion, what do you think the community needs to address the needs of their citizens?

The respondents view leadership (30%) as a very important need to take the community of Capricorn Park forward. The development of skills (23%) and housing (17%) are also perceived as very important factors which can improve the community. Infrastructure (10%), schools and clinics (10%) and services (10%) are of equal importance according to the respondents (Figure 4.36).

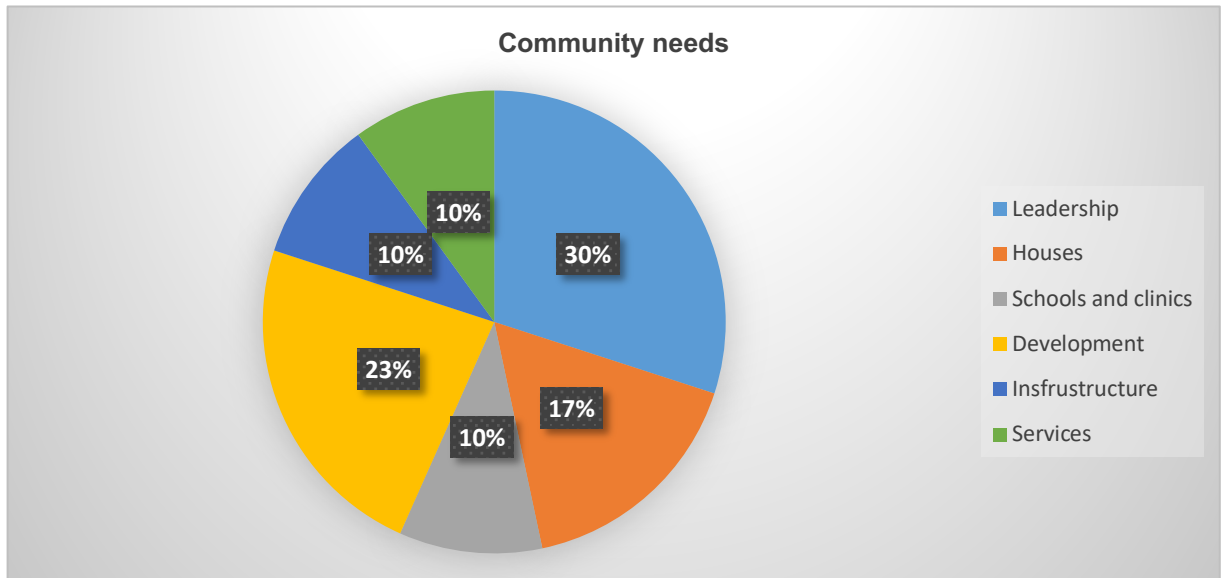


Figure 4.36: Distribution of community needs in Capricorn Park

4.8 Chapter conclusion

The places the youth go to for their needs are mostly public facilities, i.e., services provided by the government such as healthcare, education and the library for their information needs. The youth use mostly taxis for their transport needs; obtain money where they are when they need it, and go to the church or mosque based on their faith. They go out to places outside the township for recreational and sports activities.

The situation in the township according to the youth participants is that healthcare, education, infrastructure and safety services are lacking. They receive support from NGOs, churches and government support facilities. They regard themselves, politicians and gangs as important people in the township and mentioned a few people from the township who became famous. They mentioned the important services currently lacking to keep the township clean, namely, responding to disasters and educational needs.

The findings from the community mapping according to the youth participants are typical of an underserved context, with a lack of important services relevant to their needs. A very important aspect that needs to be addressed in Capricorn Park is the issue of development, and the emphasis must be on skills development and education. Government can provide all services

but if they do not contribute positively to the progress of individuals, especially young people, it is going to take a long time to end poverty.

In the current economic climate in South Africa where unemployment is skyrocketing, proper entrepreneurship training is required. Once training is complete, funding must be provided because aspiring entrepreneurs cannot raise capital on their own as they are not working. Skills that align with booming sectors in the economy, such as security, must be developed. Once individuals are participating in the economy, the government can focus on service delivery and Capricorn Park would become a better community.

CHAPTER 5 - QUALITATIVE DATA ANALYSIS

5.1 Introduction

Chapter 5 presents the findings that were obtained from the qualitative data analysis. The data were coded manually and grouped into categories and themes. The coding process is explained, where after each theme is presented and explained.

The data are organised in tables with themes, and the frequencies of each theme are calculated or tallied for analysis. Data are organised in codes, categories and themes. Graphs are used for data presentation or analysis.

5.2 Data analysis

The participants' responses were coded which, after having removed duplicates, synonyms and spelling mistakes, resulted in 148 unique codes. These codes were grouped into categories where similar codes were grouped together. Twenty-seven (27) categories were created from the codes. The next step was to combine the categories into themes where similar categories were grouped and a descriptive theme name allocated. Six themes were derived that will be discussed in this chapter. Table 5.1 presents the outcome of the thematic analysis with the themes and associated categories for each, and with the number of unique codes per category.

5.2.1 Identified themes

Table 5.1: The six themes, relating categories, and number of codes per category

| Theme Category | Code Count |
|-------------------------------------|------------|
| Behaviour | 11 |
| Attitude | 7 |
| Work ethic | 4 |
| Entrepreneurship development | 30 |
| Assistance needed | 4 |
| Business skills | 13 |
| Education | 3 |
| Entrepreneurship skills | 6 |
| Mentorship | 4 |
| Environment | 66 |
| Climate change | 1 |
| Community dynamics | 12 |
| Community support | 10 |
| Connectivity/ Internet access | 6 |
| External factors | 5 |

| Theme Category | Code Count |
|---------------------------|------------|
| Information needs | 1 |
| Infrastructure | 4 |
| Job creation | 1 |
| Location | 11 |
| Market | 4 |
| Social ills | 8 |
| Support | 3 |
| Funding | 19 |
| Capital | 13 |
| Funding | 4 |
| Sponsorship | 2 |
| Process | 4 |
| Business growth | 1 |
| Business process analysis | 1 |
| Communication | 1 |
| Setting up business | 1 |
| Resources | 18 |
| Resources | 18 |
| Grand Total | 148 |

Table 5.2: Extract from thematic analysis to illustrate coding, categorising and themes

| | Key Concept | Code | Category | Theme |
|-----|-----------------------------|---|-------------------|------------------------------|
| P1 | Assistance to be successful | ability and confidence to succeed | Attitude | Behaviour |
| P2 | Assistance to be successful | ability to identify opportunities; | Attitude | Behaviour |
| P3 | Challenges | attitudes | Attitude | Behaviour |
| P4 | Experience | Not inspired to be entrepreneurs | Attitude | Behaviour |
| P5 | Advice needed | Overcoming fears of starting a business | Attitude | Behaviour |
| P6 | Assistance to be successful | People are afraid | Attitude | Behaviour |
| P7 | Experience | Unfocused people | Attitude | Behaviour |
| P8 | Assistance to be successful | Hard work; work ethics | Work ethic | Behaviour |
| P9 | Advice needed | Work Ethic | Work ethic | Behaviour |
| P10 | Viable business | Work ethic | Work ethic | Behaviour |
| P11 | Advice needed | Financial advice | Assistance needed | Entrepreneurship development |
| P12 | Experience | insufficient help | Assistance needed | Entrepreneurship development |
| P13 | Challenges | Lack of experience | Assistance needed | Entrepreneurship development |

5.2.2 Themes, explained meaning, evidence from the data

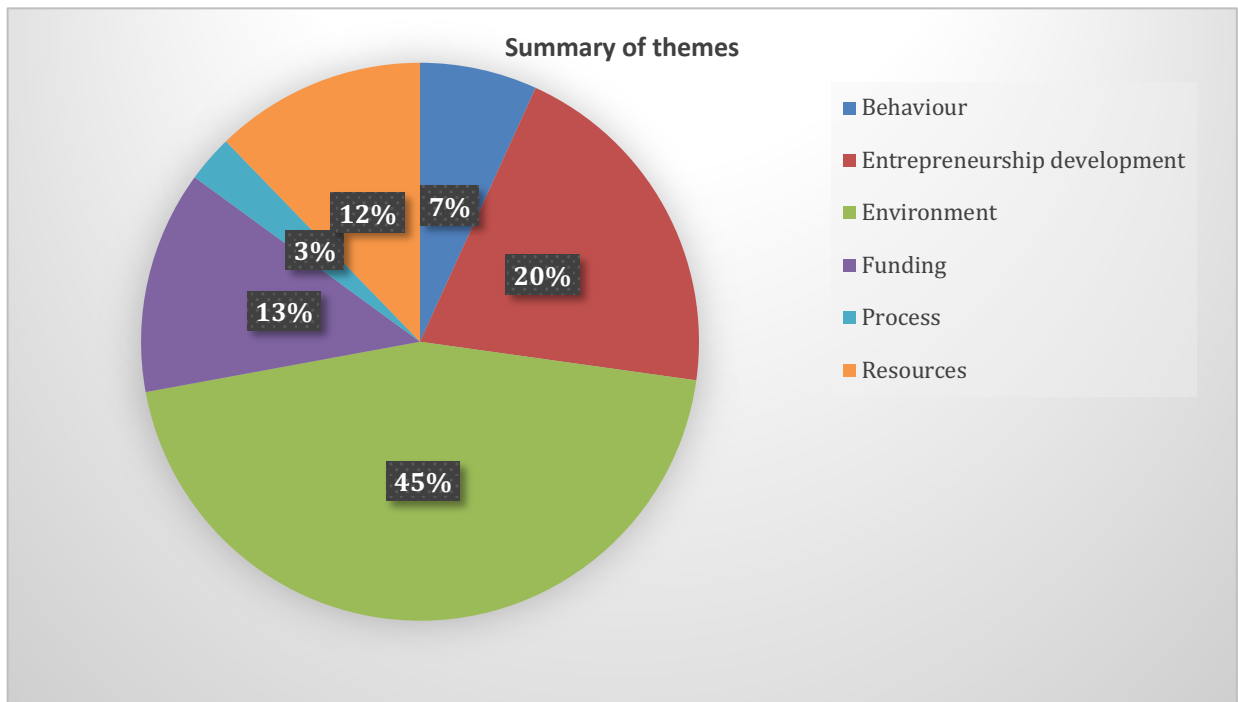


Figure 5.1: Frequency distribution of codes and categories per theme

The theme with the most codes is environment (45%), followed by entrepreneurship development (20%). This is followed by funding (13%) and resources (12%). The remaining three themes have less than 10% of codes each. The environment has an important effect on the youth's ability to become entrepreneurs based on their aspirations. Each theme is presented next.

5.3 Thematic findings

5.3.1 Theme 1: Behaviour

The categories identified by the respondents under the theme *Behaviour* are presented in the graph below (Figure 5.2). It shows that attitude (70%) is important for aspiring entrepreneurs. Aspiring entrepreneurs must always have a positive attitude and work ethic (30%). Attitude is important for the success or failure of aspiring entrepreneurs. Many of the respondents stated the attitude of the community towards young entrepreneurs as the reason why they are not able to become entrepreneurs in their community.

"1. Capital; 2. Infrastructure; 3. Resources; 4. Skills" [ZP43].

"Theft, vandalism, gangsters claiming their profits" [ZP59].

This points to little support from the community itself and no interest in grooming these young people into becoming entrepreneurs, which is why a negative attitude is perceived.

Work ethic is a further element that has a negatively impact on the behaviour of some of the respondents inspired to become entrepreneurs, as shown in the data. The overall finding of the *Behaviour* theme derived from the data analysis is thus that youth aspiring to become entrepreneurs find it difficult to do so is as the township environment is not conducive to supporting their aspirations.

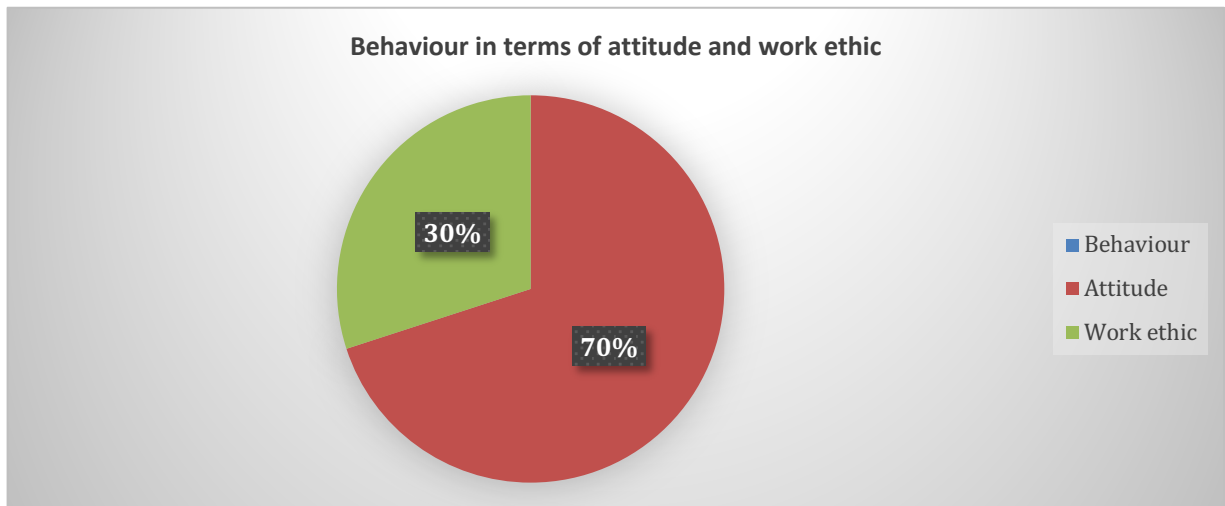


Figure 5.2: Frequency distribution of attitude and work ethic as part of the *Behaviour* theme

5.3.2 Theme 2: Entrepreneurship Development

Figure 5.3 shows the categories identified as the factors that contribute to entrepreneurship development in Capricorn Park. Business skills is one of the biggest factors that negatively influences entrepreneurial development among the youth of Capricorn Park, followed by entrepreneurship skills, mentorship, assistance needed, and lack of entrepreneurial education.

“Hardship, there is no infrastructure to suits their entrepreneurial needs. Capital and some crucial skills” [ZP43].

“Lack of support and lack of resources” [ZP57].

All of the categories mentioned contribute to the lack of entrepreneurial development in Capricorn. Assistance needed (13%), education (10%), mentorship (13%) and entrepreneurial skills (20%) are of almost of equal importance in the success of aspiring entrepreneurs. Business skills (43%) are perceived the most important.

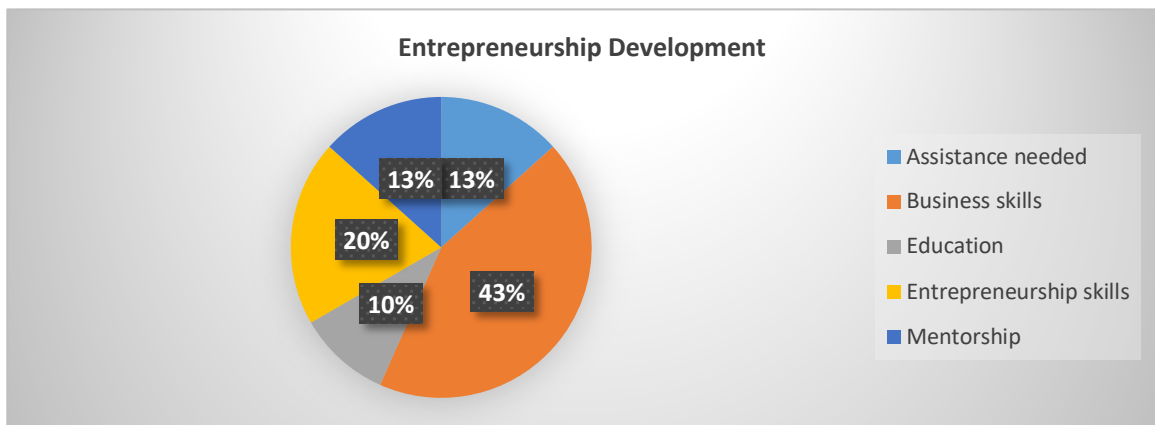


Figure 5.3: Frequency distribution within the *Entrepreneurship Development* theme

5.3.2.1 Business skills

Business skills include factors such as business ideas, business strategies, skills and training, managing a business, foundations of starting a business, business analysis and many more, which are all required elements when starting a business, especially having a business idea and a business plan to execute. As mentioned above and from the evidence extracted from the data, business skills have a major impact on the lack of entrepreneurial development in Capricorn Park. Business ideas (23%) and business plans (23%) are important attributes to be an entrepreneur. Training (8%), skills (8%), foundation of the business (8%), managing the business foundation (8%), business analysis (7%), financial skills (8%) and business marketing strategy (7%) are equally important skills required to become an entrepreneur (Figure 5.2).

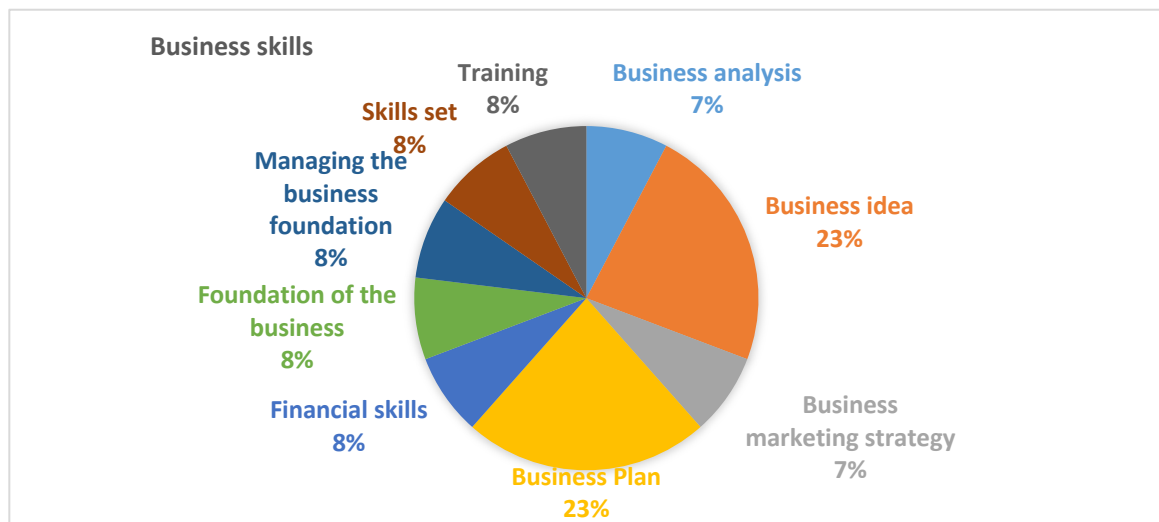


Figure 5.4: Frequency distribution within the *business skills* sub-theme

The findings of the *Entrepreneur Development* theme are that youth aspiring to become entrepreneurs feel they do not have the necessary skills, their education is not preparing them sufficiently, and assistance and mentoring are lacking.

5.3.3 Theme 3: Environment

Figure 5.5 illustrates the categories contributing to the environmental impact that negatively affects the youth of Capricorn Park from becoming young entrepreneurs. Based on the respondents' feedback, community dynamics is one of the factors contributing the most to the environment. Community dynamics are the changes in community structure and composition over time often following environmental disturbances such as volcanoes, storms, fires and climate change (Ha & Schleiger, 2022). The community dynamics factors are followed by the location, community support, social ills, and having access to the internet to name a few. Factors such as not having any entrepreneurial education and training or support from the community, or not having people who can offer guidance, may negatively affect the environment as it does not allow thinking outside of the box. This is where social issues play a role.

“Need to have enough capital. First of all, they need insight and training oh how to start business” [ZP46].

Because these young people do not see ‘anything better’ they can do with their time as there is no inspiration within the community, they end up using drugs, drinking alcohol, being involved in gangs, and committing crimes – this does not help the environment in any way; it only makes it worse. These young people also hide behind being unemployed when questioned why they drink excessively and smoke drugs. It is their way of releasing stress and escaping from the pain of everyday life and for most, it is peer pressure. Not receiving sufficient support from friends, family or even the community itself also brings negativity into the environment because motivation is lacking. Other external factors also contribute to the environment.

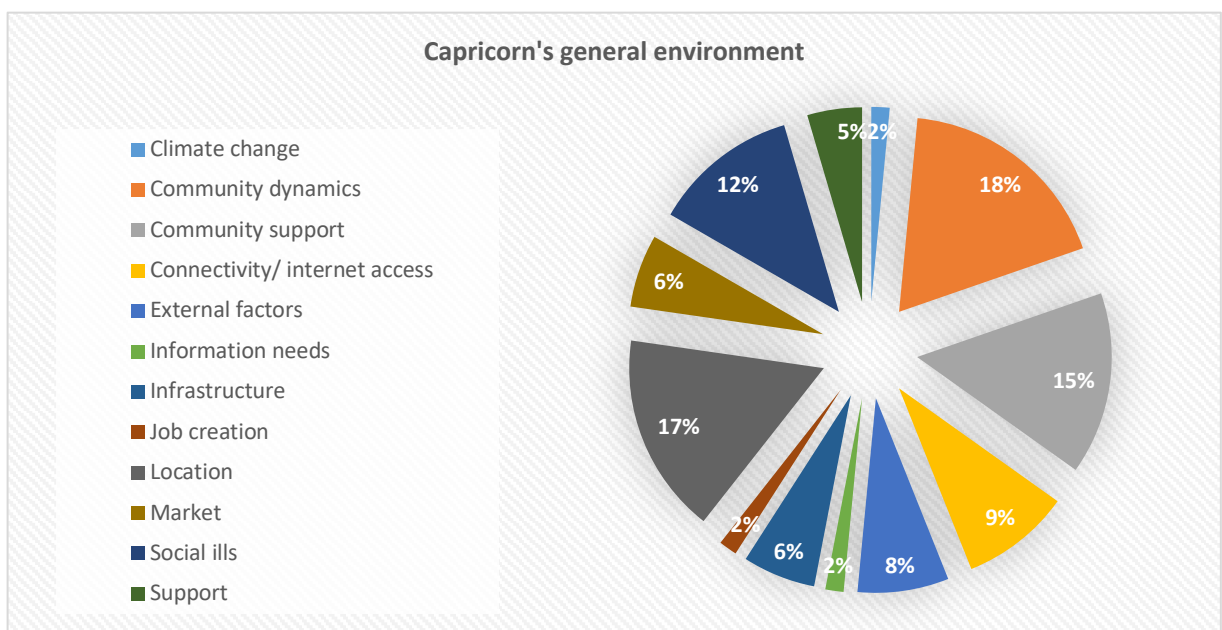


Figure 5.5: Distribution of the Capricorn Park Environment

The chart below (Figure 5.6) showcases the social problems visible in many townships, with Capricorn Park being no different. Social ills or issues such as crime, substance abuse, and high unemployment rate are evenly spread. This, in many ways, might distract the youth of Capricorn Park from focusing on crucial issues of the economy, particularly entrepreneurship.

The four environmental aspects represent 59% of the total [community dynamics (18%); location (17%); community support (15%); and connectivity/internet access (9%)], thus representing an environment that is not conducive for aspiring youth to be successful in becoming entrepreneurs.

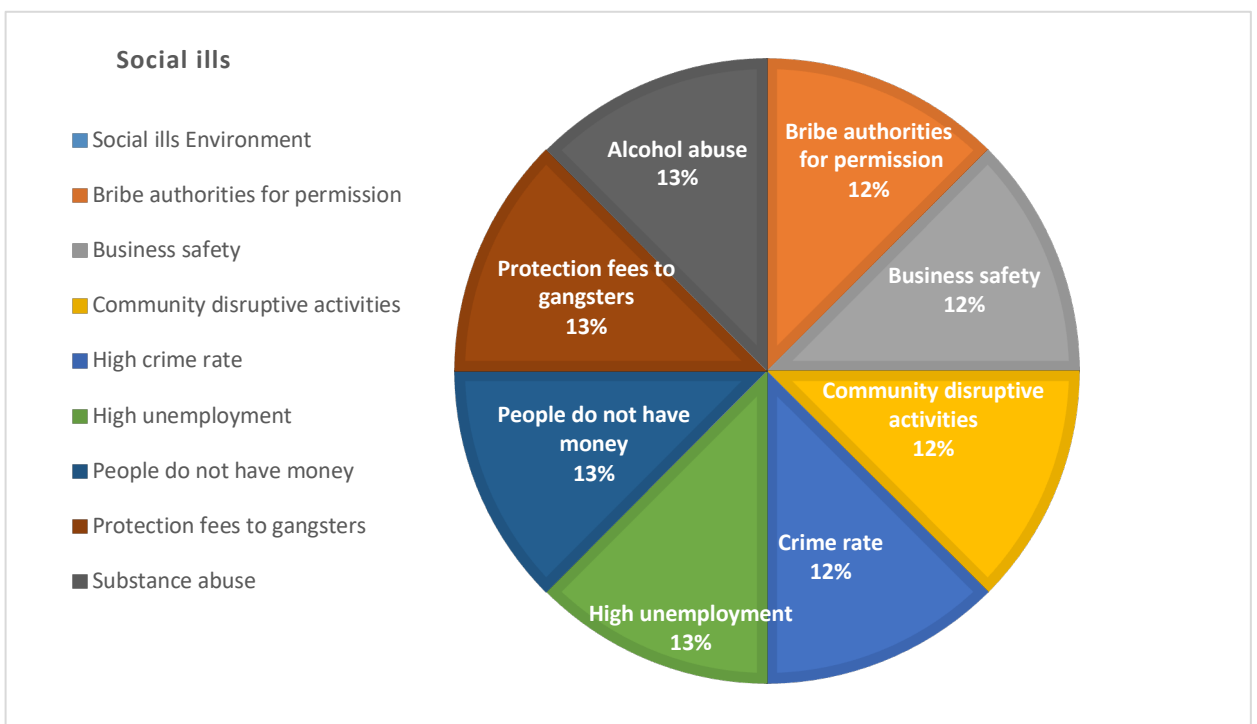


Figure 5.6: Frequency of social ills in Capricorn Park

From the data it is evident that the youth of Capricorn Park lack inspiration. This may be the result of several issues; lack of mentorship could qualify as one of these issues. The Capricorn Park environment is affected by factors such as the absence of training centres, no competition, and no exposure to the right stimulus. These factors influence the ability of the youth to reach their aspirations to become entrepreneurs. Figure 5.7 presents the distribution of the dynamics in the Capricorn Park community.

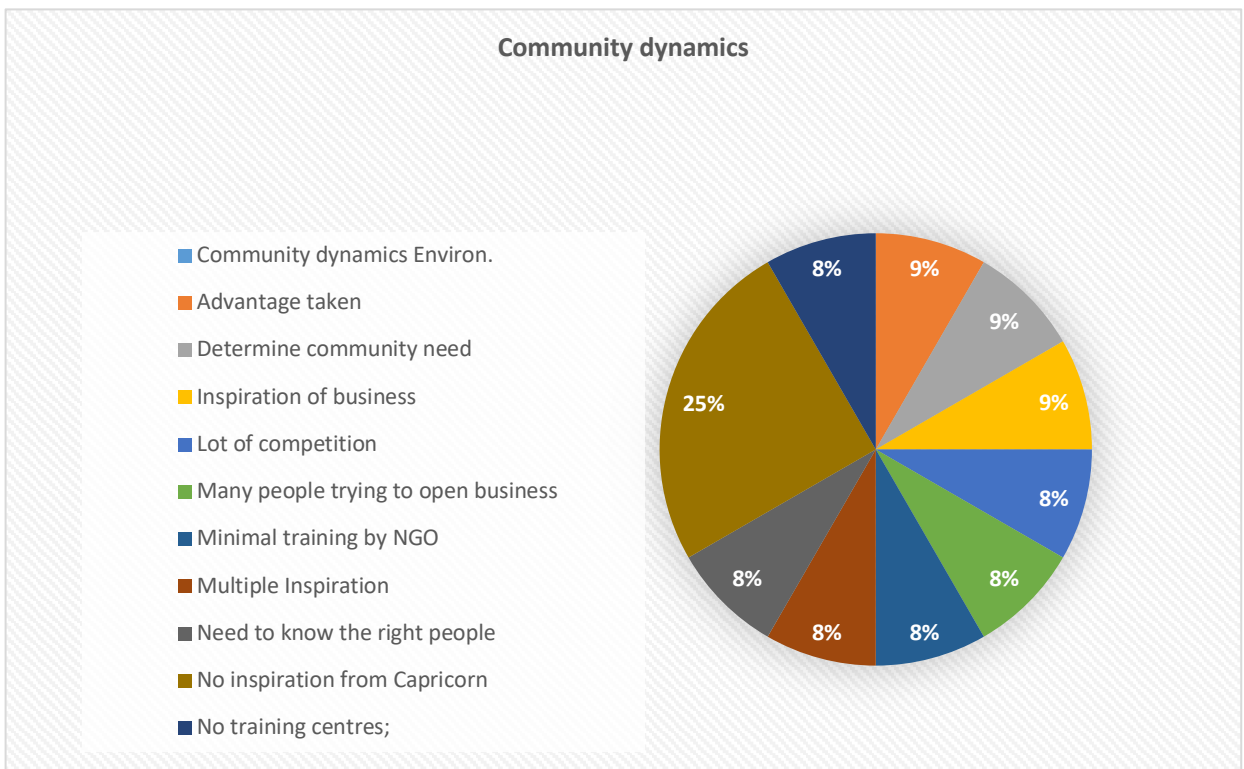


Figure 5.7: Distribution of the dynamics in the community of Capricorn Park

The findings of the *Environment* theme show that the environment of the township does not support youth aspiring to become entrepreneurs. The context is typical of a community impacted negatively by social ills.

5.3.4 Theme 4: Funding

Lack of funding has a negative impact on the young aspiring entrepreneurs of Capricorn Park, and having start-up capital is one of the biggest factors. This is followed by the lack of funding for new small businesses as there are no sponsors to help young people start their own businesses in Capricorn Park. This results in little business growth for most of the youth, and as much as they may have a profitable idea, they lack knowledge on how to set up a business plan and execute the business process.

The lack of or no communication from community leaders on small business funds also contributes to the lack of funding for small start-up businesses.

Lack of capital is the biggest factor that affects business in Capricorn Park (62%), while funding is another a major factor (19%). Business process analysis, business growth, setting up business, and communication are further factors, 19% combined.

“Most people lack funds or capital to start their business” [ZP54].

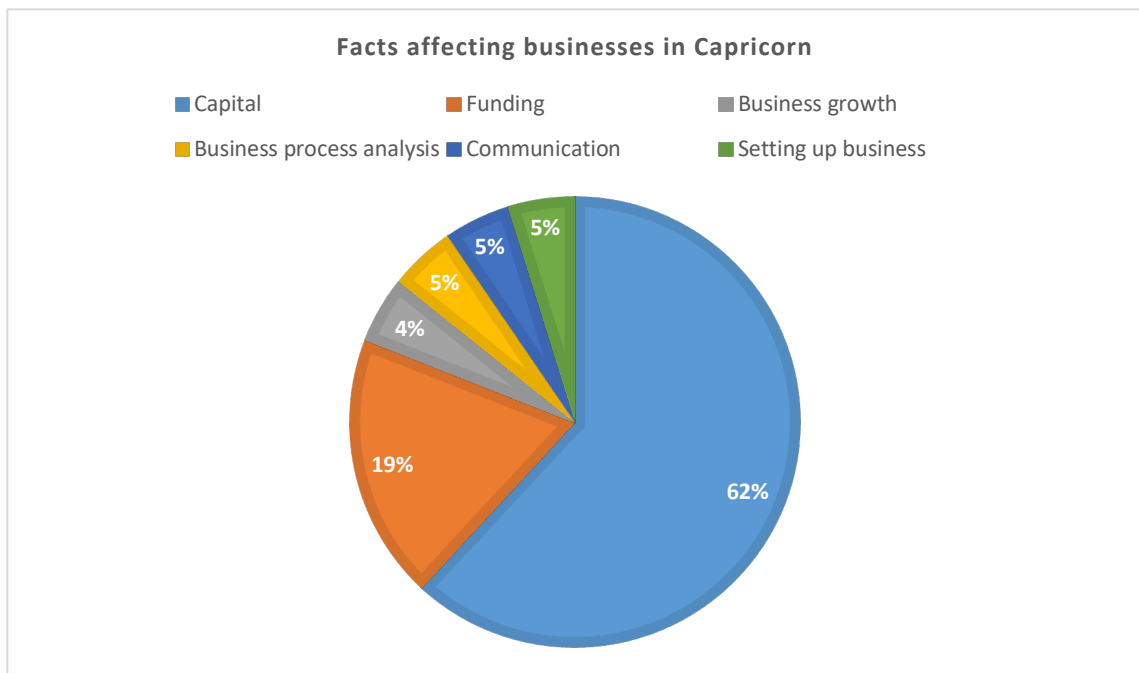


Figure 5.8: Distribution of factors affecting businesses in Capricorn Park

The findings show that lack of capital and lack of funding are important factors that prevent the youth from becoming entrepreneurs in their community.

5.3.5 Theme 5: Process

The business process (business growth, business process analysis, communication and setting up a business) are equally important and therefore equally required (Figure 5.9).

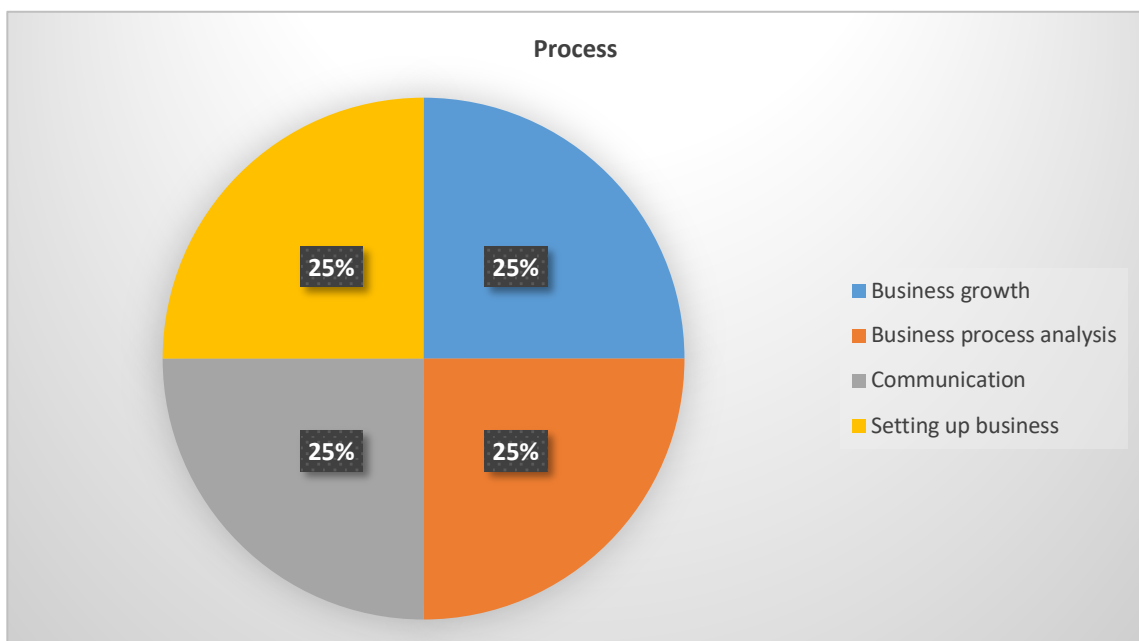


Figure 5.9: Distribution of the business *Process* in Capricorn Park

5.3.6 Theme 6: Resources

Figure 5.10 presents the respondents' responses on resource availability for aspiring young entrepreneurs in Capricorn Park. Sixty-seven percent (67%) of the respondents confirmed that there are no resources available in Capricorn Park which can assist young entrepreneurs in pursuing their business ventures. Some of the resources they are lacking is that there is no funding for young entrepreneurs to start their businesses, lack of training and educational facilities and the lack of support from the community. Twenty-two percent (22%) of the respondents argued that there is a mismatch of resources, which means the resources available do not help them in any way because they are not suitable for what they would like to accomplish (which is to become young entrepreneurs), and 11% confirmed that there is a shortage of or insufficient resources available, meaning there are some resources available but they are not sufficient for what is required.

“Minimal training offered by an NGO” [ZP43].

“No resources or I would say limited as the people who have access are corrupt. You need to have a connection by knowing someone who knows someone” [ZP59].

Generally, the resources in Capricorn Park are limited, and some of these resources do not match the needs of the young people.

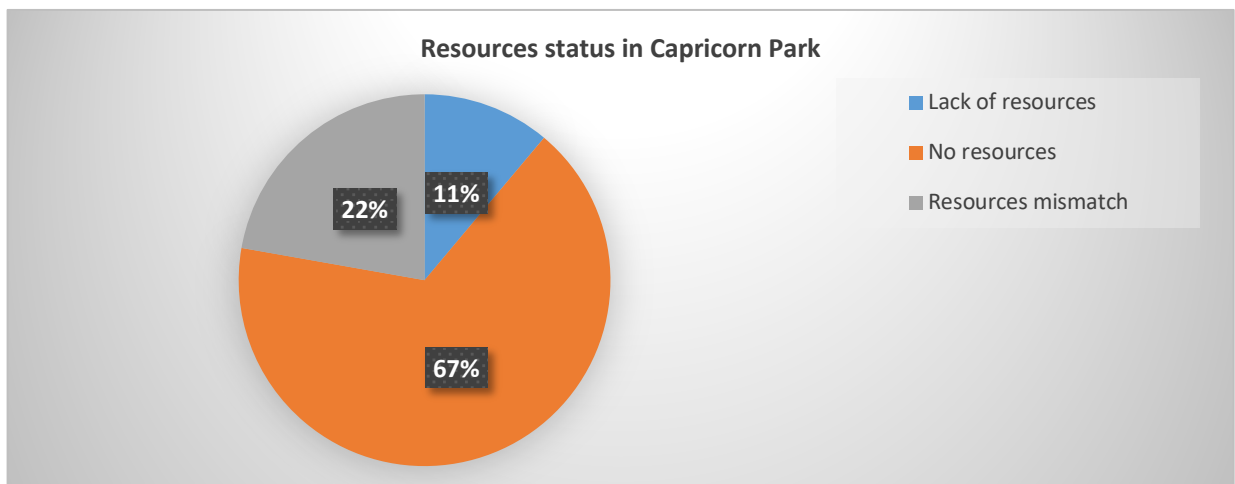


Figure 5.10: Distribution of the status of Resources in Capricorn Park

5.3.7 Summary of findings

Table 5.3: Themes, findings and evidence from the data

| Themes | Findings | Evidence from the data |
|-------------------------------------|---|---|
| Behaviour | The youth aspiring to become entrepreneurs and find it difficult to become entrepreneurs because the township environment is not conducive to support their aspirations. | <i>"They are always afraid that they won't get support from the community."</i> |
| Entrepreneurship development | Youth aspiring to become entrepreneurs feel they do not have the necessary skills; their education is not preparing them sufficiently, and assistance and mentoring for them are lacking. | <i>"There are no training centers, no organisations in the area to fund these young people; however, even if there are no funds within the area, if they were educated and informed of other places where they can get the funding, they would be aware of them but there is no education on how they can be assisted. There is also a high number of substance abuse among the young people of Capricorn Park and high crime rate because of the gangs in the area."</i> |
| Environment | The environment of the township does not support youth aspiring to become entrepreneurs where the context is typical of a community impacted negatively by social ills. | <i>"Lack of resources such as data/Wi-Fi, no access to the Internet or computers, no support from family and friends and also being in a township with any disruptive activities happening demotivates one from succeeding."</i> |
| Funding | The lack of capital and funding are important factors in preventing youth from becoming entrepreneurs in their community. | <i>"Most people lack funds or capital to start their business."</i> |
| Processing | | <i>"There is no place where the young people who aspire to be entrepreneurs can go where they can get an education on what to do or how they can start their process of becoming entrepreneurs. The community center itself is not enough for the whole community to access and yes, it helps the youth with their projects when they need the Internet and some short courses but there is still a huge gap. There are no places that educate the young people and provide guidance on how they can start a business and where they can get financial assistance etc."</i> |
| Resources | The lack of resources prevents the youth of Capricorn Park from becoming entrepreneurs. | <i>"From my knowledge there are no resources for people who are aspiring to be entrepreneurs."</i> |

In the next chapter, the findings from the community mapping and thematic analysis are discussed, conclusions are drawn, and recommendations are made.

CHAPTER 6 - CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Chapter 4 presented the findings derived from community mapping and online questionnaires. In Chapter 5, the themes that emerged from the qualitative data analysis were discussed. This final chapter provides a concise conclusion and offers recommendations for further research.

The focus of this study was to gain insight into the reason why the youth of Capricorn Park who aspire to become entrepreneurs are not able to do so, and what can be done to overcome the identified obstacles.

Table 6.1: Findings on community mapping and online questionnaire

| Online Questionnaire | |
|-------------------------------------|--|
| Theme | Finding(s) |
| Resources | Generally, there are no resources and/or and resources that are not matching the needs of the young people in Capricorn Park |
| Funding | Capital is the biggest factor that affects business in Capricorn Park (62%); funding is a further factor (19%). Business process analysis, business growth, setting up business and communication are other factors, 19% combined. |
| Environment | The factors affecting the general environment usually affect aspiring entrepreneurs equally, with community dynamics and location having more impact. |
| (a) Social ills | All social ills seem to have an equal impact with factors such as gang protection fees (13%) and high unemployment (13%), while people who have no money are more common. |
| (b) Community dynamics | The community dynamics seem to have an impact on aspiring entrepreneurs, with 25% being no inspiration in Capricorn and all other factors sum to (75%). |
| Entrepreneurship development | Assistance needed, education, mentorship and entrepreneurial skills are of equal importance to the success of aspiring entrepreneurs. Business skills are the most important. |
| Behaviour | Attitude (70%) is very important to aspiring entrepreneurs. |

6.2 Discussion of community mapping findings

Resources: There are no available resources (educational facility, programmes etc.) to develop or support the young people of Capricorn Park. This leads to young people not participating in the economy.

Infrastructure: The availability of infrastructure is particularly important to township youngsters, as townships have high poverty and unemployment rates. In Capricorn Park, the infrastructure is insufficient, which does not help in youth development, especially in starting their own business.

Need for transport: For any community, easy and affordable transport is important as it is integrating society into the bigger world. The most popular transport in Capricorn Park is buses and trains. This makes sense because these two transport modes have a better network and are affordable.

Need for information: Community centres are mostly used for accessing the information in Capricorn Park, which demonstrates the importance of non-profit organisations (NPOs) in South African townships and the society in general.

Health and wellbeing need: It can be expensive for ordinary people to access health facilities. The youth from Capricorn Park use nearby public clinics, which are free government facilities. Other affordable health forms include for example traditional healing.

Education and training: Generally, education is regarded as one of the ways to uplift communities from poverty. Therefore, affordability and inclusivity are very important. Young people from Capricorn Park are mostly attending public institutions.

Community Support: Young people need different forms of support as society is facing so many social ills, including unemployment and drug abuse, among others. In Capricorn Park, young people are using churches and government services for support.

Most essential services: From the data analysis, education and cleanliness are both important factors for development and wellbeing.

6.3 Discussion of online questionnaire findings

Resources: The results from the analysis show that there are few resources in Capricorn Park and the limited resources available are not matching the needs of young people.

Funding: This is the biggest factor causing inspiring entrepreneurs to not pursue business ideas and put the ideas into practice, or causing the ventures that take off to fail. Although funding is a major factor, there are other aspects such as business skills that Capricorn Park youth are lacking.

Environment: The environment in this context consists of information needs, market, infrastructure, climate change and location, among others. This seems to have an equally negative impact on aspiring entrepreneurs in Capricorn Park.

Social ills: There are many factors included in social ills (business safety, crime, substance abuse, high unemployment rate). These factors discourage young people in Capricorn Park from turning their ideas into businesses.

Community dynamics: These include lack of training, no inspiration, limited exposure, saturated markets and more. The dynamics are preventing or hindering the youth from becoming strong entrepreneurs.

Entrepreneurship development: For the youth of Capricorn Park, assistance, education, mentorship and entrepreneurial skills are almost of equal importance in the success of aspiring entrepreneurs. Business skills are the most important requirement.

Behaviour: This is important for young aspiring entrepreneurs as it can have either a positive or negative impact on business because it involves mindset.

6.4 Comparison

It is found that the important resources to support or sustain Capricorn Park's young people are lacking or insufficient. There is no infrastructure for young people to initiate or support their business ideas. From both sources, the picture of young people wanting to own a business in Capricorn Park is bleak as the holistic environment is not favouring new business. In literature it is documented as important entrepreneurial education and this is what's lacking in the township of Capricorn Park. The challenges faced by aspiring entrepreneurs are similar to those discussed in Chapter 2.

6.5 Answering the research question

How do NEET youth aspiring to become entrepreneurs experience their current situation in the township?

The research participants' ages ranged from 18 to 35 years, with most of them being 18 to 23 years. Thus, most of the respondents are still in their early 20s, which is the age when young adults explore careers as they are still unsure of what they want to pursue in their lives. They have no solid direction yet, thus, this is when guidance is important. Based on the respondents' views, lack of support from friends, families and the community as well as not having any inspiration is what leads to their entrepreneurial desire being less important. This results in the youth displaying a negative attitude towards their aspirations as there is little support and guidance.

Most of the respondents are unemployed not by choice, but because there are no jobs available. As much as they have the idea of starting their own businesses to close this unemployment gap, they do not know where to start, where to go or who to go to, which is where the importance of entrepreneurship education and training plays a major role. Most of the respondents completed their matric and only some of them pursued tertiary qualifications.

Because of their level of education they can 'kick-start' their own businesses, but because of factors such as the lack of resources, no funding or sponsorships, and not having mentors to guide and lead them in the right direction and better advise them, it is very easy to lose hope and easily give up on their aspirations.

6.6 Recommendations

Recommendations aligned with the research question:

6.6.1 What strategies can NEET youth aspiring to become entrepreneurs use to develop their own entrepreneurship skills?

- The aspiring entrepreneurs need to be skilled and educated, which is why they need to have mentors who will be able to guide them in the right direction.
- By being educated and skilled, they also need to be ambitious about the type of business they would like to be involved in, as well as passionate and confident.
- Small business developments as well as short business management courses can be introduced in the community.
- When you have a business idea, you must have a plan, know what you would like to achieve, and know how to communicate with people, especially your customers or target market, and have a competitive advantage.

6.6.2 General recommendations

With all of the above and based on the findings that have been derived from the data analysis, the youth of Capricorn Park really need guidance, which is why having mentors is of the utmost importance. From there, having the right people next to them, being supported and providing direction, everything else will fall into place. Having business seminars hosted by people who faced the same challenges can also help as well as support from the community in terms of resources and funding for small businesses, among others. There is so much potential in Capricorn Park, but proper support and guidance from the community leaders are lacking. Promoting successful entrepreneurs to community leaders could also have a positive impact on the youth of Capricorn Park who aspire to become young entrepreneurs.

6.7 Significance and contribution of the study

6.7.1 The gap has been identified

Although extensive research has been done in the field of entrepreneurship, there is still a gap in terms of exploring the role of government interventions in educating young people about the importance of entrepreneurship. It has not been investigated extensively in the South African context despite the high unemployment rate. The challenges hindering the young people of Capricorn Park who aspire to become entrepreneurs have been investigated successfully in this research.

6.7.2 Problems have been identified

This research discovered many problems faced by the youth of Capricorn Park, not only because of the lack of resources, funding and support from the community, but also because of no entrepreneurship education or a way forward when having an interest, feeling uninspired, and not having any desire to pursue goals because of socio-economic problems. All of these factors lead to the youth of Capricorn Park having a negative attitude towards being young entrepreneurs. It is therefore of great importance that these problems and challenges have been identified because through this research, solutions are proposed to make life easier for the young people of Capricorn Park.

6.7.3 Solutions have been found

Some of the challenges identified in this study may be resolved by creating strategies that benefit the youth of Capricorn Park with their entrepreneurial development in their community. Entrepreneurial education, mentors, sponsorships, and support from the community and community leaders can help these young people pursue their ventures regardless of the environment they reside in. Being able to create strategies out of some of the identified challenges is evidence that anything is possible if people work together and support each other, especially toward something that is of great benefit for the whole community. It will help the youth become the entrepreneurs they always wanted to be and provide opportunities for job creation. This in turn may lead to a decrease in the social ills and better development of the township, as it will become a place where businesses are owned by its own young people. It may also create more opportunities for the upcoming youth as they will have something to look up to.

6.8 Conclusion

After the data were collected and the findings analysed, it became evident that the youth of Capricorn Park face many challenges. Most of the respondents mentioned similar challenges they are facing as young people who aspire to become entrepreneurs. Some of the challenges

mentioned include no training facilities to enhance their entrepreneurial skills and education, lack of support from the community and the absence of mentorship. Other major challenges include the lack of resources and funds, which could help them in exploring their desired entrepreneurial ventures. This leads many youngsters of Capricorn Park becoming involved in gangsterism and substance abuse.

However, there are possible opportunities that can be investigated, which may lead to creating strategies that assist the youth of Capricorn Park with accomplish their goals. If the current community leaders and the community overall support these youngsters, youth development will improve drastically. Having mentors, support and education is what the youth of Capricorn Park currently need to start with their entrepreneurial development and overcome the challenges.

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APPENDIX A: INFORMED CONSENT QUESTIONS

Informed consent

1. Please enter your first name and surname if you understand what informed consent means as described below:

If you volunteer to participate in the study the following will be done:

- **Purpose of the study** - it is explained to you in the introduction part of this communication so that you are informed about what to expect
- **Contact researcher** - you are welcome to contact the researcher directly if there is anything that you would like to ask for more clarity
- **Your responses** - your response will be treated with full confidentiality and that, if published, it will not be identifiable as yours
- **Leaving out answers** - you may omit answering questions if you do not want to answer except in cases marked as compulsory because we need your input for that specific question
- **No risk** - the questions do not pose any realistic risk of distress or discomfort, either physically or psychologically, to you
- **Feedback** - we will provide you with feedback at the end of the research if requested
- **Voluntarily participation** - you will be free to withdraw your participation at any time without having to give a reason.

Your surname and first name:

2. Please enter your location

3. I understand the purpose of the research

4. I understand what the research requires of me

5. I volunteer to participate in the research

6. I know that I can withdraw at any time

APPENDIX B: ASPIRING ENTREPRENEURS OPEN-ENDED QUESTIONS

QUESTIONS:

We are interested in your opinion of being an entrepreneur in your community.

1. What in your opinion is an entrepreneur?
2. How do you experience the situation of people aspiring to become entrepreneurs in your community?
3. What challenges do people aspiring to become entrepreneurs experience in your community?
4. What resources are available to people aspiring to become entrepreneurs in your community?
5. What do you think will help an entrepreneur to be successful in your community?
6. What do you need to develop your ideas into a viable business?
7. Who in your community is a successful entrepreneur, thus, who you would like to learn from?
8. What is your idea for a business?
9. What advice would you like to get from a successful entrepreneur?

APPENDIX C: COMMUNITY MAPPING QUESTIONS

QUESTIONS:

A bit more about you:

1. Your age?
2. Your employment status
 - Unemployed Informal worker
 - Contract worker
 - Employed
 - Self-employed
 - Other (please specify)
3. Your highest qualification
 - None
 - Vocational
 - Secondary school
 - Matric
 - Certificate / Diploma
 - Degree
 - Other (please specify)
4. Where do you live?
 - Homeless
 - Live with parents or family
 - Live with other people
 - Live by myself in a rental place
 - In my own place
 - Other (please specify)
5. Where do people in the community go for their health and wellbeing needs?
6. Where do people in the community go for education and training?
7. Where do people in the community go when they need money?
8. What do people in the community do when they want to socialise?
9. Where do people in the community find information for a specific purpose for which they need the information?
10. Where do people in the community go for their shopping?
11. What do people in the community do when they need transport?
12. Where do people in the community go for their spiritual/religious practices?
13. Where do people in the community go for sport or other recreational activities?

Current situation: In this section we would like to get a sense of the current situation of the community.

14. Please explain the situation with regards to the availability of resources in the community.
15. Please explain the situation in your community with regards to the available infrastructure.
16. Please explain accessibility to support in the community, e.g. where can one get support and how easy is it to get support when needed?
17. Who are the most important people in your community?
18. What kind of places do you go to in your community?
19. What are the most essential services in your community?
20. What services are lacking in your community that are desired by the people in the community?
21. What are the three most important things for you?

Desired situation: In this section we would like to get a sense of what you think the desired situation of the community could be.

22. In your opinion, what do you think the community needs to address the needs of their citizens?

Your opinion is important, please complete the following:

23. I would love to...
24. I feel lucky of...
25. I want to change...

APPENDIX D: SUCCESSFUL ENTREPRENEUR QUESTIONS

QUESTIONS:

1. What in your opinion is an entrepreneur?
2. How do you experience the situation of people aspiring to become entrepreneurs in your community?
3. What challenges did you have to overcome to become an entrepreneur?
4. What resources did you find useful to become a successful entrepreneur?
5. What do you think will help an entrepreneur to be successful in your community?
6. How did you develop your ideas into a viable business?
7. What advice can you offer aspiring entrepreneurs to become successful entrepreneurs?
8. Please describe your business.
9. Anything else that you think is important for aspiring entrepreneurs to consider?

APPENDIX E: ETHICS CLEARANCE CERTIFICATE



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|--|--|
| Office of the Chairperson Research Ethics Committee | Faculty: BUSINESS AND MANAGEMENT SCIENCES |
|--|--|

The Faculty's Research Ethics Committee (FREC) on **9 June 2020**, ethics **Approval** was granted to **Zenande Saliwa (213227886)** for a research activity for **M Tech: Business Administration** at Cape Peninsula University of Technology.

| | |
|---------------------------------------|--|
| Title of dissertation/thesis/project: | Challenges experienced by youth in a township aspiring to become entrepreneurs Lead Supervisor (s): Prof Retha De La Harpe |
|---------------------------------------|--|

Comments:

Decision: Approved

| | |
|---|----------------------|
|  Signed: Chairperson: Research Ethics Committee | 30 July 2020 Date |
|---|----------------------|

Clearance Certificate No | 2020FOBREC774

APPENDIX F: EDITING CERTIFICATE

14 December 2021

ZENANDE SALIWA
Faculty of Business and Management Sciences
Cape Peninsula University of Technology
Cape Town

RE: CERTIFICATE - TECHNICAL EDITING AND PROOFREADING OF MASTER'S THESIS

I, the undersigned, herewith certify that the technical editing and proofreading of the Master's thesis of Zenande Saliwa, "*CHALLENGES EXPERIENCED BY YOUTH ASPIRING TO BECOME ENTREPRENEURS IN A TOWNSHIP IN THE WESTERN CAPE*", has been conducted and concluded.

The finalised thesis was submitted to Prof Retha de la Harpe on 14 December 2021.

Sincerely



Professor Annelie Jordaan
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Member: SATI 1003347



South African Translators' Institute (SATI)